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House of Representatives

The House met at 11 a.m. and was called to order by the Speaker pro tempore [Mr. CAMP].

DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
April 5, 1995.

I hereby designate the Honorable DAVE CAMP to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

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

We pray, gracious God, that the words of our mouths and the meditations of our hearts will be acceptable in Your sight and that from our words and meditations will flow deeds that serve people with justice and truth. Give us the insight and the wisdom to think clearly and to act diligently so that we are faithful custodians of the resources of the land. May Your blessing, O God, that is new every morning give every person strength and peace according to their need. In Your name, we pray. Amen.

THE JOURNAL

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

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

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

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

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

Mr. TIAHRT. 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 384, nays 27, answered ''present'' 2, not voting 21, as follows:

[Roll No. 288]

YEAS—384

Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Christensen
Chrysler
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fields (LA)
Flake
Flanagan
Foley
Forbes
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Gonzalez
Goodlatte
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McNulty
Meehan
Meek
Metcalf
Meyers
Mica
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Obey
Olver
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Reed
Regula
Richardson
Riggs
Rivers
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

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Rush	Spence	Vucanovich
Salmon	Spratt	Walker
Sanders	Stark	Walsh
Sanford	Stearns	Wamp
Sawyer	Stenholm	Ward
Saxton	Studds	Waters
Scarborough	Stump	Watt (NC)
Schaefer	Stupak	Waxman
Schroeder	Talent	Weldon (FL)
Schumer	Tanner	Weldon (PA)
Seastrand	Tate	Weller
Sensenbrenner	Tauzin	White
Serrano	Taylor (NC)	Whitfield
Shadegg	Tejeda	Wicker
Shaw	Thomas	Williams
Shays	Thornberry	Wilson
Shuster	Thornton	Wise
Skaggs	Thurman	Wolf
Skeen	Tiahrt	Woolsey
Skelton	Torkildsen	Wyden
Slaughter	Towns	Wynn
Smith (MI)	Traficant	Yates
Smith (NJ)	Tucker	Young (AK)
Smith (WA)	Upton	Young (FL)
Solomon	Velazquez	Zeliff
Souder	Visclosky	Zimmer

NAYS—27

Abercrombie	Foglietta	Menendez
Brown (CA)	Furse	Oberstar
Chenoweth	Gillmor	Owens
Clay	Hastings (FL)	Pickett
Deutsch	Hefley	Pombo
Engel	Hinchey	Sabo
Fattah	Jacobs	Taylor (MS)
Fazio	Lewis (GA)	Vento
Filner	McKinney	Volkmer

ANSWERED ''PRESENT''—2

Harman	Stockman

NOT VOTING—21

Ballenger	Mollohan	Smith (TX)
Collins (MI)	Rangel	Stokes
Fields (TX)	Reynolds	Thompson
Ford	Roberts	Torres
Goodling	Schiff	Torricelli
Hilliard	Scott	Waldholtz
Mfume	Sisisky	Watts (OK)

□ 1121

Mr. RUSH changed his vote from ''nay'' to ''yea.''

So the Journal was approved.

The result of the vote was announced as above recorded.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore (Mr. CAMP). Will the gentlewoman from Maryland [Mrs. MORELLA] come forward and lead the House in the Pledge of Allegiance.

Mrs. MORELLA led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. As the Chair is about to receive a message from the Senate, the Chair would note that for many years messages from the Senate have been delivered by Mr. Brian Hallen. Mr. Hallen is retiring, and this is the last message he will deliver to the House.

The Chair on behalf of the House thanks him for his many courtesies and wishes him well in the future.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that pursuant to Public Law 94–304, as amended by Public Law 99–7, the Chair, on behalf of the Vice President, appoints Mr. CAMPBELL, Mr. KEMPTHORNE, Mr. SANTORUM, and Mr. ABRAHAM to the Commission on Security and Cooperation in Europe.

The message also announced that pursuant to Public Law 93–29, as amended by Public Laws 98–459 and 102–375, the Chair, on behalf of the President pro tempore, reappoints Robert L. Goldman of Oklahoma to the Federal Council on the Aging.

REPUBLICAN CONTRACT WITH AMERICA

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

Mr. CHRISTENSEN. Mr. Speaker, our Contract With America states the following:

On the first day of Congress, a Republican House will require Congress to live under the same laws as everyone else; cut committee staffs by one-third; and cut the congressional budget. We kept our promise.

It continues that in the first 100 days, we will vote on the following items: A balanced budget amendment—we kept our promise; unfunded mandates legislation—we kept our promise; line-item veto—we kept our promise; a new crime package to stop violent criminals—we kept our promise; national security restoration to protect our freedoms—we kept our promise; Government regulatory reform—we kept our promise; commonsense legal reform to end frivolous lawsuits—we kept our promise; welfare reform to encourage work, not dependence—we kept our promise; congressional term limits to make Congress a citizen legislature—we kept our promise; family reinforcement, tax cuts for middle-income families, and the senior Citizens' Equity Act to allow our seniors to work without government penalty—we will do these today.

This is our Contract With America.

CONGRATULATIONS UCLA

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

Mr. WAXMAN. Mr. Speaker, as an undergraduate and law school graduate of UCLA, and as the Representative of the congressional district that includes the UCLA campus, I rise to congratulate the Bruins on a great victory on Monday night.

Coach John Wooden once said this to his players: ''Do not let what you cannot do interfere with what you can do.'' The 1995 Bruins lived that advice in the championship game. They did not let the injury to Tyus Edney, who had played so brilliantly throughout the tournament, keep them from their goal. Instead, they focused on what they could do, and the O'Bannon brothers, Cameron Dollars Toby Bailey, and the other Bruins raised their game. I congratulate them and Coach Jim Harrick for their inspirational play.

I also want to take a moment to express appreciation to Coach Nolan Richardson and his Arkansas players. They are great champions and displayed tremendous determination and skill to reach the final game. I hope Corliss Williamson and Scotty Thurman will return for their senior years so that the Nation can be treated to a championship rematch next year.

THE BASIC MESSAGE

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

Mr. TIAHRT. Mr. Speaker, today as we consider the tax relief bill, I urge my colleagues and the American people to keep in mind what this debate is really about. Republicans want to cut taxes. The big-government party wants to raise taxes.

From now on, only a few will remember the details in this legislation, and fewer will care about the specifics. But everyone will remember this basic fact: The Republicans want to cut taxes. The liberal big-government party wants to raise taxes.

The vote today is simple. If this bill passes, more Americans will keep more of their own money. If this bill fails, those who oppose reform, the defenders of the status quo, the liberals who love big government, will have won a big victory while the American people will have lost.

Mr. Speaker, last November the people voted out the past and voted in the future. I hope my colleagues remember this basic message sent by the voters. They voted in people who promised to give America tax relief, and they voted out people that they knew would raise taxes.

THE TAX BILL AND THE ALTERNATIVE MINIMUM TAX

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

Mr. STUPAK. Mr. Speaker, lately I have been on the floor talking about what I call the Republican version of AFDC, not aid to families with dependent children, but aid for dependent corporations.

This tax bill is another example of AFDC, welfare for corporations. The Republican tax bill repeals the corporate alternative minimum tax, AMT, a provision of the 1986 Tax Code which ensures that profitable corporations pay their fair share of income taxes.

I have offered an amendment to the Committee on Rules to prevent the repeal of this provision, but it was not made in order by the Republican leadership.

Every year thousands of parents make room in their budget to buy school supplies for their kids, things like this 99-cent bottle of glue. Most of you do not know, but in 1981 virtually every one of those parents paid more in taxes than the multimillion-dollar company which produced this product. According to Citizens for Tax Justice, in the 1981 tax year, Borden, the makers of this glue, despite making a profit of over $201 million, paid no income tax. In fact, they got back $14.9 million in tax credits.

Mr. Speaker, I hope we reject this bill, reject this rule, bring back tax fairness.

WE MUST PASS THE REPUBLICAN TAX RELIEF BILL

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

Mr. SAM JOHNSON of Texas. Mr. Speaker, in 1993, President Clinton and the liberal Democrats passed the largest tax increase in history, claiming it was for deficit reduction. But, the forecast is $200 billion in deficits as far as the eye can see.

The problem is not that the Government does not have enough money; it just spends too much. We have the proof: For every dollar they have raised in taxes, they have spent a dollar fifty-nine.

We must pass the Republican tax relief bill. It reduces the Clinton Tax on workers, helps businesses expand, creates jobs, and gives money back to the people who earned it.

This tax cut is vital. We must eliminate the deficit. These cuts take money away from the beast, big government, and put dollars back in the hands of the creators of economic growth, the American people.

□ 1130

THE CIRCUS IS INSIDE, TOO

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

Mr. DOGGETT. Mr. Speaker, there is a circus outside, but the real show is here with the rings on the inside. In ring No. 1, the incredible fire acts. You remember last week when we approved—some of us did not approve of it—burning your citizenship card in order to save billions of dollars if you are a billionaire and move offshore. Well, they performed very well. Apparently, if you have got enough money, patriotism does not matter anymore.

In ring 2, the amazing vanishing act. Yes, 18 of the 19 special deals vanished right out of the conference report, but one is still there; that is the one deal for Rupert Murdoch. You remember Rupert of book deal fame, Rupert Murdoch.

The Daily News reports that the Republicans in the conference committee dropped their opposition to the tax break after learning Murdoch was the beneficiary and after consulting with Mr. GINGRICH. If Mr. GINGRICH wants to do something about the Murdoch book deal, now is the time to do it with a concurrent resolution pulling it back before we get to ring 3 of the circus today, the amazing contortionists who are going to explain how to balance the Federal budget by reducing the amount of Federal revenues. Who needs a circus outside when we have a circus on the inside?

THE CIRCUS

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

Mr. HAYWORTH. Mr. Speaker, I will agree with the preceding speaker on one matter: There is a circus and it is not the Ringling Brothers outside; the circus came to town 40 years ago with my liberal brethren on the other side of the aisle, still dealing with hocus-pocus of the speaker when we know that Senator MOSELY-BRAUN of Illinois introduced all these little sleight-of-hand documents here.

Let us talk about the rhetoric and the clowns. Those are folks who come forth making claims so outlandish regarding school lunches and school loans they would be funny if they were not so pathetic. Then you have the real acrobats. Those are the Members who talk about deficit reduction but then acting another way to spend our grandchildren's money without shame. They could be the real contortionists.

Then you have the tightrope walkers; those are Members who balance precariously between what the voters want, which is lower taxes and lower spending, and then you have what the liberal leadership of the Democratic Party wants, which is higher taxes and more spending.

Mr. Speaker, there is one real difference between Ringling Brothers and the liberal Democratic leadership: At least the real circus out front is entertaining.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will remind Members not to refer to Members of the other body.

HOW DO YOU STOP AN ELEPHANT THAT GOES BERSERK?

(Ms. LOFGREN asked and was given permission to address the House for 1 minute.)

Ms. LOFGREN. Mr. Speaker, when I told my 10-year-old last night that Ringling Brothers was coming to the House, he laughed out loud. I told him that it was highly appropriate. After all, we have our own ringmaster, we have our own clowns.

I heard yesterday that a Member of the other body asked what do we do, how do you stop an elephant if they go berserk in the Capitol? Well, I understand he was talking about the need for assault weapons here in the Capitol. The next thing you know, we will be hunting giraffes.

But the real issue is that the elephants have gone berserk in the Capitol; it is called the contract on America. How do you stop them? There is an election in 18 months. Until then, it is bread and circuses here in our three-ring circus.

A GLORIOUS DAY FOR AMERICA

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

Mr. SOUDER. Mr. Speaker, today should be a glorious day for America. We hope to pass, in one day, a law that will cut taxes, releasing the engine of economic—dynamic economic growth and giving parents the freedom to make decisions for their own children. It will move Congress toward a balanced budget, and it will begin to transfer the power of the Federal Government back to the people.

The defenders of the Washington welfare state charge we ''terrible'' Republicans favor the rich, we want to deprive our children of lunches, and other desperate charges. Whine, whine, whine; I fear they drank too much of their own wine.

The truth is simple. America has spoken. Washington does not know best. Today can be the real beginning of the reversal of power where Americans can make their own decisions without consulting Congress. You might even say, ''A morning in America, part 2,'' only this time not only will the cuts again increase Government revenues but now we have a Republican Congress that is not going to spend it all. God has given us a second change. Today should be a glorious day.

LET US PUT OUR MONEY WHERE OUR DEFICIT IS

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

Mr. ROEMER. Mr. Speaker, in the last 91 days here in the United States Congress, we have passed some new legislation to give the President and the Congress more ability to cut spending and reduce the deficit. I voted for the line-item veto; I voted for the balanced budget amendment. But now the rubber meets the road. Now we have the opportunity to put our money where the deficit is.

Are we going to spend over $700 billion that we cut in spending and give it

to corporations and wealthy individuals? Or are we going to give every single American a tax break and reduce the deficit, keep the interest rates down, keep the economy growing, allow Americans the opportunity to buy a new home? That is the tough decision we should make. Let us not pander for reelection in 1996. Let us make the difficult choice for our children and reduce spending and put it toward the deficit.

WORKING FAMILIES DESERVE THIS TAX RELIEF

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

Mr. JONES. Mr. Speaker, Americans are working harder today than ever. However, they are receiving lower wages and paying higher taxes. Throughout the country, both parents are having to work just to keep their heads above water.

In 1948, the average American family with children paid only 3 percent of its income to the Federal Government in income and payroll taxes. Today, the same family pays 24.5 percent to the Federal Government.

Working families deserve relief from this growing burden. The Republican tax relief proposal will do just that. It will provide 35 million families with the $500 per child tax credit, lowering the tax burden for 89 percent of the American families.

The middle-class squeeze is taking its toll on families in endless struggle to make ends meet and taking its toll on the fabric of our society as well. More than ever before, American families deserve tax relief.

THE TAX CUT BENEFITS WILL GO TOWARD THE WEALTHIEST IN AMERICA

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

Mr. VOLKMER. Mr. Speaker, this is the 92d day of our imperial speakership. What has happened in that 92 days? Well, they voted, the majority Republicans voted to take heating assistance away from my poor, they voted to take school lunches and breakfasts out of the mouths of the children in my district. They voted to take food stamps from the working poor and children in my district. They voted to take the training and education away from women on welfare who want to be off of welfare. Now they are talking about taking college loans away from my middle-income families so they cannot go to colleges or universities.

What are they going to do with this? They are going to give it to the wealthy, $200,000 income parents who have children. Those are the children that they are worried about they want to take care of. They want to give it away in capital gains cuts for big investors who own shopping centers, who own stocks and bonds on Wall Street. That is where they want to give it.

Last, who do they really want to give it to? How about GE, AT&T, IBM, and all the big corporations, because they are no longer, under their tax bill, going to have to pay 1 penny in taxes. That is who the money goes to.

H.R. 1327 ACTUALLY RAISES TAXES ON OVER 2 MILLION AMERICANS

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

Mrs. MORELLA. Mr. Speaker, I have concerns about H.R. 1327 because I believe that genuine deficit reduction rather than tax cuts should be our No. 1 priority. But I really want to point out to this body that while purporting to decrease taxes, this bill actually raises taxes on over 2 million Americans.

Mr. Speaker, title IV of this bill would raise Federal employee retirement contributions by 2.5 percent. It also would change the retirement formula to reflect the highest 5 years of salary instead of the current highest 3 years of salary. This change in retirement formula would affect postal employees as well as civil service workers.

Why are we once again taxing a work force that has already contributed to deficit reduction for more than a decade? The tax bill that is before us contains $91 billion more than is needed to fund the tax cuts. The $12 billion from tax increases on Federal employees is not needed.

Both the Congressional Research Service [CRS] and the General Accounting Office [GAO] agree that the ''Federal retirement system's unfunded liability is not a problem that needs to be fixed.'' Both CRS and GAO conclude that ''there will always be sufficient assets in the retirement fund to cover benefit payments to all current and future retirees.''

The provisions in title IV of H.R. 1237 were never approved by the Government Reform and Oversight Committee. I really do not understand why we are bypassing the normal and fair procedures of the House by including these provisions in the tax reduction bill.

I want to point out that an average Government employee who earns $30,000 per year will have to pay an additional $750 per year. This is a significant, hefty sum to pay. It is unfair. We should keep our contract with our Federal work force, those people who make America run.

REPUBLICAN MAJORITY HAS A NEW CONTRACT OUT ON COLLEGE STUDENTS

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

Mr. PASTOR. Mr. Speaker, I think it has become clear to the American people that the Contract With America is nothing more than a contract on the middle and working class of America. And now, the Republican majority has a new contract out on the college students of this country.

We all know, Mr. Speaker, that the cost of attending college is rising. And yet my Republican colleagues have suggested giving the wealthy a tax cut by reducing funding for Federal financial aid programs. On the Republican chopping block is the interest-deferred Stafford Loan Program which if eliminated would cost the average student $4,344 in added loan repayments.

The work study programs, which provide Federal dollars to colleges to hire low- and middle-income students for campus jobs, would also be eliminated if Republicans have their way. Other GOP targets include the Supplemental Education Opportunity Grants and the Perkins Loans, which go to the neediest students. These cuts will do nothing for this Nation other than assure that college students, especially the neediest students, will be forced out of school altogether.

To put it simply, Mr. Speaker, anything that would help the children of low-income and working American families to get ahead has been or will be eliminated if the Republican Contract on the average American becomes law.

TAX DAY IS FAST APPROACHING

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

Mr. FUNDERBURK. Mr. Speaker, tax day is fast approaching. As a result of Bill Clinton's tax hike the people in my district have to work from January 1 to May 5 just to pay Uncle Sam's taxes and then they work until July to pay off State and local government. Mr. Speaker, I resent the liberal Democrats claiming that my constituents' hard-earned money is the property of Government that they must continue to pay for those who won't work. Working people have the right to keep their own money.

I come from a rural district, most of my constituents work on small farms and in small factories. They create the jobs, fight the wars, and struggle everyday to keep the country going. On their behalf, I support tax cuts—even more cuts than are in this bill—and I reject the politics of class warfare peddled by the minority. It is obscene for the Democrats and their Hollywood and media friends to ridicule the people in my district who want nothing more than to take back control of their lives and communities from the welfare state.

Mr. Speaker, let us cut taxes now and let the Democrats explain why they stood in the people's way.

THE PRICE OF PANDERING WITH TAX CUTS

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

Mr. MEEHAN. Mr. Speaker, the Republican tax plan is not about helping out struggling families. It is about pandering with promises that will destroy our economy if they are kept.

Call me cynical, but I do not think Republicans want to give tax credits for children because they believe in family values but because people with kids are likely to vote.

Republicans do not want to let large corporations avoid paying taxes because they think it will boost productivity, but because the people who run those companies are big givers to Republican campaigns.

Do not be fooled, America. The price of this pandering will be paid by ordinary working families, the very people Republicans claim to be trying to help.

Cutting student loans to pay for tax cuts now will make it harder to send their kids to college. Opening tax loopholes for the wealthy and corporations will smother the economy with debt, eroding the living standards of the middle class.

Let us cut wasteful spending and balance the budget. But until then, the pandering on tax cuts has got to stop.

□ 1145

NEEDED TAX RELIEF

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

(Mrs. SEASTRAND. Mr. Speaker, tax relief for middle-class families is long overdue. President Clinton promised middle-class tax cuts, but he walked away from his promise. He promised deficit reduction, and this year he walked away from that promise. This new Congress promised both deficit reduction and tax cuts for the middle class, and unlike the previous 40 years of one-party rule, we are keeping our promise of tax relief for families.

Our bill will help families by providing them with a $500 per child tax credit targeted to the middle class. It will help families pay for college tuition by expanding penalty-free IRA withdrawals, and it will help our senior citizens by restoring the cuts in Social Security that were passed by the Clinton Democrats.

Members on both sides of the aisle can either stand on the sidelines as we make tough votes, or they can join us as we work to ultimately balance the budget, provide tax relief to create jobs, help families, and provide a better future for our children and grandchildren by protecting the American dream.

THIS TAX BILL IS A CRUEL DREAM MACHINE

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

Ms. KAPTUR. Mr. Speaker, the Republican contract calls parts of today's tax bill the American dream. Well, I, too, have an American dream. My dream is that we pay off the debts of this century and not pass on $4.7 trillion of debt to the next generation. This Republican bill will cost our taxpayers up to $700 billion over the next 10 years. Under the Republican bill it is absolutely wrong that households earning $200,000 would receive an average tax cut of over $11,000 while those under $30,000 receive a hundred bucks. In fact, working families with two children with incomes of up to $16,000 would not get anything, while those with adjusted gross incomes of up to $250,000 would receive a $500 per child tax credit.

This bill is a cruel dream machine. To make matters worse, huge corporations would no longer pay even the minimum tax. Vote for what is right. Do not wait for the next election. Vote ''no'' on this Republican bill.

LET US PASS THIS TAX BILL TODAY

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

Mr. WHITE. Mr. Speaker, a week or two ago I made a very difficult decision. There is nobody in this House who wants to cut taxes more than I do. But I decided that I would not vote for the tax cuts that we are going to consider today unless I was sure we had the spending cuts to go along with them. I did not want to make the deficit worse, and, as I explained when I sat down and talked to leadership about this, I do not think we should go on a diet, or I do not think we should eat our dessert before we go on a diet. We have got a lot of hard work to do this summer to get the spending cuts under control. Then it would be time to pass the tax cuts.

Well, Mr. Speaker, I am very pleased to say that the bill we are going to consider today does exactly that. The tax cuts under this bill do not take effect unless we have done our job this summer with the Senate to enact laws that will balance the budget. The great genius of this, Mr. Speaker, is that, when every special interest group comes to see us this summer asking us to save their particular program, the American people will know that, if we do our job and they help us do our job, we will be able to cut their tax.

That is what we should do. Let us pass this bill today.

FEDERAL EMPLOYEES PAYING FOR REPUBLICAN TAX CUTS

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

Mr. HOYER. Mr. Speaker, this is the Contract With America. This is a Contract With America, and I have looked at the fine print, and it does not say we are going to increase the taxes on 2 million people. It does not have a provision which says that on 2,000,000 of our employees' families you are going to have to tax increase. It does not say to those that are working for the Federal Government and our employees in this House, ''If you make $20,000, you're going to have a $500 tax increase; if you make 30, you're going to have a $750 increase; if you make 40, a thousand dollar increase, and if you make 50, a $1,250 tax increase so we can give a tax cut for the wealthiest of America.''

''Now STENY HOYER has a lot of Federal employees.'' My colleagues are saying, ''This is a tax increase; we don't believe it.''

Let me quote GERALD SOLOMON, chairman of the Committee on Rules: ''I have to agree with you that this is a case where we are raising taxes on some to pay for tax cuts for others,'' and that to me says Chairman SOLOMON is wrong.

THE TIME IS RIGHT FOR A DEBATE ON TAXES

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

Mr. ROTH. Mr. Speaker, yes, this is preeminently the time for us to debate taxes. The people in America are filling out their tax returns, and they are darned mad and they are not going to take it anymore.

Some here in Congress wonder why the American people are so upset. Well, let me give an example:

Here is a letter from a constituent of mine, a man I represent back home in Wisconsin, who points out that the FBI Director on Tuesday pointed out that $44 billion—let me repeat that—$44 billion of our national health costs go to fraud.

Now, no wonder the American people are upset. People are sick and tired of all the waste, fraud, and abuse.

Yes, we need tax breaks because maybe the less money we give to the Federal Government, just maybe, it will be less that will be wasted.

THE CIRCUS IS UNDER THE CAPITOL DOME

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

Mr. GENE GREEN of Texas. Mr. Speaker, the circus is in the District of Columbia today, and it is actually outside these doors of the Capitol. So we

bring in the clowns. We will shoot $500 tax cuts out of a cannon and sell cotton candy wrapped around a capital gains cut. Who is left paying at the ticket booth? Well, our senior citizens, our grade school and college students who have already sustained cuts, construction workers, mothers, and finally all taxpaying Americans.

Today the Republican majority will attempt to pass a bill which will create the largest deficits that have been proposed recently. Welcome to the real circus under our Capitol dome. The Republican majority are working to give the top 2 percent Americans 58 percent of that $180 billion tax cut. The 10-year cost will be $630 billion. Now that really is under the big top.

The bears and elephants are not eating peanuts but hundred-dollar bills at our expense, from the pockets of hard-working Americans. Children are paying $2.3 billion in cuts in education and school nutrition programs. I hope they enjoy the circus today because it will be the last one for 10 years.

The Greatest Show on Earth is not Barnum and Bailey, it is under our Capitol dome.

THIS TAX BILL WILL HELP SMALL BUSINESS AND WORKERS

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

Mr. ENGLISH of Pennsylvania. Mr. Speaker, I believe it is time for Congress to make small business stronger and more competitive, and the best way to do that is by passing House Resolution 1215, the Republican tax plan. This legislation will help small business continue its critical role as the largest producer of jobs in our country.

The Republican tax plan increases the amount of capital equipment that a small business can expense, doubling it over a period of time to lower the cost of capital equipment, for cost of capital for equipment, used by small business. This assists cash-starved small businesses that need to make strategic capital investments to survive, and it encourages small business growth.

What this legislation does is it makes American workers more productive and more internationally competitive. This legislation is pro small business, it is pro worker. It is time we passed it.

THIS WEEK, THE REPUBLICAN CIRCUS CLOSES

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

Mr. GUTIERREZ. Mr. Speaker, the circus came to town today. But, you know what? If you were looking outside on the Capitol Grounds, you missed it. The real circus is right inside the House, as the Republicans clown around to try to pass this tax cut for the wealthy and well-off.

Step right up and you will see the Republicans juggle numbers—it will be a little clumsy, but they'll still try to pull it off. You will see elephants—that great symbol of the Grand Old Party—dance and stomp around, just as you will see the Republicans dance around the issue of deficit reduction, and stomp on the principle of tax fairness.

You want to see a high wire act? Well, do not bother watching death-defying professional acrobats when you can watch professional politicians defy logic during their high-wire act.

And the Republicans will even perform without a net! Unfortunately, it is your safety net: loans for college education, school lunches and nutrition programs for your kids, heating assistance for the elderly.

Well, the circus came to town. But, eventually, the tents get folded, the sawdust gets swept up, and the elephants and clowns get back on the train. This week, the Republican circus closes. Let us hope it does not return.

THE TRUTH ABOUT THE CONTRACT'S FAMILY TAX CUTS

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

Mr. RIGGS. Mr. Speaker, to reduce the tax burden on working middle class families we Republicans are proposing a $500 a year tax credit for each child under 18 years old in tax-paying families with income less than $200,000. Using their tired refrain of class warfare, Democrats are calling our proposal a proposal that would benefit only the rich. Let us take a look at the truth.

The families of 52,000,000 American children, which comes to 35,000,000 families, are eligible for the $500 per child tax credit. In fact, according to the House Committee on Ways and Means, the family tax credit would lessen the tax burden on a vast majority; in fact, 89 percent of these families. The $500 per child tax credit would completely eliminate the Federal tax burden for 4.7 million working families at the lowest income levels.

The bottom line: The contract tax credit will provide families with $120 billion in tax relief over the next 5 years. Just about all families will benefit, the Democrats' class warfare notwithstanding. Family, children, jobs; that is what the Republican tax credit is all about.

INDIA RUBBER MEN UNDER THE BIG TOP TODAY

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

Mr. FRANK of Massachusetts. Mr. Speaker, I want to talk about an aspect of the circus that we usually see in the sideshow, but it has moved in here, in the big top. That is the India rubber man who can be bent and twisted all out of shape, no bones, no resistance. One can just make all kinds of shapes out of them.

Well, we have about 150 of them represented here. They are, among others, the people that used to be known as moderate Republicans. About a hundred Republicans signed a letter saying they did not like a tax credit for people that made $200,000, but, like the India rubber man, just because they signed the letter does not mean they cannot be twisted into voting the bill. There will probably be a majority of Republicans who will vote for this bill, having told us how much they do not like some aspects of it. Just like the India rubber man, they will start standing up straight, but the leadership will come, and twist them, and move them, and push them, and, by the time they are through, they will be all bent out of shape, but they will vote for it.

Actually the circus is probably the wrong institution to talk about when we talk about moderate Republicans. The place where they will be found hereinafter is in museums, because there will not be any more left. The pressures that the right wing is able to generate on Republicans means we will continue to see the kind of ultimate flexibility which leads them to sign a letter saying they do not like the tax bill and then get twisted into voting for it.

H.R. 1215 UNFAIR TO FEDERAL WORKERS

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

Mr. DAVIS. Mr. Speaker, I rise to sound the alarm against a huge tax hike on 2 million Americans that has been slipped into H.R. 1215, the package of tax reforms that will be considered on this floor today. Here are the facts:

Fact: The rule governing today's tax debate prevents a clean vote for the tax reductions that were promised in the Contract With America. We will be asked to vote on a package that includes a 2.5-percent payroll tax hike that would cost every Federal worker between $3,500 and $11,000 over the next 5 years. The Congressional Budget Office has scored this as a revenue which means that it is a tax. And that's not all.

Fact: The same tax package would reduce lifetime benefits for Federal workers by 4 percent by changing the retirement formula to reflect the highest 5 years of salary as opposed to the current formula based on the highest 3 years of salary. This provision simply makes it more expensive for Federal workers to retire on schedule and encourages them to stay on the payroll longer to make up for the losses in planned retirement benefits.

The tax hike supporters claim that this revenue is needed to fund the CSRS retirement system. Let's look at the facts:

Fact: None of this increased revenue will be set aside in a trust fund for the

benefit of future Federal retirees. Instead, it will go into the general treasury to finance tax cuts for others.

Fact: 50 percent of Federal employees are part of the FERS retirement system which everyone agrees has absolutely no unfunded liability. Nevertheless, these workers are subjected to the same tax hike and will get no additional retirement benefit or security.

Fact: CRS has determined that the Federal retirement system does not have an unfunded liability problem and faces no threat of insolvency. These findings have been verified and confirmed by the GAO.

H.R. 1215 includes a huge, unfair tax hike selectively imposed on 2 million working Americans. This tax hike does not belong in a tax reduction bill and must be defeated. I will oppose any rule that does not address this tax hike, and I will oppose any so-called Tax Fairness bill that arbitrarily punishes these 2 million Federal workers.

TAX CUTS FOR THE RICH, THE CROWN JEWEL OF THE REPUBLICAN CONTACT

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

Mr. OLVER. Mr. Speaker, Speaker NEWT GINGRICH, the Speaker of this House, has called the tax cut for the rich bill that we are going to be debating today the crown jewel of the Republican Contract on America. Well, he is also quoted in the Washington Times yesterday. Speaker NEWT GINGRICH quoted fairness is the animating principle, end quote, of the bill says House speaker NEWT GINGRICH who attacks the Democrats' argument as, quote, class warfare, unquote.

□ 1200

Well, I am going to leave it to the American people to decide if it is fair to take $15 billion of financial aid from the children of middle and low income families, who would want to use that financial aid to go to college, and use the $15 billion to allow some of our biggest corporations in America to pay no taxes. Corporations like Anheuser-Busch, Boeing, du Pont, General Dynamics, PepsiCo, Texaco, Westinghouse, and Xerox—all of them would be allowed to pay no taxes under this bill.

Is it fair to take $50 billion of heat and housing aid from elders and nutrition from young people and child care and subsistence from poor people and give that to the wealthiest families who make $200,000 a year? Is it fair?

TAX FAIRNESS MEANS TAX RELIEF FOR SENIOR CITIZENS

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

Mr. CHABOT. Mr. Speaker, the time has come to provide tax relief for all Americans, especially for our senior citizens. Today our grandparents are used as money trees by the Federal Government. Instead of treating our elders with respect, our Government has come to look at them as just another tax target.

For instance, the earnings limit imposed on working seniors actually discourages work. The tax is so unfair that if a senior citizens earns over $11,000 in a year, he or she will be assessed a marginal tax rate of 56 percent. That is 56 percent; that is ridiculous. This rate is twice the rate that millionaires pay.

Excuse me, but I think there is something wrong with this picture.

In our Contract with America, Republicans promised to reduce the tax burden imposed on senior citizens. We are committed to tax fairness and to protecting our grandparents. We owe it to those who fought the wars, raised the families, and built the Nation to protect them from an out-of-control Federal Government bent on taxing the American people into the poorhouse.

Let us cut taxes now.

AWARD OF PURPLE HEART TO SERVICE MEMBERS KILLED IN IRAQI ''NO FLY'' ZONE INCIDENT

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

Mr. DIXON. Mr. Speaker, I rise today to commend the Army and Air Force for their decision to award the Purple Heart posthumously to members of the Armed Forces killed on April 14, 1994, in a friendly fire incident in the northern Iraqi no fly zone. Fourteen American service members on peacekeeping duty—were killed when two American F–15C fighter aircraft accidently shot down two United States Black Hawk helicopters in northern Iraq.

Mrs. Kaye Mounsey, the widow of Army WO Eric Mounsey—a pilot of one of the helicopters—resides in Culver City in my congressional district. I met with Mrs. Mounsey last summer and she related to me the concern which she and other family members shared about the initial decision of the military not to award the Purple Heart.

As a result of language inserted in last year's defense appropriations conference report and the consistent advocacy of family members that decision has now been reversed. It was the appropriate thing to do.

I am pleased that the services have agreed to recognize the sacrifice of these members of the Armed Forces. It is the appropriate thing to do. While there is little we can do to compensate for the loss of a husband, brother, sister or child, it is essential that we acknowledge the Nation's gratitude for the ultimate sacrifice that these Americans gave in service to their country.

The role and complexity of United States Armed Forces missions have evolved and it is important that the services acknowledge that evolution. While the criteria for award of one of the Armed Forces' highest honors must remain high, I commend the services for recognizing that the Iraqi incident, occurring in the presence of hostile forces, meets the criteria for award of the Purple Heart.

A HISTORY LESSON IN ECONOMICS

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

Mr. KINGSTON. Mr. Speaker, of course, the Democrats and the White House are concerned about the circus coming to town. They hate having the competition. Besides, they might get stomped on by a charging elephant. They already had that experience in November.

But have they no shame? For the past 40 years, while controlling the House, the Democrats had deficit spending, and now suddenly they are deficit hawks concerned about a tax cut that might hurt the economy or the deficit, according to them.

Of course, we know that Democrats love taxes, so they do not want to give up on any tax revenue. But I would say to my friends on that side of the aisle, if they would look at history, economic history, they would see that tax cuts actually increase revenues.

From 1956 to 1969, taxes were down, and GDP increased. From 1970 to 1982, taxes were up and GDP went down, revenue from taxes went down. From 1983 to 1988, revenue from taxes went up and taxes were down. But then after the 1989–90 tax bill, taxes went up and revenues went down.

Mr. Speaker, this is economic history. It is not partisan politics. I would be happy to share it with any of the Members.

THE CIRCUS AND THE GOP SHARE THE SPOTLIGHT

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

Mr. ENGEL. Mr. Speaker, much as been said this morning about the circus coming to town, and it is true. As we speak, the circus is out here on the Capitol Grounds, celebrating its 125th anniversary, complete with clowns and elephants performing tricks.

While the elephants are outside performing their tricks, the GOP elephants in this Chamber are performing their tricks on the American people. They say they are for balancing the budget, but instead they are about to pass legislation giving tax breaks for the rich, at the expense of the rest of the American people. These tax cuts for the wealthy, which the Speaker calls his crown jewel, will surely explode the national deficit and at the same time cut or eliminate college student loans, take food out of the mouths

of schoolchildren, cut funds for education, and decimate senior citizens and veterans' health care.

The Speaker is planning a big speech and festivities celebrating the end of the 100 days of the contract on America. These Republican circus festivities may not be as entertaining as the real circus, but to paraphrase a very famous song, Mr. Speaker: ''Where are the clowns and who are the clowns?''

Mr. Speaker, it looks like they are here.

PASSAGE OF THE TAX BILL HOLDS OUT HOPE FOR NEXT YEAR'S TAXPAYERS

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

Mrs. SMITH of Washington. Mr. Speaker, I want to talk to the folks at home, my clients that I left at home. I am a tax consultant, and at this time of the year I am usually up 24 hours a day practically helping people get through the maze of taxes and trying to explain to them why every year they keep going up and up and up.

I want to tell you next year what is going to happen when you have your tax return filed. It will be different than it is this year if this bill passes today.

First of all, when you get to the end, you are going to get to take $500 off per child, but really that just means you get to keep $500 of your hard-earned money that the Government is not going to take. You can buy a washing machine with it or you can take the kids to Disneyland, but you will spend the money and that will cause tax revenues to come into the economy. Do you trust you better to spend your money and spur the economy, or do you think it is better to have it go into the big buildings that are being built all the way around me here in Washington, DC, filling them with the bureaucracy? Which one is better? Which one is better for the economy? Which one can use the money, the Government or you who were going to sell or were about to sell that rental that you fixed up and you are holding it because you do not want it all to go away in taxes because of the huge tax increase that was passed in 1986 by this side of the aisle? I want to tell you that next year you can actually sell it and we will not keep all the money if we pass this legislation.

I encourage you to call your legislator and tell him, ''Pass this middle class tax cut, and do it today.''

FEDERAL WORKERS THREATENED WITH TAX INCREASES TO GIVE TAX CUTS TO OTHERS

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

Mr. MORAN. Mr. Speaker, 1 hour ago we turned and faced this flag. We pledged allegiance to it, and we pledged liberty and justice for all.

Mr. Speaker, where is the justice when we take an average of $5,000 from each of America's civil servants in order to pay a tax cut of about $1,000 over the next 5 years to America's taxpayers? Where is the justice to increase taxes on America's civil servants and reduce their benefits in order to provide tax cuts for other people?

There is no justice, and there is no integrity, Mr. Speaker, when 8 years ago America's civil servants were faced with one of their most important decisions, the financial security of their wives and children when they retire, and we promised them we would never again change their retirement system.

Mr. Speaker, we are going to do that today. Where is the justice? Where is the integrity of this institution?

I urge my colleagues to vote against this tax cut bill and against the rule.

AN AVERSION TO TAX CUTS

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

Mr. WALKER. Mr. Speaker, I do not know why Democrats hate employers, but they do. Just listen to what they say about tax cuts.

I do not know why Democrats hate middle-class two-earner families, but they do. Just listen to what they say about tax cuts.

I do not know why Democrats hate small business men and women, but they do. Just listen to what they say about tax cuts.

I do not know why Democrats hate success, but they do. Just listen to what they say about tax cuts.

I do not know why Democrats hate the guy who gets lucky and wins the lottery, but they do. Just listen to what they say about tax cuts.

Democrats start with the idea that everything earned by everybody is theirs to spend. Democrats believe that every tax is a good thing because it allows them to do what they see as good things, and they hate anyone who gets money back from their tax bill because it takes away from their ability to spend.

Democrats love taxes. They hate to reduce taxes, and they hate the thought that there are Americans who would like to keep more of the money they earn for themselves.

THE RUPERT MURDOCH TAX BREAK

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

Mr. DEUTSCH. Mr. Speaker, this House passed legislation that provided for a $63 million gift to Rupert Murdoch. It was done in the most sleazy, offensive way to this institution. And, yes, it was done.

Mr. ARCHER, what a shame on you, and what a shame on this institution, and what a shame on the Speaker that it was done.

We have the ability to correct what was done. Yesterday I attempted to offer a joint resolution to take out that obscene provision. I have tried to do that today. I have spoken to Mr. ARMEY this morning and asked for his consent, because it does require unanimous consent to take out that provision.

I urge you, my colleagues on the other side of the aisle, who talk in good faith about this institution and about how things need to change, to do in deed what your words have said. Mr. ARCHER, I ask you—you are sitting here right now—to do in deeds what your words and your Speaker have said, take out that provision.

MEMBER'S RESPONSE TO CHARGES INVOLVING TAX PROVISION

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

Mr. ARCHER. Mr. Speaker, the gentleman has used my name and violated the rules of the House because remarks are supposed to be addressed to the Speaker, not to individual Members, and, second, what he just said is totally distorted.

The amendment to which he refers was introduced in the conference committee by the Democratic Senator from Illinois, CAROL MOSELEY-BRAUN, and pushed by the——

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

Mr. SOLOMON. Regular order.

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

The SPEAKER pro tempore (Mr. CAMP). Regular order has been called. The gentleman will suspend. Mr. ARCHER has the floor.

Mr. DEUTSCH. Mr. Speaker, will the gentleman yield to answer to the American people why you did what you did?

The SPEAKER pro tempore. The gentleman from Florida is out of order.

Mr. SOLOMON. Mr. Speaker, regular order.

Mr. ARCHER. Mr. Speaker, is anarchy acceptable procedure on the floor of the House? Is interruption and anarchy the basis on which we will conduct our business on the floor of the House? I hope not.

The SPEAKER pro tempore. The gentleman may not be interrupted. The gentleman from Texas may proceed.

Mr. ARCHER. Mr. Speaker, the gentleman has totally distorted what he spoke of. He should go to the Democrat Senator from Illinois, Senator CAROL MOSELEY-BRAUN, and ask her why she insisted and why the Senate insisted, in order to be able to get this conference report out, on this provision

being included. There was a real need for expedition to be able to give the self-employed taxpayers of this country the opportunity to deduct their health care benefits on insurance before April 15, and our side did everything we could to expedite the ability for that to occur. The Senate insisted on including such——

Mr. DEUTSCH. Regular order, Mr. Speaker. What about rules? Mr. SOLOMON, what about 1-minutes?

The SPEAKER pro tempore. The gentleman from Florida is out of order.

Mr. DEUTSCH. What about 1-minutes, Mr. SOLOMON? I would ask for unanimous consent that the gentleman be able to conclude and that I have 1 minute to respond.

The SPEAKER pro tempore. The gentleman from Florida will suspend. There will be regular order.

The Chair recognizes the gentlewoman from New York [Ms. VELÁZQUEZ]. For what purpose does the gentlewoman rise?

AN AMERICAN DREAM RESTORATION ACT FOR THE WEALTHY

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

Ms. VELÁZQUEZ. Mr. Speaker, this week the American people see the Contract With America for what it really is, that the centerpiece of the Republican agenda, the so-called American Dream Restoration Act, is nothing but a massive tax giveaway to the wealthy.

□ 1215

Last Friday, the Wall Street Journal reported that we give $228 billion a year in tax breaks and subsidies to large corporations. The rest of the country gets crumbs, and then picks up the tab.

This legislation is really an American dream denial act. In order to finance the tax proposals, the Republicans will deny the Republican dream to the millions of students that need financial aid to get a college education. Elimination of the Stafford loan program will deny 4.5 million low- and middle-income students college aid; ending Perkins loans cuts out another 740,000 students. Seven hundred and fifty thousand more college kids will lose their work-study jobs.

These are the cuts that the Republicans will demand in order to finance billions of dollars of tax breaks for the rich. Almost half of this tax giveaway goes to the wealthiest 10 percent of the country. This is the Republican contract. What is there to celebrate? Please, Mr. Speaker, do not forget to include corporate welfare reform in your next 100 days.

VOTE FOR TAX RELIEF

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

Mr. FORBES. Mr. Speaker, I rise today in full support of the Tax Fairness and Deficit Reduction Act. Over the past 4 years, Americans have been hit with two of the largest tax increases in modern memory. While home mortgage rates have continued to rise, the cost to Long Island and my area has continued to rise, Washington agencies and departments have enjoyed double digit increases in their spending budgets, helped along by over $300 billion in new taxes over the last 4 years on hard working American families.

Today we begin the process to reverse what has been a de facto policy in Washington of punishing families. We will give $190 billion back to the American people for their own tax relief.

One important element of this tax relief bill is a provision to help along the job creators, the small business men and women of this country who are creating the jobs. On eastern Long Island small businesses are the heart of our local economy, and across America. It is time that Washington understood and that my colleagues on the other side understood that the American people need tax relief.

THE FAMILY TAX-BREAK ACT

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

Mr. TUCKER. Step right up. Step right up for the GOP's famous disappearing act. Yes, the circus has come to town. Deficit reduction, now you see it, poof, now you do not.

Yes, Republicans want to cut taxes, but it does not take a rocket scientist to know that they cannot cut taxes $700 billion and at the same time reduce the deficit.

This slight-of-hand tax bill is not the deficit reduction that the voters have demanded and that the Republicans in their Contract With America have promised. The Republicans' proposed tax cut will explode the deficit at a time when deficit reduction is what is needed in this country most. This $700 billion tax cut will be a neat trick all right. It will take money out of the hands of the poor and give it into the hands of the very, very rich.

Mr. Speaker, as Yogi Berra once said, ''It is deja vu all over again.'' The same trickle-down theory that they used in the 1980's is coming back again. It is the same trickle-down that quadrupled the deficit in the first place. In this sick, sad three-ring circus that they call the Republican GOP Party, we know that the elephants do not forget, but neither do the American taxpayers.

THE SERVE-THE-RICH SCAM GAME

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

Mr. WATT of North Carolina. Mr. Speaker, today the House is scheduled to pass the crown jewel of the Republican's serve-the-rich contract scam. The American public needs to understand how the Republican serve-the-rich scam game is played.

Start with the number, $11,266. That happens to be the average amount people who make over $200,000 a year will save in taxes each year under the Republican's tax plan. That also happens to be the approximate cost of leasing a brand new foreign-made Mercedes Benz automobile. It also happens to be the amount it would cost to serve 6,294 school lunches to poor school kids who otherwise go hungry.

So you make the choice: a brand new foreign-made Mercedes Benz for the rich, or 6,294 school lunches for the U.S. poor. And we wonder why our children are hungry? We wonder why our dollar is valueless? Get real, Congress. Let us not play the Republican serve-the-rich scam game.

LET FAMILIES SPEND MONEY, RATHER THAN GOVERNMENT

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

Mr. DREIER. Mr. Speaker, fascinating figures we have been hearing from our colleagues from the other side of the aisle about Mercedes Benzes and school lunches. Let us counter it just a little. A message for America's families: When the big-government party warns you how bad off you will be if you get to keep your money rather than sending it to Washington, DC, hide your wallet.

We have heard a lot about student loans lately. Let us look at the real impact of spending money back to families rather than funding more government.

If a family takes the $500 per child tax credit that we offer today and puts it in a tax-free American Dream savings account that we will offer today, they will have $14,766 tax free for each child after 18 years. Now, if in return the smaller government no longer subsidized interest on college loans, the end of the world according to big-government liberals, the average loan would cost $21 more per month over the life of a student loan. That is $2,520.

Our answer to failed big-government liberalism is to give the people the chance to keep $14,766 of their own money. They can fully replace Government help with college and still have over $12,000 left.

EDUCATION IS THE GATEWAY TO EVERYTHING

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

Ms. ESHOO. Mr. Speaker, last week I was privileged to participate in an extraordinary field hearing at the University of San Francisco on Republican plans to dismantle student financial aid programs. The testimony we heard from students, parents, and college leaders put a human face on the disaster we face if this budget and debt buster passes.

I listened with growing anger and concern as officials from Stanford University, University of California, and U.S.F. showed in detail how the proposed cuts would devastate middle-class families and result in smaller, more elitist college populations.

We heard the moving testimony of students, Michael Rodriguez, Ronelle Baribaldi, Ameer Loggins, and Mary Wu. All are hard working and are making enormous sacrifices everyday because they have a thirst for education. They all underscored that student loans are investments, not handouts. They are smart investments in our Nation's future.

I urge my colleagues to reject this budget busting tax cut proposal. Education is the gateway to everything in this Nation. Let us not shortcut our students or our Nation's future.

SENIOR AMERICANS: AMERICA'S MOST PRECIOUS RESOURCE

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

Mr. HASTERT. Mr. Speaker, as we know, the American family is overtaxed. But our families are not limited to just young newlyweds or those with kids in college. Our families include our parents and grandparents. And just as high taxes are antijobs and antifamily, they are antiseniors.

Here are the facts:

Senior citizens with an average income face the highest marginal tax rates in the country In fact, for seniors 40- to 80-percent tax rates are not uncommon;

A senior working at a job that pays $5 an hour will only net $2.20 an hour after he or she works even 1 hour past the current $11,280 earnings limit; and

A senior who earns juat $1 over the earnings limit annually will face an effective marginal tax rate of 56 percent.

Mr. Speaker, we need to restore tax fairness to all families, including seniors. Why should the American dream disappear when someone turns 65? Why should someone be discouraged from working just when they can offer years of experience and wisdom? By raising the earnings limit to $30,000 we will be raising the hopes and futures of one of our Nation's most precious resources, our senior Americans.

HURTING MIDDLE-INCOME AMERICANS

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

Mr. POMEROY. Mr. Speaker, the Committee on Rules has quite possibly wiped out the last chance to get a meaningful deduction for those millions of Americans struggling every month to pay their own health insurance. I offered an amendment which would have allowed 80 percent of the premium to be deducted and would have paid for it by limiting the child tax credit in the Republican bill to families earning up to $80,000. If we would have foregone this tax credit for families earning 6-figure incomes, up to $250,000, we could have fully funded this vital deduction.

For me, it is a matter of priorities. I think it is much more important for Congress to help families afford the coverage they need to get their children health insurance than to give this tax break to themselves and other families earning in the 6-figure range. It underscores what this Republican tax bill is all about: Helping the rich, and sticking it to middle-income working Americans.

WHAT IS GOOD FOR TODAY'S DEMOCRATS

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

Mr. HOKE. Mr. Speaker, I want you to listen carefully to the following quote and tell me what shameless, unrepentant, unreconstructed, trickle-down, supply-sider said it: ''Tax rates are too high today and tax revenue is too low. The soundest way to raise the revenues in the long run is to cut the rates now.''

Jack Kemp? No. Ronald Reagan? Nope. DICK ARMEY? Close, no cigar. Actually, this wild-eyed supply-sider was none other than John Fitzgerald Kennedy. He understood what the limousine liberals in today's Democratic Party do not: Tax cuts are good for the economy.

That is why the tax bill that we are considering today is so important. It will not only restore fairness to our Tax Code, but it will also promote savings and investment, just the kind of activities that our economy needs. It was good enough for Jack Kennedy, then why is it not good enough for today's Democrats? Why? Why?

ALTERNATE MINIMUM TAX TO BE REPEALED

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

Mr. SCHUMER. Mr. Speaker, let me just say there is a little hidden dirty secret in the Republican tax bill. It was not in the contract. you will find none of the Republicans come up and talk about it. But it is the worst part of their whole bill. They repeal the alternative minimum tax for big corporations.

We put this provision in 1986 so that the big corporations will have to pay some taxes. The American people burn when they work hard, pay five, six, seven thousand dollars in taxes, and General Electric and Mobil and Phillips Petroleum pay none.

Well, for 6 years that has not happened. They have had to pay 25 percent of their income as taxes, and now the Republican majority wants to repeal it. Can you believe it? They are saying to the average American it is okay to go back to the old days when Unocal and Phillips Petroleum and Mobil and Ford and Chrysler paid less taxes than you. Shame on them, shame on them, shame on them.

□ 1230

IN SUPPORT OF THE TAX FAIRNESS AND DEFICIT REDUCTION ACT OF 1995

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

Mr. RAMSTAD. Mr. Speaker, I rise in strong support of the Tax Fairness and Deficit Reduction Act of 1995.

Our job-creating tax cuts enhance the progressivity of the Tax Code. Middle-income taxpayers will overwhelmingly benefit directly from the capital gains tax cut, as the vast majority of taxpayers claiming capital gains are middle income

In fact, 70 percent of all taxpayers reporting capital gains, in a recent tax year, had incomes of less than $50,000.

By comparison, 5 percent of tax returns with capital gains were from taxpayers with annual incomes between $100,000 and $200,000. And, fully three-quarters of the value of all capital gains went to taxpayers earning less than $100,000.

Most importantly, capital gains tax cuts means more jobs for the American people. One leading economist testified in the Ways and Means Committee that 285,000 jobs a year—or about 1.4 million over the 5 year period—will be gained.

The same economist showed that every $1 billion reduction in annual taxes on capital income will lead to a $25 billion increase in the Nation's output of goods and services.

Capital gains relief will facilitate the growth of new business and job formation, improve long-term productivity and make the United States more competitive.

Vote for job growth, lower capital costs, increased productivity and competitiveness.

Vote for H.R. 1327.

TAXING FEDERAL WORKERS

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

Mr. WYNN. Mr. Speaker, I am confused. I thought the Republicans were trying to cut taxes. So why are they raising taxes, raising taxes on 2 million Federal employees? To finance their tax bill they have to raise $12 billion. So what do they do? They ask Federal employees to increase their contribution for their retirement program by 2.5 percent.

What does that mean? It means that for the average Federal employee making about $30,000, it is a tax of $750 a year. Why?

The program is not insolvent. The program is not overly generous. People in the private sector do not pay anything toward their retirement programs.

So it works out like this: In order to get a $500-per-child tax credit, Federal employees, whether they have a child or not, have to pay a tax of $750. It does not make sense.

Moreover, today's Washington Post points out that fully 50 percent of the tax benefits to go to the top 10 percent of Americans, not the Ma and Pa stores and not your average American citizen, and fully 10 percent of these so-called tax benefits for the middle class go to the top 1 percent of wage earners in this country. There is something wrong with this tax bill.

On the subject of Federal employees, before my Republican colleagues vote, I urge them to check to see the number of Federal employees in their district, because you are raising taxes on a lot of very good, average American citizens.

THE BIG SPENDERS

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

Mr. SOLOMON. Mr. Speaker, I have been sitting here patiently waiting to take up the rule on the tax cut package. I have been looking through the list of speakers from the Democrat side of the aisle. They all talk about how they cannot vote for this tax cut because they want to reduce the deficit.

I am just going through a list from the National Taxpayers Union from this past year. Almost every one of these speakers appears on this list as the biggest spenders in the Congress. Not only do they appear on this year's list, but last year's list and the year before that and the year before that.

Where is the credibility for those that say they want to stand up here and vote to reduce the deficit?

I am going to make a challenge to you, every one of you that have stood up here and spoken against this tax cut because you want to lower the deficit. We will have a reconciliation bill coming to the floor. I kept a careful list, and I am going to ask every one of you to vote for balancing the budget, which will come later this year. Good luck.

STUDENT LOAN PROGRAMS

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

Mrs. CLAYTON. Mr. Speaker, we really are about fairness here. I would suggest to our former speaker that we sometimes want to see that fairness go both ways.

Mr. Speaker, under the fictitious banner of a fair tax bill, there is a relentless and unswerving drive that has been launched by the Republican party against the average working American.

This drive is designed to give tax relief to the wealthy Americans who earn more than $200,000 and more. It is a crusade that is oblivious to the harm that is caused in its wake. They plan to give $277 billion in spending cuts. The bulk of these spending cuts will come from reducing discretionary spending and the welfare reform, according to the gentleman from Ohio [Mr. KASICH]. They also plan $190 billion in tax cuts, the bulk of which will go to the richest citizens in America.

In other words, Mr. Speaker, what you have to do is add the cuts for poor people and the average working American and give those tax cuts to the richest persons in America.

The difference in this equation is a loss to low- and middle-income Americans. To mollify people with money, they are causing pain to those who have very little money who are the working Americans in society.

TIME FOR THE PEOPLE BACK HOME

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

Mr. HANCOCK. Mr. Speaker, this argument that we are into is getting to where if it was not so serious, it would be amusing. We are talking about voting to reduce the deficit. We are talking about concentrating on the budget of the Federal Government.

Do you not think it is time that we started talking about the people back home and doing something to help them balance their budgets? Who do we represent up here? The U.S. Government or the people that elected us?

I am going to concentrate my vote on doing everything I can to give the people tax breaks back home and reduce the overall size of the Federal Government rather than merely talking about, we cannot have tax breaks until we stop the spending.

We tried that once. We are going to get the tax breaks, and we are going to stop the spending. And we are going to start representing the people that elected us instead of saying, we are the Government. We are not the Government. The people sent us up here to represent them.

THE NATIONAL TAXPAYERS UNION

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

Mr. COLEMAN. Mr. Speaker, I only wanted to highlight an issue that was raised by the gentleman from New York [Mr. SOLOMON]. The National Taxpayers Union, I think it was, that he cited, put into the RECORD.

I would hope that everyone would understand that that organization does not have a whole lot of credibility when it comes to ranking Members, because what they did when the Senate was in control of the Republicans a few years back, they had a different criteria for their votes on appropriations bills than they did for the Democrats over on the House side.

And I just wanted everyone to be aware that that is hardly the criteria we ought to be or a standard we ought to be utilizing. They pick and choose the bad votes such as, did you vote for the interior appropriations bill, yes or no? If you did, boy, that is a bad vote.

You are going to find, if they used the same standards on us, as Democrats when we were in charge and had to pass legislation and were governing, as they will use on you, I think you will find that you have a whole lot of real bad votes with that organization.

We will see if they are going to have any credibility left at the end of this session in ranking you poorly because you vote for an appropriations bill.

TAX CUTS AND THE NATIONAL DEBT

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

Mr. TAYLOR of Mississippi. Mr. Speaker, in response to my good friend, the gentleman from Ohio [Mr. HOKE], who quoted John Kennedy, I would like to remind him, I reminded him privately, I will remind him publicly, at the time John Kennedy said that, the Nation's annual operating deficit was $10 billion a year, Now it is $200 billion a year. At the time that John Kennedy said that, our Nation's total debt was about $500 billion. Today it is almost $5 trillion.

Now, we have a very strange situation with the tax cutters who, as my good friend, the gentleman from New York [Mr. SOLOMON], pointed out, should be for deficit reduction. I am one of those people, Mr. SOLOMON. I am for deficit reduction.

So I am going to say that whatever we save go toward the deficit, because it does not make any sense at all for this Nation to borrow $200 billion this year and pay the interest on it for the next 10 years just to give people a very miniscule break today and to give the wealthiest Americans, whose maximum tax rate went from 66 percent in 1981 down to about 35 percent today, an even bigger tax break.

AFTER THE ACRIMONY IS OVER

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

Mrs. MEEK of Florida. Mr. Speaker, I would like to say to the American public, when all of this acrimony that you hear on the floor is over, let me tell you what is going to happen. You are going to end up with an enormous ache in your heart and also in your pocketbook.

Today the Republicans will bring to the House floor a bill that cuts programs that serve average Americans to pay for huge tax cuts. Do you know what the message is? The message is that the spending policies here center around sharp cuts in programs that serve average Americans like you, notably education, and to pay for huge tax cuts for the wealthiest Americans.

Think about where you come in. The President and the Democrats want to target tax relief to middle income Americans. The Republicans' bill will give 20 percent of its benefits to the top 1 percent of American families.

Think about it, when the acrimony is over, think about where you stand. All told, the tax cuts that the Republicans would bring today would give away $31.3 billion in tax breaks.

Once again, the Republicans are looking to the past for answers to the future.

[Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

WHAT IS THE RUSH?

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

Ms. JACKSON-LEE. Mr. Speaker, what is the rush?

I stood on the House floor last evening and asked the same question and, unfortunately, have gotten no answer. We come today, on April 5, 1995, to ask the American people to accept what some would call a tax cut.

I would simply share with you that the tax cut goes to those earning $200,000 and over, 58.1 percent of the cut to those earning that amount. This morning we had a phony vote on the journal, not because we needed to vote on it, ladies and gentlemen, but simply so the Republicans could count the votes. What is the rush?

This tax cut is not going to impact citizens filing their 1994 taxes. And everywhere you go across this Nation, the statistics say that the American people want us to cut the deficit, not cut taxes.

This is supposed to be the crown jewel. We have editorials saying ''it is more paste than jewel.'' Then we have got those saying ''Congress fiddles with tax code while deficit burns.''

I would simply say to you that there are some things worth discussing: the adoption credit, the elderly care credit, the spousal IRA's are worth talking about, the small business credits, the home office deduction.

Why can we not take the gloves off, come together and talk about a reasoned response to the America's deficit? Why are we fighting each other and counting votes so we can have a crown jewel; which really is nothing more than costume jewelry held together with paste. Why do we not stand for the American people, stop cutting, let us stand for what is right and make sure we reduce the deficit so that young people will have a future.

□ 1245

THE TRUTH ABOUT TAX CUTS

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

Mr. SMITH of Michigan. Mr. Speaker, Gilbert and Sullivan once said in one of their operas ''Things are seldom what they seem.'' We have been talking a lot about the protests, and that maybe the tax cuts are unfairly divided between rich and poor.

I think it is important that we remind ourselves what is in this legislation. In this legislation what we are going to be voting on is $100 billion of spending cuts. That is $23 billion out of discarding needless bureaucracy, $24 billion cut in the area of eliminating duplication and waste, $10,900,000,000 cut from foreign aid, $7,500,000,000 attacking corporate welfare, $22 billion in setting empowerment, and an $11 billion spending cut.

Also what this bill does, it says none of these tax reductions take effect until we cut an estimated another $400 billion in spending and get on that glide path toward a balanced budget, which is our goal.

CHARGES RELATING TO TAX BREAK FOR RUPERT MURDOCH ARE LUDICROUS

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

Ms. DELAURO. Mr. Speaker, for the chairman of the Committee on Ways and Means to come up here a few minutes ago and to suggest that a junior Senator in the minority party in the other body is responsible for a multimillion dollar tax break for Rupert Murdoch is ludicrous. Democrats have not been able to win one vote in committee in this body and in the other body since January.

Newspaper accounts report that the Republicans supported the tax break after learning that Murdoch was the beneficiary of the legislation, and after consulting the Speaker of this House, according to six sources involved in the negotiations. However, if Republicans want to act on behalf of working middle-class families in this Nation, and on behalf of small businesses, and against a multimillion-dollar break for Rupert Murdoch and his taxes, they just need to ask the President of the United States ''Pull the bill back, support the concurrent resolution, and do away with this outrageous billionaire boondoggle.''

SUPPORT THE TAX RELIEF BILL

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

Mr. HUTCHINSON. Mr. Speaker, I rise today to strongly support the rule and to strongly support the tax relief bill that the House will be debating. This, I think, is the most critical feature of the Contract With America, and there is nothing more important in this tax relief provision than what we offer the American family. We have told the American family time and time again ''Your time will come.''

Every study, every evaluation of the American family says we need to have a tax credit for children, and yet it has been delayed and delayed and delayed. Over 70 percent of the benefits of this tax cut will go to families making less than $75,000 a year who pay only 45.6 percent of all the income taxes. A mere 12½ percent will go to Americans who earn over $75,000, and they pay 54.4 percent of the income tax burden.

This is an eminently fair provision. It is progressive. The contract's $500 per child tax credit treats all of America's children equally. That is the way they should be treated. We need to pass the rule today and we then need to give relief to the American family.

THE AMERICAN PEOPLE CAN HANDLE THE TRUTH ABOUT TAX REDUCTIONS

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

Mr. KENNEDY of Massachusetts. Mr. Speaker, I want to stand today in opposition to the rule that has been proposed. First and foremost, this is a rule that I went before the chairman of the committee and he agreed that we ought to be including some additional services for adoptive parents that are in dire need of assistance to be able to adopt children in this country. We have got over 3 million abused children, we have 450,000 kids in foster care, and we desperately need to provide adoption services to those children.

Most importantly, I oppose this rule because I do not think that this is a period of time that we ought to be talking about tax cuts for the American people. The fact of the matter is we need to bring the deficit of this country down. We ought not to be at this

time pandering to the American people, we ought to be tough. The American people are tough. They can handle a tough choice.

The fact of the matter is that we are standing there telling the American people ''We can have tax deductions, tax reductions, at the same time that we are going to be facing $200 billion a year deficits.'' It is not right. The people can handle it, and we ought to say the truth.

REPEAL THE ONEROUS TAX INCREASE ON SENIOR CITIZENS' INCOMES

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

Mr. COX of California. Mr. Speaker, I hope it is not considered pandering to the American people, as the previous speaker suggested, to permit our senior citizens who are receiving Social Security benefits to keep something of what they earn.

In 1993, in the context of the largest tax increase in American history, President and the then Democrat Congress imposed a 70-percent income tax rate increase on senior citizens who work. An important part of the bill that we are now bringing to the floor is going to roll that back.

It was criticized as a tax increase on seniors who are rich, on rich retirees, on rich Social Security beneficiaries. In fact, the 70-percent income tax rate increase on Social Security benefits started for senior citizens who work and who make as little as $30,000 a year. They are not, in my book, the rich. I do not think they are anywhere else in America. I hope all of us will take this opportunity to repeal that onerous tax increase.

THE TAX BILL AND CUTS IN PROVISIONS FOR EDUCATION BENEFITS

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

Mr. KENNEDY of Rhode Island. Mr. Speaker, the question before us today is what kind of tax relief are we going to give the American people. The difference could not be clearer. The Republicans' tax break would benefit 76 percent of those families earning $100,000 or more. If you look at the Citizens for Tax Justice, they say 71 percent of the total capital gains tax breaks go to those making in excess of $200,000.

Who pays the bill? It is young people who pay the bill. It is those who want to go out and get those well-paying jobs that the Republicans talk about. However, how can we expect them to get those well-paying jobs if they cannot first afford the higher education that they are going to need to get if they are to land those jobs?

Mr. Speaker, it was wrong to repeal the interest deduction on student loans in the 1986 tax reform bill, and it is worse that the Republicans have rescinded the amount of the money for subsidizing those student loans that allow them to get an education, and not have the interest on those student loans accrue until after they graduate. That is not right.

Members know that the cost of higher education is going up, and we should not make it more difficult for students.

THE TAX BILL WILL STRENGTHEN AMERICAN FAMILIES

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

Mr. FOX of Pennsylvania. Mr. Speaker, the fact of the matter is that American people are going to have with this Contract With America $180,000,000,000 in deficit reduction, $190,000,000,000 in spending cuts, and Mr. Speaker, the tax reduction bill is the third part that the American people are waiting for.

The Republican majority is offering a $500-per-child tax credit. We believe one of the most important things Government can do for American families is to take less of their earnings. Republicans recognize the profoundly positive impact stronger families can have on our Nation.

We believe the basic family unit can be stronger if it is able to keep more of its own earnings and make its own decisions about how those earnings should be spent.

We also respect the contributions of our senior citizens and their right to continue being a productive partner in building a better America. That is why this week Republicans will remove the tax burden placed on Social Security earnings last year by the Democrats.

Finally, Americans believe in the future. We know America's future depends on America's being able to save more and invest more in new jobs and new productivity. That is why we will reduce the capital gains tax cut, which will help all Americans.

Seventy-five percent of the tax cuts will benefit those with incomes less than $100,000. Please vote for the bill.

A BETTER CAPITAL GAINS DEAL FOR THE WEALTHY

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

Mr. DEFAZIO. Mr. Speaker, the reason we are still doing 1-minutes is because the Republican leadership is twisting the arms of their caucus to try to get the votes for this tax giveaway, the same arms that they did not twist last week when term limits was on the floor.

There was a shameful time in this country in the mid-1980's when the largest, most profitable corporations in the land paid no income taxes, and we are about to turn back the clock. This bill repeals a modest income tax on the largest, most profitable corporations in this country, so they can go back to paying zero.

People who earn over $200,000 a year, they can get capital gains at 14 percent. That is half of the tax bracket for middle income Americans. Is it not a great country when people, Members of Congress earning $133,000 a year, can vote themselves a wonderful juicy tax break, because they are in a big enough tax bracket to take advantage of it?

When the dust settles, average Americans are going to get it stuck to them again, and the rich are going to be drinking champagne and eating caviar.

REPUBLICANS READY TO INTRODUCE TAX LEGISLATION

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

Mr. GOSS. Mr. Speaker, responding to the previous speaker, I would just like to announce that I do not believe anybody on our side asked him to take a 1-minute, or anybody else over there to take a 1-minute. We are ready to go. We are ready do the Nation's business on the rule.

The minute the 1-minutes are over, we will be very happy to proceed.

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

Mr. GOSS. I am happy to yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, we are so excited to bring up this last of the contract promises. Let's go.

Mr. GOSS. Reclaiming my time, Mr. Speaker, I would point out that the sooner we start, the better prospects are, the sooner we will get out.

THE $63,000 TAX GIVEAWAY TO RUPERT MURDOCH

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

Mr. GIBBONS. Mr. Speaker, I yield to the gentleman from Florida.

Mr. DEUTSCH. Mr. Speaker, I have the opportunity now to respond to some of the charges that the gentleman from Texas [Mr. ARCHER], chairman of the Committee on Ways and Means, raised previously.

It is just absolutely absurd. There is not one person in this building, in this district, in this country that believes Senator BRAUN on her own was able to provide the obscene, sleazy $63 million gift to Rupert Murdoch. It just defies credibility.

There is an expression that I have used, and I think everyone in this country has heard previously. It is look like a duck and it smells like a duck and it walks like a duck and it talks like a duck, it is probably a duck. To

think that the Speaker and the chairman of the Committee on Ways and Means did not know about this special deal is absurd.

I am about to offer once again a concurrent resolution which would take out that provision. The Speaker of this Chamber has publicly stated that he supports taking it out. I have asked the gentleman from Texas [Mr. ARMEY]. I have followed the rules to this Chamber to get unanimous consent.

Mr. Speaker, I ask unanimous consent to take up Concurrent Resolution 55, which would take out the tax provision provided for Mr. Murdoch.

The SPEAKER pro tempore. Under the Chair's guidelines, the gentleman is not recognized for that purpose. The gentleman's time as expired.

NOTICE OF INTENT TO OFFER RESOLUTION REGARDING CONSTITUTIONALITY OF TARGETED TAX BENEFIT

Mr. DEUTSCH. Mr. Speaker, under the rule IX, I rise to serve notice that I intend to offer the following resolution and read it into the RECORD.

The SPEAKER pro tempore. The gentleman is recognized.

Mr. DEUTSCH. Resolution: To preserve the constitutional role of the House of Representatives to originate revenue measures.

Whereas, rule IX of the Rules of the House of Representatives provides that questions of privileges shall arise whenever the rights of the House collectively are affected;

Whereas, under the precedents, customs, and traditions of the House, pursuant to rule IX, a question of privilege has arisen in cases involving the constitutional prerogatives of the House;

Whereas section 7 of article 1 of the Constitution require that revenue measures originate in the House of Representatives; and

Whereas the conference report on the bill, H.R. 831, contained a targeted tax benefit which was not contained in the bill as passed by the House of Representatives and which was not contained in the amendment of the Senate; Now, therefore be it

Resolved, that the Comptroller General of the United States shall prepare and transmit, within 7 days after the date of the adoption of this resolution, a report to the House of Representatives containing the opinion of the Comptroller General on whether the addition of a targeted tax benefit by the conferees of the conference report on the bill, H.R. 831 (A bill to amend the Internal Revenue Code of 1986 to permanently extend the deduction for the health insurance costs of self-employed individuals, to repeal the provision permitting nonrecognition of gain on sales and exchanges effectuating policies of the Federal Communications Commission, and for other purposes) violates the requirement of the U.S. Constitution that all revenue measures originate in the House of Representatives.

The SPEAKER pro tempore. The gentleman's notice will appear in the RECORD.

TAX CUTS AND DEFICIT REDUCTION FOR THE FEDERAL GOVERNMENT

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

Mr. MARTINI. Mr. Speaker, in sitting here this morning and listening to this debate, it reminds me of a debate less than 2 years ago in my home State of New Jersey. At that time, when the then-newly elected Governor Whitman spoke about tax cuts and cutting spending at the same time, then, as now, the same naysayers rose and complained and said it could not be done.

I am pleased to report today, Mr. Speaker, that less than 2 years into her term, she has accomplished two-thirds of her tax cut, with sufficient deficit reduction, and what we have witnessed in New Jersey is an increase in revenues, jobs, and a healthy economy.

I am confident that with the passage of today's bill and rule, we will accomplish the same things here for the Federal Government, and with the linkage and language that exists today in this tax bill, the linkage which assures that we will have sufficient deficit reduction with tax relief, I am even more confident that we can accomplish that goal.

PROVIDING FOR CONSIDERATION OF H.R. 1215, CONTRACT WITH AMERICA TAX RELIEF ACT OF 1995

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 128, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 128

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 consideration of the bill (H.R. 1215) to amend the Internal Revenue Code of 1986 to strengthen the American family and create jobs. The first reading of the bill shall be dispensed with. All points of order against consideration of the bill are waived. General debate shall be confined to the bill and the amendment in the nature of a substitute made in order as original text and shall not exceed four hours, with two hours equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means and two hours equally divided among and controlled by the chairman and ranking minority members of the Committee on the Budget and the Committee on Commerce. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule an amendment in the nature of a substitute consisting of the text of H.R. 1327, modified by the amendment printed in part 1 of the report of the Committee on rules accompanying this resolution. That amendment in the nature of a substitute shall be considered as read. All points of order against that amendment in the nature of a substitute are waived. No amendment to that amendment in the nature of a substitute shall be in order except the further amendment in the nature of a substitute printed in part 2 of the report, which may be offered only by Representative Gephardt of Missouri or his designee, shall be considered as read, shall be debatable for one hour equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment. All points of order against the further amendment in the nature of a substitute are waived. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendment as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the amendment in the nature of a substitute made in order as original text. The previous question shall be considered as ordered on the bill and any amendment thereto to final passage without intervening motion except one motion to recommit with or without instructions.

□ 1300

The SPEAKER pro tempore (Mr. GOODLATTE). The gentleman from New York [Mr. SOLOMON] is recognized for 1 hour.

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

(Mr. SOLOMON asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. SOLOMON. Mr. Speaker, the resolution before us is a rule providing for the consideration of the bill H.R. 1215, which is the Contract With America Tax Relief Act of 1995. The bill is appropriately entitled the Tax Fairness and Deficit Reduction Act of 1995 because it combines the tax relief provisions of H.R. 1215 with various spending reductions from other committees, both to offset the cost of the tax cuts and to begin us on a downward glide path toward a balanced budget. Have we not waited forever for this?

The rule provides for a Democrat substitute printed in part 2 of the Rules Committee report if offered by the gentleman from Missouri [Mr. GEPHARDT], the minority leader.

Finally, the rule provides for 1 motion to recommit with or without instructions.

Mr. Speaker, this rule represents the final major procedural hurdle to fulfilling our Contract With America and, oh, what an exciting, successful run this 100-day contract period has been. Did you ever think it would get here?

The bill this rule makes in order is certainly an appropriate closing to that contract. It addresses both the

need to give tax relief to the American people and debt relief to future generations by locking us into a downward glide path toward a balanced budget by fiscal year 2002.

Mr. Speaker, I do not think I have to prove my credentials as a deficit hawk to anyone in this body. I am the only Member of this House, in the last 20 years, to actually offer a balanced budget with specifics. But, Mr. Speaker, like many of my colleagues, I have expressed concerns about enacting tax cuts without first making the necessary spending cuts to produce a balanced budget. That is very, very important to me. I would not be standing here today in support of this rule and bill if I did not think that this bill as modified by the adoption of the language that we are putting into this rule right now—which we will be voting on in a few minutes—locks us into that commitment. It does that. Make no mistake about it, a vote on this rule is a vote to balance the budget, and you better remember that.

To those on the other side who claim that this is some kind of a fig leaf, I would just urge you to first read the legislation. The Upton-Castle-Martini-Solomon amendment prohibits the tax cuts from taking effect until we first adopt a budget resolution that projects a balanced budget by the year 2002. It then—and this is the critical point—requires that pursuant to that budget resolution a reconciliation bill must be enacted into law that keeps that commitment with real spending cuts. And that is enacted into law. This is not some budget resolution that the Committee on Rules can waive the Budget Act for. If spending cuts are not done, those tax cuts do not become law. It is just as simple and as real as that.

Mr. Speaker, if we deviate, then further policy options for putting us back on track will be a part of the subsequent budget resolution and those in turn will be translated into real spending cuts in the reconciliation bill to follow, on which each and every one of us are going to be forced to vote on, on the floor of this House.

That is no fig leaf. Perhaps we should not have Members, running for higher office, running around here saying it is. Mr. Speaker, anyone who calls this a fig leaf does not know the difference between a fig leaf and a sledgehammer. Well, I do, believe you me. Reconciliation is a sledgehammer. If you have ever been here to vote on one, you ought to know, because you are going to be responsible to the voters back home whichever way you vote. It makes a real impact and it gets real results. You all, that are on this big-spender list I have here, always complain about it.

Mr. Speaker, over 40 amendments were filed with the Committee on Rules. Many of those amendments were good amendments that I could individually support. But we cannot rewrite the Internal Revenue Code on the floor of this House. We did not do it under a Democrat House, and we will not do it under a Republican House. Not only do such amendments affect other provisions in that code in ways we cannot always anticipate, but taken together they can also produce vast new revenue drains on the Treasury that we just cannot afford given our current deficit situation. You all know how serious that is.

I urge Members on both sides of the aisle to remain true to our past, our bipartisan practice of modified closed rules when we are dealing with tax and reconciliation bills. Put aside your additional individual wish lists. I have done it for now, and I want you to look at the big picture. This rule and this bill takes the fiscally responsible approach of paying for the tax cuts and putting us on that downward glide path toward a balanced budget which is so terribly, terribly important to the future generations of this country.

I urge every Member to vote ''yes'' on the rule and to vote ''yes'' on this bill. The American people want it.

Mr. Speaker, I include the following for the RECORD:

CORRECTION OF VOTES IN COMMITTEE REPORT

The Rules Committee's report, House Report 104–100 on H. Res. 128, the rule for the consideration of H.R. 1215, the ''Contract With America Tax Relief Act of 1995,'' contains an erroneously reported rollcall vote due to a typographical error during the printing process. The vote was correctly reported in the original report filed with the Clerk.

Below is a correct version of that vote as contained in the Rules Committee report as filed with the House. The amendment number referred to in the motion is to an amendment filed with the Rules Committee—a summary of which are contained following the listing of votes in the committee report.

RULES COMMITTEE ROLLCALL NO. 122

Date: April 4, 1995.

Measure: Rule for the consideration of H.R. 1215, Contract With America Tax Relief Act.

Motion By: Mr. Moakley.

Summary of Motion: Allow a division of the question and a separate vote on Titles II and V (H.R. 1215), the senior citizen equity provisions.

Results: Rejected, 4 to 9.

Vote by Member: Quillen—Nay; Dreier—Nay; Goss—Nay; Linder—Nay; Pryce—Nay; Diaz-Balart—Nay; McInnis—Nay; Waldholtz—Nay; Moakley—Yea; Beilenson—Yea; Frost—Yea; Hall—Yea; Solomon—Nay.

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS VERSUS 104TH CONGRESS

[As of April 4, 1995]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-open [2]	46	44	21	75
Modified Closed [3]	49	47	7	25
Closed [4]	9	9	0	0
Totals:	104	100	28	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of April 4, 1995]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/10/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–100; A: 227–127 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of April 4, 1995]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/1/95).
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95).
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95).
H. Res. 108 (3/6/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95).
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95).
H. Res. 115 (3/14/95)	MO	H.R. 1158	Making Emergency Supp. Approps.	A: 242–190 (3/15/95).
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95).
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95).
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95).
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95).
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; C-closed rule; A-adoption vote; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

NATIONAL TAXPAYERS UNION—BIG SPENDER OF 1993

Alabama: Rep. Tom Bevill, Rep. Robert E. Cramer, Rep. Earl F. Hilliard.

Arizona: Rep. Karan English, Rep. Ed Pastor.

Arkansas: Sen. Dale Bumpers, Sen. David Pryor, Rep. Ray Thornton.

California: Sen. Barbara Boxer, Sen. Dianne Feinstein, Rep. Xavier Becerra, Rep. Howard L. Berman, Rep. George E. Brown, Rep. Ronald V. Dellums, Rep. Julian C. Dixon, Rep. Don Edwards, Rep. Anna G. Eshoo, Rep. Sam Farr, Rep. Vic Fazio, Rep. Bob Filner, Rep. Dan Hamburg, Rep. Jane Harman, Rep. Tom Lantos, Rep. Matthew G. Martinez, Rep. Robert T. Matsui, Rep. George Miller, Rep. Norman Y. Mineta, Rep. Nancy Pelosi, Rep. Lucille Roybal-Allard, Rep. Pete Stark, Rep. Esteban E. Torres, Rep. Walter R. Tucker, Rep. Maxine Waters, Rep. Henry A. Waxman, Rep. Lynn Woolsey.

Colorado: Sen. Ben Nighthorse Campbell, Rep. David E. Skaggs.

Connecticut: Sen. Christopher J. Dodd, Rep. Rosa DeLauro, Rep. Sam Gejdenson, Rep. Barbara B. Kennelly.

Delaware: Sen. Joseph R. Biden Jr.

Florida: Sen. Bob Graham, Rep. Jim Bacchus, Rep. Corrine Brown, Rep. Peter Deutsch, Rep. Sam M. Gibbons, Rep. Alcee L. Hastings, Rep. Harry A. Johnston, Rep. Carrie P. Meek, Rep. Pete Peterson, Rep. Karen L. Thurmon.

Georgia: Rep. Sanford D. Bishop, Rep. George Darden, Rep. John Lewis, Rep. Cynthia A. McKinney.

Hawaii: Sen. Daniel K. Akaka, Sen. Daniel K. Inouye, Rep. Neil Abercrombie, Rep. Patsy T. Mink.

Illinois: Sen. Carol Moseley-Braun, Sen. Paul Simon, Rep. Cardiss Collins, Rep. Richard J. Durbin, Rep. Lane Evans, Rep. Luis V. Gutierrez, Rep. Mel Reynolds, Rep. Dan Rostenkowski, Rep. Bobby L. Rush, Rep. George E. Sangmeister, Rep. Sidney R. Yates.

Indiana: Rep. Frank McCloskey, Rep. Peter J. Visclosky.

Iowa: Sen. Tom Harkin, Rep. Neal Smith.

Kansas: Rep. Dan Glickman.

Kentucky: Sen. Wendell H. Ford, Rep. Romano L. Mazzoli.

Louisiana: Sen. John B. Breaux, Sen. J. Bennett Johnston, Rep. Cleo Fields, Rep. William J. Jefferson.

Maine: Sen. George J. Mitchell, Rep. Thomas H. Andrews.

Maryland: Sen. Barbara A. Mikulski, Sen. Paul S. Sarbanes, Rep. Benjamin L. Cardin, Rep. Steny H. Hoyer, Rep. Kweisi Mfume, Rep. Albert R. Wynn.

Massachusetts: Sen. Edward M. Kennedy, Sen. John Kerry, Rep. Barney Frank, Rep. Joseph P. Kennedy, Rep. Edward J. Markey, Rep. Joe Moakley, Rep. Richard E. Neal, Rep. John W. Olver, Rep. Gerry E. Studds.

Michigan: Sen. Carl Levin, Sen. Donald W. Riegle Jr., Rep. David E. Bonior, Rep. Bob Carr, Rep. Barbara-Rose Collins, Rep. John Conyers, Rep. John D. Dingell, Rep. William D. Ford, Rep. Dale E. Kildee, Rep. Sander M. Levin.

Minnesota: Sen. Paul Wellstone, Rep. James L. Oberstar, Rep. Martin Olav Sabo, Rep. Bruce F. Vento.

Mississippi: Rep. G.V. Montgomery, Rep. Bennie Thompson, Rep. Jamie L. Whitten.

Missouri: Rep. William L. Clay, Rep. Richard A. Gephardt, Rep. Ike Skelton, Rep. Harold L. Volkmer, Rep. Alan Wheat.

Montana: Sen. Max Baucus, Rep. Pat Williams.

Nevada: Sen. Harry Reid, Rep. James Bilbray.

New Jersey: Rep. Robert Menendez, Rep. Donald M. Payne, Rep. Robert G. Torricelli.

New Mexico: Rep. Bill Richardson.

New York: Sen. Daniel Patrick Moynihan, Rep. Gary L. Ackerman, Rep. Eliot L. Engel, Rep. Floyd H. Flake, Rep. Maurice D. Hinchey, Rep. George J. Hochbrueckner, Rep. Nita M. Lowey, Rep. Thomas J. Manton, Rep. Michael R. McNulty, Rep. Jerrold Nadler, Rep. Major R. Owens, Rep. Charles B. Rangel, Rep. Charles E. Schumer, Rep. Jose E. Serrano, Rep. Louise M. Slaughter, Rep. Edolphus Towns, Rep. Nydia M. Velazquez.

North Carolina: Rep. Evan Clayton, Rep. W.G. Hefner, Rep. Stephen L. Neal, Rep. David Price, Rep. Charlie Rose, Rep. Melvin Watt.

Ohio: Sen. John Glenn, Sen. Howard M. Metzenbaum, Rep. Douglas Applegate, Rep. Sherrod Brown, Rep. Tony P. Hall, Rep. Tom Sawyer, Rep. Louis Stokes, Rep. Ted Strickland.

Oklahoma: Rep. Mike Synar.

Oregon: Rep. Elizabeth Furse, Rep. Mike Kopetski, Rep. Ron Wyden.

Pennsylvania: Sen. Harris Wofford, Rep. Lucien E. Blackwell, Rep. Robert A. Borski, Rep. William J. Coyne, Rep. Thomas M. Foglietta, Rep. Paul E. Kanjorski, Rep. John P. Murtha.

Rhode Island: Sen. Claiborne Pell, Rep. Jack Reed.

South Carolina: Sen. Ernest F. Hollings, Rep. James E. Clyburn, Rep. Butler Derrick, Rep. John M. Spratt.

South Dakota: Sen. Tom Daschle.

Tennessee: Sen. Harlan Mathews, Sen. Jim Sasser, Rep. Harold E. Ford.

Texas: Rep. Jack Brooks, Rep. John Bryant, Rep. Jim Chapman, Rep. Ronald D. Coleman, Rep. E. de la Garza, Rep. Martin Frost, Rep. Henry B. Gonzalez, Rep. Gene Green, Rep. Eddie Bernice Johnson, Rep. Solomon P. Ortiz, Rep. J.J. Pickle, Rep. Frank Tejeda, Rep. Craig Washington, Rep. Charles Wilson.

Vermont: Sen. Patrick J. Leahy, Rep. Bernard Sanders.

Virginia: Rep. Rick Boucher, Rep. Leslie L. Byrne, Rep. James P. Moran, Rep. Robert C. Scott.

Washington: Sen. Patty Murray, Rep. Norm Dicks, Rep. Mike Kreidler, Rep. Jim McDermott, Rep. Al Swift, Rep. Jolene Unsoeld.

West Virginia: Sen. Robert C. Byrd, Sen. John D. Rockefeller IV, Rep. Alan B. Mollohan, Rep. Nick J. Rahall, Rep. Bob Wise.

Wisconsin: Rep. Gerald D. Kleczka, Rep. David R. Obey.

NATIONAL TAXPAYERS UNION

Name	PA	Sta	Dist	Grade	Percent score	Rank	Percent attend.	381839 All Avg. Support 382510 Support	830962 0.45922 Eligibility 832963 Eligibility	LDR	Budget	Approp.	Region
Long J (IN)	D	IN	4	D	42	219	100.00	845	2028				2
Cox J (IL)	D	IL	16	D	42	220	100.00	843	2028				2
Stallings R (ID)	D	ID	2	D	41	221	90.53	761	1836				1
Johnston H (FL)	D	FL	14	D	41	222	98.47	826	1997				3
Mazzoli R (KY)	D	KY	3	D	41	223	100.00	838	2028	d			3
Larocco L (ID)	D	ID	1	D	41	224	99.51	831	2018				1
Visclosky P (IN)	D	IN	1	D	41	225	100.00	832	2028			1	2
Lloyd M (TN)	D	TN	3	D	41	226	97.83	810	1984				3
Lancaster H (NC)	D	NC	3	D	41	227	99.90	823	2026				3
Huckaby J (LA)	D	LA	5	D	41	228	86.09	709	1746		1		3
Peterson C (MN)	D	MN	7	D	40	229	99.46	811	2017				2
Andrews M (TX)	D	TX	25	D	40	230	99.95	815	2027				3
Schroeder P (CO)	D	CO	1	D	40	231	99.61	802	2020	d			1
Thomas L (GA)	D	GA	1	D	39	232	83.04	665	1684			1	3
Brewster B (OK)	D	OK	3	D	39	233	99.85	799	2025				3
Cramer B (AL)	D	AL	5	D	39	234	99.56	795	2019				3
Hoagland P (NE)	D	NE	2	D	39	235	99.75	796	2023				2
Beilenson A (CA)	D	CA	23	D	39	236	92.55	737	1877		1		1
Derrick B (SC)	D	SC	3	D	39	237	99.80	790	2024	d			3

NATIONAL TAXPAYERS UNION—Continued

Name	PA	Sta	Dist	Grade	Percent score	Rank	Percent attend.	381839 All Avg. Support 382510 Support	830962 0.45922 Eligibility 832963 Eligibility	LDR	Budget	Approp.	Region
Pickett O (VA)	D	VA	2	D	39	238	99.36	786	2015				3
Spratt J (SC)	D	SC	5	D	39	239	100.00	789	2028		1		3
Early J (MA)	D	MA	3	D	39	241	90.34	707	1832			1	4
McMillen T (MD)	D	MD	4	D	38	242	100.00	778	2028				4
Kennedy J (MA)	D	MA	8	D	38	243	95.27	741	1932				4
Gordon B (TN)	D	TN	6	D	38	244	93.93	725	1905	d			3
Panetta L (CA)	D	CA	16	D	38	245	98.67	756	2001	d	1		1
Browder G (AL)	D	AL	3	D	37	246	99.11	753	2010				3
Bacchus J (FL)	D	FL	11	D	37	247	99.41	750	2016				3
Pease D (OH)	D	OH	13	D	37	247	99.41	750	2016		1		2
Bilbray J (NV)	D	NV	1	D	37	249	98.52	743	1998				1
Bruce T (IL)	D	IL	19	D	37	250	99.56	737	2019				2
Atkins C (MA)	D	MA	5	D	36	251	96.25	711	1952			1	4
Skelton I (MO)	D	MO	4	D	36	252	94.63	692	1919				2
DeFazio P (OR)	D	OR	4	D	36	253	97.24	702	1972				1
Sangmeister G (IL)	D	IL	4	D	36	254	98.22	709	1992				2
Johnson T (SD)	D	SD	0	D	36	255	99.70	719	2022				2
Staggers H (WV)	D	WV	2	D	35	256	89.45	643	1814				4
Bryant J (TX)	D	TX	5	D	35	257	95.32	685	1933		1		3
Carr B (MI)	D	MI	6	D	35	258	95.81	688	1943			1	2
Jenkins E (GA)	D	GA	9	D	35	259	95.27	684	1932				3
Darden G (GA)	D	GA	7	D	35	260	98.13	700	1990				3
Vento B (MN)	D	MN	4	D	35	261	99.61	700	2020				2
Espy M (MS)	D	MS	2	D	34	262	96.99	676	1967		1		3
Eckart D (OH)	D	OH	11	D	34	263	96.60	668	1959	d			2
Costello J (IL)	D	IL	21	D	34	264	94.23	650	1911				3
Murphy A (PA)	D	PA	22	F	33	266	93.74	633	1901				4
Hall T (OH)	D	OH	3	F	33	267	99.21	667	2012				2
Andrews R (NJ)	D	NJ	1	F	33	268	97.68	653	1981				4
Hatcher C (GA)	D	GA	2	F	33	269	62.72	419	1272				3
Volkmer H (MO)	D	MO	9	F	33	270	98.96	660	2007				2
Price D (NC)	D	NC	4	F	33	271	99.70	664	2022			1	3
McCloskey F (IN)	D	IN	8	F	33	272	98.67	656	2001				2
Stark P (CA)	D	CA	9	F	33	273	92.26	612	1871				1
Schumer C (NY)	D	NY	10	F	32	274	95.51	627	1937				4
Aucoin L (OR)	D	OR	1	F	32	275	86.19	565	1748			1	1
Peterson P (FL)	D	FL	2	F	32	276	97.14	634	1970				3
Russo M (IL)	D	IL	3	F	32	277	74.36	485	1508	d			2
Applegate (OH)	D	OH	18	F	32	278	98.22	634	1992				2
Synar M (OK)	D	OK	2	F	31	279	98.42	626	1996	d			3
Wilson C (TX)	D	TX	2	F	31	280	95.61	608	1939			1	3
Wyden R (OR)	D	OR	3	F	31	281	99.31	631	2014				1
Pickle J (TX)	D	TX	10	F	31	282	97.78	621	1983				3
Olin J (VA)	D	VA	6	F	31	283	88.56	561	1796				3
Miller G (CA)	D	CA	7	F	31	284	93.64	592	1899	d	1		1
Studds G (MA)	D	MA	10	F	31	285	98.92	622	2006				4
Jones B (GA)	D	GA	4	F	31	286	78.16	491	1585				3
Lipinski W (IL)	D	IL	5	F	31	287	86.93	545	1763				2
Durbin R (IL)	D	IL	20	F	31	288	99.90	626	2026		1	1	2
Oberstar J (MN)	D	MN	8	F	31	289	99.95	626	2027		1		2
McDermott J (WA)	D	WA	7	F	31	290	99.95	621	2027				1
Horn J (MO)	D	MO	2	F	31	291	100.00	621	2028				2
Slaughter L (NY)	D	NY	30	F	31	292	99.16	614	2011		1		4
Conyers J (MI)	D	MI	1	F	30	293	83.43	514	1692				2
Yates S (IL)	D	IL	9	F	30	294	85.31	525	1730			1	2
Kostmayer P (PA)	D	PA	8	F	30	295	99.80	614	2024	d			4
Ford H (TN)	D	TN	9	F	30	296	84.27	518	1709				3
Gejdenson S (CT)	D	CT	2	F	30	297	99.56	611	2019	d			4
Andrews T (ME)	D	ME	1	F	30	298	98.67	603	2001				4
Hayes C (IL)	D	IL	1	F	30	299	98.32	598	1994				2
Williams P (MT)	D	MT	1	F	30	300	92.70	556	1880	d			1
Chapman J (TX)	D	TX	1	F	30	301	98.62	590	2000			1	3
Sawyer T (OH)	D	OH	14	F	29	302	99.90	597	2026				2
Hamilton L (IN)	D	IN	9	F	29	303	100.00	597	2028				2
Levin S (MI)	D	MI	17	F	29	304	99.90	596	2026				2
Leighan E (OH)	D	OH	19	F	29	305	88.66	528	1798				2
Richardson B (NM)	D	NM	3	F	29	306	96.89	576	1965				1
Kennelly B (CT)	D	CT	1	F	29	307	99.65	590	2021	d			4
Frank B (MA)	D	MA	4	F	29	308	99.01	583	2008		1		4
Mfume K (MD)	D	MD	7	F	29	309	98.62	579	2000				4
Clay W. (MO)	D	MO	1	F	29	310	97.63	573	1980				2
SABO M (MN)	D	MN	5	F	29	311	99.21	581	2012	d	1	1	2
Owens M (NY)	D	NY	12	F	29	312	95.66	555	1940				4
Wise B (WV)	D	WV	3	F	28	313	95.41	551	1935		1		4
Tallon R (SC)	D	SC	6	F	28	314	90.24	521	1830				3
Reed J (RI)	D	RI	2	F	28	315	100.00	576	2028				4
Skaggs D (CO)	D	CO	2	F	28	316	100.00	576	2028			1	1
Kildee D (MI)	D	MI	7	F	28	317	100.00	570	2028		1		2
Laface J (NY)	D	NY	32	F	28	318	96.94	552	1966				4
Yatron G (PA)	D	PA	6	F	28	319	89.55	509	1816				4
Gibbons S (FL)	D	FL	7	F	28	320	96.65	549	1960				3
Washington C (TX)	D	TX	18	F	28	321	97.73	555	1982				3
Dellums R (CA)	D	CA	8	F	28	322	99.31	562	2014				1
Weiss T (NY)	D	NY	17	F	28	323	84.52	478	1714				4
Solarz S (NY)	D	NY	13	F	28	324	81.95	461	1662				4
Olver J (MA)	D	MA	1	F	28	325	99.41	557	2016				4
Wolpe H (MI)	D	MI	3	F	28	326	92.70	517	1880				2
Payne D (NJ)	D	NJ	10	F	27	327	94.77	527	1922				4
Lantos T (CA)	D	CA	11	F	27	328	96.45	532	1956				1
Guarini F (NJ)	D	NJ	14	F	27	329	95.07	524	1928		1		4
Ortiz S (TX)	D	TX	27	F	27	330	94.58	521	1918				3
Nowark H (NY)	D	NY	33	F	27	331	94.97	520	1926				4
Anderson G (CA)	D	CA	32	F	27	332	94.53	512	1917				1
Flake F (NY)	D	NY	6	F	27	333	90.93	491	1844				4
Serrano J (NY)	D	NY	18	F	27	334	97.14	524	1970				4
Swift A (WA)	D	WA	2	F	27	335	98.96	533	2007	d			1
Lehman R (CA)	D	CA	18	F	26	336	87.72	471	1779			1	1
Blackwell L (PA)	D	PA	2	F	26	337	97.24	516	1972				4
Markey E (MA)	D	MA	7	F	26	338	95.32	503	1933				4
Lowey N (NY)	D	NY	20	F	26	339	100.00	526	2028				4
Rangel C (NY)	D	NY	16	F	26	340	98.67	516	2001	d			4
Foglietta T (PA)	D	PA	1	F	26	341	89.50	467	1815				4
Collins B (MI)	D	MI	13	F	26	342	93.00	484	1886				2
Evans L (IL)	D	IL	17	F	26	343	99.95	519	2027				2
Edwards D (CA)	D	CA	10	F	26	344	97.53	505	1978				1
Collins C (IL)	D	IL	7	F	25	345	82.84	425	1680				2
Wheat A (MO)	D	MO	5	F	25	346	99.65	511	2021	d			2
Savage G (IL)	D	IL	2	F	25	347	82.79	423	1679				2

NATIONAL TAXPAYERS UNION—Continued

Name	PA	Sta	Dist	Grade	Percent score	Rank	Percent attend.	381839 All Avg. Support 382510 Support	830962 0.45922 Eligibility 832963 Eligibility	LDR	Budget	Approp.	Region
Waxman H (CA)	D	CA	24	F	25	348	97.88	499	1985	.....	.....	.....	1
Scheuer J (NY)	D	NY	8	F	25	349	91.91	465	1864	.....	.....	.....	4
Moakley J (MA)	D	MA	4	F	25	350	92.85	469	1883	d	.....	.....	4
Torricelli R (NJ)	D	NJ	9	F	25	351	97.29	491	1973	.....	.....	.....	4
Unsoeld J (WA)	D	WA	3	F	25	352	92.80	468	1882	.....	.....	.....	1
Neal R (MA)	D	MA	2	F	25	353	98.13	492	1990	.....	.....	.....	4
Kanjorski P (PA)	D	PA	11	F	25	354	100.00	500	2028	.....	.....	.....	4
Hoyer S (MD)	D	MD	5	F	25	355	99.06	495	2009	d	.....	1	4
Delauro R (CT)	D	CT	3	F	25	356	100.00	499	2028	.....	.....	.....	4
Kleczka G (WI)	D	WI	4	F	25	357	98.92	493	2006	d	.....	.....	2
Matsui R (CA)	D	CA	3	F	25	358	94.92	472	1925	d	1	.....	1
Hefner W (NC)	D	NC	8	F	24	359	53.70	266	1089	d	.....	1	3
Stokes L (OH)	D	OH	21	F	24	360	98.32	485	1994	.....	.....	1	2
Pelosi N (CA)	D	CA	5	F	24	361	89.74	442	1820	.....	.....	1	1
Ford W (MI)	D	MI	15	F	24	362	94.28	464	1912	.....	.....	.....	2
Nagle D (IA)	D	IA	3	F	24	363	96.25	471	1952	.....	.....	.....	2
Berman H (CA)	D	CA	26	F	24	364	98.92	483	2006	.....	1	.....	1
Jones W (NC)	D	NC	1	F	24	365	76.97	373	1561	.....	.....	.....	3
Obey D (WI)	D	WI	7	F	24	366	99.75	481	2023	d	.....	1	2
Frost M (TX)	D	TX	24	F	24	367	96.45	463	1956	d	.....	.....	3
McHugh M (NY)	D	NY	28	F	24	368	99.06	474	2009	d	.....	1	4
Abercrombie N (HI)	D	HI	1	F	23	369	97.78	466	1983	.....	.....	.....	1
Pastor E (AZ)	D	AZ	2	F	23	370	96.60	458	1959	.....	.....	.....	1
Mavroules N (MA)	D	MA	6	F	23	371	96.84	443	1964	.....	.....	.....	4
Waters M (CA)	D	CA	29	F	22	372	94.72	432	1921	.....	.....	.....	1
De la Garza E (TX)	D	TX	15	F	22	373	93.44	423	1895	.....	.....	.....	3
Smith L (FL)	D	FL	16	F	22	374	90.19	408	1829	d	.....	1	3
Moran J (VA)	D	VA	8	F	22	375	91.67	414	1859	.....	.....	.....	3
Traficant J (OH)	D	OH	17	F	22	376	99.31	447	2014	.....	.....	.....	2
Ackerman G (NY)	D	NY	7	F	22	377	82.79	372	1679	.....	.....	.....	4
Koltr J (PA)	D	PA	4	F	22	378	74.41	331	1509	.....	.....	.....	4
Lewis J (GA)	D	GA	5	F	22	379	94.87	418	1924	d	.....	.....	3
Towns E (NY)	D	NY	11	F	22	380	83.33	365	1690	.....	.....	.....	4
Mink P (HI)	D	HI	2	F	21	381	95.32	415	1933	.....	.....	.....	1
Mrazek R (NY)	D	NY	3	F	21	382	89.64	386	1818	.....	.....	1	4
Coyne W (PA)	D	PA	14	F	21	383	99.80	429	2024	.....	.....	.....	4
Boxer B (CA)	D	CA	6	F	21	384	60.65	260	1230	.....	.....	.....	1
Downey T (NY)	D	NY	2	F	21	385	99.46	425	2017	.....	.....	.....	4
Cardin B (MD)	D	MD	3	F	21	386	95.56	407	1938	.....	.....	.....	4
Roybal E (CA)	D	CA	25	F	20	387	99.56	413	2019	.....	.....	1	1
Bevill T (AL)	D	AL	4	F	20	388	95.81	396	1943	d	.....	1	3
Whitten J (MS)	D	MS	1	F	20	389	68.34	277	1386	d	.....	1	3
Rahall N (WV)	D	WV	4	F	20	390	98.42	395	1996	.....	.....	.....	4
Natcher W (KY)	D	KY	2	F	20	391	100.00	401	2028	.....	.....	1	3
Mineta N (CA)	D	CA	13	F	20	392	99.51	398	2018	d	.....	.....	1
Boucher R (VA)	D	VA	9	F	20	393	99.31	393	2014	.....	.....	.....	3
Engel E (NY)	D	NY	19	F	19	394	94.03	366	1907	.....	.....	.....	4
Dwyer B (NJ)	D	NJ	6	F	19	395	85.06	331	1725	.....	1	1	4
Gaydos J (PA)	D	PA	20	F	19	396	79.44	309	1611	.....	.....	.....	4
Kaptur M (OH)	D	OH	9	F	19	397	96.20	373	1951	.....	.....	1	2
Kopetski M (OR)	D	OR	5	F	19	398	98.37	379	1995	.....	.....	.....	1
Martinez M (CA)	D	CA	30	F	19	399	97.19	374	1971	.....	.....	.....	1
Rostenkowski D (IL)	D	IL	8	F	19	400	89.99	344	1825	d	.....	.....	2
Dicks N (WA)	D	WA	6	F	19	401	96.01	366	1947	.....	.....	1	1
Manton T (NY)	D	NY	9	F	19	402	92.46	352	1875	d	.....	.....	4
Brown G (CA)	D	CA	36	F	18	403	89.40	333	1813	.....	.....	.....	1
Hochbrueckner G (NY)	D	NY	1	F	18	404	99.85	371	2025	.....	.....	.....	4
Dingell J (MI)	D	MI	16	F	18	405	88.66	328	1798	.....	.....	.....	2
Jefferson W (LA)	D	LA	2	F	18	406	86.88	321	1762	.....	.....	.....	3
Traxler B (MI)	D	MI	8	F	18	407	50.30	182	1020	.....	.....	1	2
McNulty M (NY)	D	NY	23	F	18	408	98.96	356	3007	.....	.....	.....	4
Perkins C (KY)	D	KY	7	F	18	409	87.92	316	1783	.....	.....	.....	3
Annunzio F (IL)	D	IL	11	F	18	410	87.38	314	1772	.....	.....	.....	4
Brooks J (TX)	D	TX	9	F	17	411	89.69	318	1819	.....	.....	.....	3
Levine M (CA)	D	CA	27	F	17	412	58.68	205	1190	.....	.....	.....	1
Bustamante A (TX)	D	TX	23	F	17	413	88.12	303	1787	d	.....	.....	3
Lehman W (FL)	D	FL	17	F	17	414	75.94	260	1540	.....	.....	.....	3
Aspin L (WI)	D	WI	1	F	17	415	97.73	329	1982	.....	.....	.....	2
Dymally M (CA)	D	CA	31	F	16	416	52.22	174	1059	.....	.....	.....	1
Rose C (NC)	D	NC	7	F	16	417	99.41	325	2016	.....	.....	.....	3
Smith N (IA)	D	IA	4	F	16	418	93.89	306	1904	.....	.....	1	3
Gephardt R (MO)	D	MO	3	F	16	419	90.73	295	1840	d	1	.....	2
Borski R (PA)	D	PA	3	F	16	420	98.62	320	2000	.....	.....	.....	4
Murtha J (PA)	D	PA	12	F	15	421	97.58	294	1979	d	.....	1	4
Bonior D (MI)	D	MI	12	F	15	422	82.30	247	1669	d	.....	.....	2
Fazio V (CA)	D	CA	4	F	15	423	98.37	292	1995	d	.....	1	1
Dixon J (CA)	D	CA	28	F	15	424	98.03	289	1988	.....	.....	1	1
Hertel D (MI)	D	MI	14	F	14	425	92.16	256	1869	.....	.....	.....	2
Mollohan A (WV)	D	WV	1	F	14	426	97.44	269	1976	.....	.....	1	4
Coleman R (TX)	D	TX	16	F	13	427	97.53	264	1978	.....	.....	.....	3
Gonzalez H (TX)	D	TX	20	F	13	428	100.00	266	2028	.....	.....	.....	3
Thornton R (AR)	D	AR	2	F	13	429	97.73	259	1982	d	.....	.....	3
Alexander B (AR)	D	AR	1	F	13	430	78.85	201	1599	.....	.....	1	3
Roe R (NJ)	D	NJ	8	F	12	431	87.23	218	1769	.....	.....	.....	4
Oakar M (OH)	D	OH	20	F	12	432	84.02	198	1704	.....	.....	.....	2

[From the National Taxpayers Union, Washington, DC]

BIGGEST SPENDERS—102D CONGRESS, 1ST SESSION 1991

Alabama: Rep. Tom Bevill, Rep. Glen Browder, Rep. Bud Cramer, Rep. Claude Harris, Sen. Howell Heflin, Sen. Richard C. Shelby.

Arkansas: Rep. Bill Alexander, Rep. Beryl F. Anthony, Jr., Rep. Ray Thornton.

California: Rep. Glenn M. Anderson, Rep. Howard L. Berman, Rep. Barbara Boxer, Rep. George E. Brown, Jr., Rep. Julian C. Dixon, Rep. Calvin Dooley, Rep. Don Edwards, Rep. Vic Fazio, Rep. Tom Lantos, Rep. Richard H. Lehman, Rep. Mel Levine, Rep. Matthew G. Martinez, Rep. Robert T. Matsui, Rep. Norman Y. Mineta, Rep. Leon E. Panetta, Rep. Nancy Pelosi, Rep. Edward R. Roybal, Rep. Esteban Edward Torres, Rep. Henry A. Waxman.

Colorado: Rep. Ben Nighthorse Campbell, Rep. David E. Skaggs.

Connecticut: Rep. Rosa DeLauro, Sen. Christopher Dodd, Rep. Sam Gejdenson, Rep. Barbara B. Kennelly, Sen. Joseph Lieberman.

Florida: Rep. Jim Bacchus, Rep. Dante B. Fascell, Rep. Sam M. Gibbons, Rep. William Lehman, Rep. Douglas Peterson, Rep. Lawrence J. Smith.

Georgia: Rep. George Darden, Rep. Charles F. Hatcher, Rep. Ed Jenkins, Rep. Ben Jones, Rep. John Lewis, Rep. J. Roy Rowland, Rep. Lindsay Thomas.

Hawaii: Rep. Neil Abercrombie, Sen. Daniel Akaka, Sen. Daniel Inouye, Rep. Patsy T. Mink.

Idaho: Rep. Larry LaRocco, Rep. Richard H. Stallings.

Illinois: Rep. Frank Annunzio, Rep. John W. Cox, Jr., Rep. Dan Rostenkowski.

Indiana: Rep. Jim Jontz, Rep. Frank McCloskey.

Iowa: Rep. David R. Nagle, Rep. Neal Smith.

Kentucky: Rep. Romano L. Mazzoli, Rep. William H. Natcher, Rep. Carl C. Perkins.

Louisiana: Sen. John Breaux, Rep. William J. Jefferson.

Maryland: Rep. Benjamin L. Cardin, Rep. Steny H. Hoyer, Rep. Tom McMillen, Sen. Paul Sarbanes.

Massachusetts: Rep. Chester G. Atkins, Rep. Barney Frank, Rep. Joseph P. Kennedy II, Rep. Edward J. Markey, Rep. Nicholas Mavroules, Rep. John Joseph Moakley, Rep. Richard E. Neal, Rep. John W. Olver.

Michigan: Rep. David E. Bonior, Rep. Bob Carr, Rep. Barbara-Rose Collins, Rep. John D. Dingell, Rep. Dennis M. Hertel, Rep. Dale E. Kildee, Rep. Sander M. Levin, Rep. Bob Traxler.

Minnesota: Rep. Martin Olav Sabo, Rep. Bruce F. Vento.

Mississippi: Rep. Mike Espy, Rep. Jamie L. Whitten.

Missouri: Rep. Richard A. Gephardt, Rep. Joan Kelly Ham, Rep. Alan Wheat.

Nebraska: Rep. Peter Hoagland.

Nevada: Rep. James H. Bilbray, Sen. Richard H. Bryan, Sen. Harry Reid.

New Jersey: Rep. Bernard J. Dwyer, Rep. Robert A. Roe, Rep. Robert G. Torricelli.

New Mexico: Rep. Bill Richardson, Sen. Jeff Bingaman.

New York: Rep. Gary L. Ackerman, Rep. Sherwood L. Boehlert, Sen. Alfonse D'Amato, Rep. Thomas J. Downey, Rep. Eliot L. Engel, Rep. Benjamin A. Gilman, Rep. George J. Hochbrueckner, Rep. Frank Horton, Rep. John J. LaFalce, Rep. Nita M. Lowey, Rep. Thomas J. Manton, Rep. Matthew F. McHugh, Rep. Michael R. McNulty, Sen. Daniel Patrick Moynihan, Rep. Robert J. Mrazek, Rep. Charles B. Rangel, Rep. Charles E. Schumer, Rep. José E. Serrano, Rep. Louise M. Slaughter, Rep. Stephen J. Solarz.

North Carolina: Rep. W.G. (Bill) Hefner, Rep. Walter B. Jones, Rep. H. Martin Lancaster, Rep. David E. Price, Rep. Charlie Rose.

North Dakota: Sen. Quentin Burdick.

Ohio: Rep. Edward F. Feighan, Rep. Tony P. Hall, Rep. Mary Rose Oakar, Rep. Thomas C. Sawyer.

Oklahoma: Sen. David L. Boren, Rep. Bill Brewster.

Oregon: Rep. Les AuCoin, Rep. Mike Kopetski, Sen. Bob Packwood, Rep. Ron Wyden.

Pennsylvania: Rep. Robert A. Borski, Rep. William J. Coyne, Rep. Thomas M. Foglietta, Rep. Joseph M. Gaydos, Sen. Arlen Specter, Sen. Harris Wofford, Rep. Joe Kolter, Rep. Peter H. Kostmayer, Rep. John P. Murtha, Rep. Gus Yatron.

South Carolina: Rep. Butler Derrick, Rep. John M. Spratt, Jr.

Tennessee: Rep. Bob Clement, Rep. Harold E. Ford, Rep. Bart Gordon, Sen. Al Gore, Rep. Marilyn Lloyd.

Texas: Sen. Lloyd Bentsen, Rep. Jack Brooks, Rep. John Bryant, Rep. Albert G. Bustamante, Rep. Jim Chapman, Rep. Ronald D. Coleman, Rep. E de la Garza, Rep. Chet Edwards, Rep. Martin Frost, Rep. Henry B. Gonzalez, Rep. Solomon P. Ortiz, Rep. J.J. Pickle, Rep. Charles Wilson.

Utah: Rep. Wayne Owens.

Virginia: Rep. Rick Boucher, Rep. James P. Moran, Rep. Owen B. Pickett, Sen. Charles Robb, Rep. Norman Sisisky.

Washington: Rep. Norman D. Dicks, Rep. Jim McDermott, Rep. Al Swift, Rep. Jolene Unsoeld.

West Virginia: Rep. Alan B. Mollohan, Rep. Bob Wise.

Wisconsin: Rep. Les Aspin, Rep. Gerald D. Kleczka.

[From the National Taxpayers Union, Washington, DC]

BOMBS OF 1990

The number one congressional song for big spenders in 1990 ''Hey, Big Spender.''

Alabama: Sen. Howell T. Heflin, Sen. Richard C. Shelby, Rep. Glen Browder, Rep. Tom Bevill, Rep. Ronnie Flippo, Rep. Claude Harris.

Alaska: Sen. Ted Stevens.

Arizona: Sen. Dennis DeConcini, Rep. Morris K. Udall.

Arkansas: Rep. Bill Alexander, Rep. Beryl F. Anthony, Jr.

California: Sen. Alan Cranston, Rep. Douglas H. Bosco, Rep. Robert T. Matsui, Rep. Vic Fazio, Rep. Nancy Pelosi, Rep. Barbara Boxer, Rep. Don Edwards, Rep. Tom Lantos, Rep. Norman Y. Mineta, Rep. Leon E. Panetta, Rep. Richard H. Lehman, Rep. Henry A. Waxman, Rep. Edward R. Roybal, Rep. Howard L. Berman, Rep. Mel Levine, Rep. Julian C. Dixon, Rep. Augustus F. Hawkins, Rep. Matthew G. Martinez, Rep. Mervyn M. Dymally, Rep. Glenn M. Anderson, Rep. Esteban Edward Torres, Rep. George E. Brown, Jr.

Colorado: Rep. David E. Skaggs.

Connecticut: Rep. Barbara B. Kennelly, Rep. Sam Gejdenson.

Florida: Sen. Bob Graham, Rep. Bill Nelson, Rep. Lawrence J. Smith, Rep. William Lehman, Rep. Dante B. Fascell.

Georgia: Sen. Wyche Fowler, Jr., Rep. Lindsay Thomas, Rep. Charles F. Hatcher, Rep. Ben Jones, Rep. John Lewis, Rep. George (Buddy) Darden, Rep. J. Roy Rowland.

Hawaii: Sen. Daniel K. Inouye, Sen. Daniel K. Akaka.

Illinois: Rep. Charles A. Hayes, Rep. William O. Lipinski, Rep. Cardiss Collins, Rep. Dan Rostenkowski, Rep. Sidney R. Yates, Rep. Lane Evans, Rep. Terry L. Bruce, Rep. Richard J. Durbin, Rep. Jerry F. Costello.

Indiana: Rep. Peter J. Visclosky, Rep. Frank McCloskey.

Iowa: Rep. David R. Nagle, Rep. Neal Smith.

Kentucky: Sen. Wendell H. Ford, Rep. William H. Natcher, Rep. Romano L. Mazzoli, Rep. Carl C. Perkins.

Louisiana: Sen. John B. Breaux, Sen. J. Bennett Johnston, Rep. Lindy Boggs.

Maryland: Sen. Barbara A. Mikulski, Sen. Paul S. Sarbanes, Rep. Benjamin L. Cardin, Rep. Tom McMillen, Rep. Steny H. Hoyer.

Massachusetts: Sen. Edward M. Kennedy, Rep. Richard E. Neal, Rep. Barney Frank, Rep. Chester G. Atkins, Rep. Nicholas Mavroules, Rep. Edward J. Markey, Rep. Joseph P. Kennedy II, Rep. John Joseph Moakley, Rep. Gerry E. Studds.

Michigan: Rep. John Conyers, Jr., Rep. Howard Wolpe, Rep. Dale E. Kildee, Rep. Bob Traxler, Rep. Robert W. Davis, Rep. David E. Bonior, Rep. George W. Crockett, Jr., Rep. William D. Ford, Rep. John D. Dingell, Rep. Sander M. Levin.

Minnesota: Rep. Bruce F. Vento, Rep. Martin Olav Sabo, Rep. Gerry Sikorski, Rep. James L. Oberstar.

Mississippi: Rep. Jamie L. Whitten, Rep. Mike Espy, Rep. G.V. (Sonny) Montgomery.

Missouri: Rep. William L. (Bill) Clay, Rep. Richard A. Gephardt, Rep. Ike Skelton, Rep. Alan Wheat, Rep. Harold L. Volkmer.

Nebraska: Rep. Peter Hoagland.

Nevada: Rep. James H. Bilbray:

New Jersey: Rep. Bernard J. Dwyer, Rep. Robert A. Roe, Rep. Robert G. Torricelli, Rep. Donald Payne.

New Mexico: Sen. Jeff Bingaman, Rep. Bill Richardson.

New York: Rep. George J. Hochbrueckner, Rep. Robert J. Mrazek, Rep. Floyd H. Flake, Rep. Gary L. Ackerman, Rep. James H. Scheuer, Rep. Thomas J. Manton, Rep. Charles E. Schumer, Rep. Edolphus Towns, Rep. Major R. Owens, Rep. Stephen J. Solarz, Rep. Charles B. Rangel, Rep. Jose E. Serrano, Rep. Eliot L. Engel, Rep. Nita M. Lowey, Rep. Bejamin A. Gilman, Rep. Michael R. McNulty, Rep. Sherwood L. Boehlert, Rep. Matthew F. McHugh, Rep. Frank Horton, Rep. Louise M. Slaughter, Rep. Henry J. Nowak.

North Carolina: Sen. Terry Sanford, Rep. Walter B. Jones, Rep. H. Martin Lancaster, Rep. David E. Price, Rep. Charlie Rose, Rep. W.G. (Bill) Hefner.

North Dakota: Sen. Quentin N. Burdick.

Ohio: Sen. John Glenn, Rep. Thomas A. Luken, Rep. Marcy Kaptur, Rep. Thomas C. Sawyer, Rep. Edward F. Feighan, Rep. Mary Rose Oakar, Rep. Louis Stokes.

Oklahoma: Sen. David L. Boren, Rep. Mike Synar, Rep. Wes Watkins.

Oregon: Rep. Les AuCoin, Rep. Ron Wyden, Rep. Peter A. DeFazio.

Pennsylvania: Rep. Thoms M. Foglietta, Rep. William H. Gray III, Rep. Robert A. Borski, Rep. Peter H. Kostmayer, Rep. John P. Murtha, Rep. William J. Coyne.

South Carolina: Rep. Butler Derrick, Rep. John M. Spratt, Jr.

South Dakota: Rep. Tim Johnson.

Tennessee: Sen. Albert Gore, Jr., Rep. Marilyn Lloyd, Rep. Bob Clement, Rep. Bart Gordon, Rep. John Tanner, Rep. Harold E. Ford.

Texas: Sen. Lloyd Bentsen, Rep. Jim Chapman, Rep. Charles Wilson, Rep. Jack Brooks, Rep. J.J. Pickle, Rep. Marvin Leath, Rep. Pete Geren, Rep. E Kika de la Garza, Rep. Ronald D. Coleman, Rep. Craig A. Washington, Rep. Henry B. Gonzalez, Rep. Albert G. Bustamante, Rep. Martin Frost, Rep. Michael A. Andrews, Rep. Solomon P. Ortiz.

Vermont: Sen. Patrick J. Leahy, Rep. James M. Jeffords.

Virginia: Rep. Norman Sisisky, Rep. Lewis F. Payne, Jr., Rep. Rick Boucher.

Washington: Sen. Brock Adams, Rep. Al Swift, Rep. Jolene Unsoeld, Rep. Norman D. Dicks, Rep. Jim McDermott.

West Virginia: Rep. Alan B. Mollohan, Rep. Harley O. Staggers, Jr., Rep. Bob Wise.

Wisconsin: Rep. Les Aspin, Rep. Gerald D. Kleckzka, Rep. David Obey.

VOTE TALLY MEMBER REPORT SORTED BY NET SPENDING—SENATE

[What Members of Congress voted for in the 103d Congress (Figures in millions of dollars)]

Name, party, and state	Increases	Cuts	Net
1 Johnston, J. (D–LA)	127,123	−31,700	95,422
2 Bryan, R. (D–NV)	132,582	−44,342	88,240
3 Breaux, J. (D–LA)	130,572	−45,993	84,579
4 Daschle, T. (D–SD)	130,763	−46,354	84,409
5 Inouye, D. (D–HI)	130,702	−16,352	84,350
6 Moseley-Braun, C. (D–IL)	134,551	−50,324	84,229
7 Reid, H. (D–NV)	132,610	−48,449	84,161
8 Biden, J. (D–DE)	130,708	−46,815	83,893
9 Rockefeller, J. (D–WV)	130,488	−46,657	83,831
10 Mikulski, B. (D–MD)	128,823	−45,826	82,997
11 Akaka, D. (D–HI)	130,732	−47,884	82,848
12 Boxer, B. (D–CA)	136,389	−53,720	82,669
13 Wellstone, P. (D–MN)	135,793	−54,280	81,513
14 Riegle, D. (D–MI)	128,496	−47,037	81,459
15 Ford, W. (D–KY)	130,732	−49,714	81,018
16 Glenn, J. (D–OH)	127,262	−46,343	80,919
17 Sarbanes, P. (D–MD)	127,332	−47,571	79,761
18 Murray, P. (D–WA)	127,332	−48,003	79,329
19 Dodd, C. (D–CT)	126,256	−47,002	79,254
20 Feinstein, D. (D–CA)	127,521	−50,872	76,649
21 Kennedy, E. (D–MA)	127,256	−51,079	76,177
22 Heflin, H. (D–AL)	133,490	−57,768	75,722
23 Harkin, T. (D–IA)	140,062	−64,432	75,630
24 Campbell, B. (D–CO)	127,361	−51,818	75,543
25 Moynihan, D. (D–NY)	129,613	−54,602	75,011
26 Mitchell, G. (D–ME)	127,308	−52,668	74,640
27 Byrd, R. (D–WV)	128,325	−53,869	74,456
28 Mathews, H. (D–TN)	129,125	−56,887	72,238
29 Sasser, J. (D–TN)	132,719	−60,681	72,038
30 Wofford, H. (D–PA)	132,613	−61,662	70,951
31 Bradley, B. (D–NJ)	129,639	−59,336	70,303
32 Leahy, P. (D–VT)	134,144	−64,377	69,767
33 Bingaman, J. (D–NM)	125,602	−56,267	69,335
34 Bumpers, D. (D–AR)	133,128	−65,901	67,227

VOTE TALLY MEMBER REPORT SORTED BY NET SPENDING—SENATE—Continued

[What Members of Congress voted for in the 103d Congress (Figures in millions of dollars)]

Name, party, and state	In-creases	Cuts	Net
35 Dorgan, B. (D–ND)	132,900	−66,454	66,446
36 Levin, C. (D–MI)	127,302	−61,756	66,046
37 Kerry, J. (D–MA)	127,332	−62,446	64,886
38 Hollings, E. (D–SC)	126,315	−62,298	64,017
39 Pryor, D. (D–AR)	130,534	−66,918	63,616
40 Pell, C. (D–RI)	121,372	−58,847	62,525
41 Lautenberg, F. (D–NJ)	136,633	−74,425	62,208
42 Conrad, K. (D–ND)	131,665	−70,587	61,078
43 Nunn, S. (D–GA)	127,354	−69,730	57,624
44 Graham, B. (D–FL)	129,093	−71,883	57,210
45 Simon, P. (D–IL)	134,777	−82,337	52,440
46 Metzenbaum, H. (D–OH)	122,709	−71,661	51,048
47 Baucus, M. (D–MT)	129,869	−79,774	50,095
48 Jeffords, J. (R–VT)	127,492	−79,181	48,311
49 Feingold, R. (D–WI)	126,993	−81,812	45,121
50 Robb, C. (D–VA)	127,304	−84,096	43,208
51 DeConcini, D. (D–AZ)	137,832	−95,895	41,937
52 Exon, J. (D–NE)	130,612	−89,195	41,417
53 Kerrey, B. (D–NE)	127,183	−95,574	31,609
54 Hutchison, K. (R–TX)	112,902	−84,690	28,212
55 Lieberman, J. (D–CT)	122,816	−95,098	27,718
56 Boren, D. (D–OK)	126,528	−100,581	25,947
57 Hatfield, M. (R–OR)	112,727	−86,919	25,808
58 Shelby, R. (D–AL)	117,660	−92,487	25,173
59 Stevens, T. (R–AK)	122,046	−97,887	24,159
60 Specter, A. (R–PA)	124,538	−100,781	23,757
61 Kohl, H. (D–WI)	124,700	−103,945	20,755
62 Cochran, T. (R–MS)	117,697	−101,611	16,086
63 Gorton, S. (R–WA)	119,839	−108,973	10,866
64 Bond, C. (R–MO)	117,452	−112,300	5,152
65 McConnell, M. (R–KY)	117,608	−113,755	3,853
66 Lott, T. (R–MS)	115,558	−113,289	2,269
67 Domenici, P. (R–NM)	113,763	−113,076	687
68 Bennett, R. (R–UT)	118,656	−118,998	−342
69 Gramm, P. (R–TX)	116,963	−117,343	−380
70 Hatch, O. (R–UT)	118,376	−119,900	−1,524
71 Burns, C. (R–MT)	116,079	−118,112	−2,033
72 D'Amato, A. (R–NY)	119,056	−121,381	−2,325
73 Thurmond, S. (R–SC)	117,863	−120,618	−2,755
74 Wallop, M. (R–WY)	96,189	−100,419	−4,230
75 Lugar, R. (R–IN)	115,399	−120,289	−4,890
76 Dole, B. (R–KS)	117,684	−122,677	−4,993
77 Pressler, L. (R–SD)	113,502	−119,079	−5,577
78 Danforth, J. (R–MO)	119,264	−127,421	−8,157
79 Murkowski, F. (R–AK)	111,051	−120,295	−9,244
80 Durenberger, D. (R–MN)	113,712	−122,966	−9,254
81 Coats, D. (R–IN)	111,932	−121,410	−9,478
82 Packwood, B. (R–OR)	110,030	−121,330	−11,300
83 Kassebaum, N. (R–KS)	120,090	−133,058	−12,968
84 Chafee, J. (R–RI)	122,158	−136,007	−13,849
85 Warner, J. (R–VA)	104,460	−121,462	−17,002
86 Roth, W. (R–DE)	95,926	−114,511	−18,585
87 Helms, J. (R–NC)	91,567	−112,912	−21,345
88 Kempthorne, D. (R–ID)	115,281	−137,160	−21,879
89 Craig, L. (R–ID)	115,251	−137,160	−21,909
90 McCain, J. (R–AZ)	111,698	−139,708	−28,010
91 Cohen, W. (R–ME)	116,295	−146,117	−29,822
92 Mack, C. (R–FL)	113,043	−143,972	−30,929
93 Coverdell, P. (R–GA)	111,795	−142,899	−31,104
94 Simpson, A. (R–WY)	98,332	−130,480	−32,148
95 Nickles, D. (R–OK)	108,958	−142,761	−33,803
96 Grassley, C. (R–IA)	117,692	−152,677	−34,985
97 Faircloth, L. (R–NC)	103,531	−139,538	−36,007
98 Brown, H. (R–CO)	103,040	−140,292	−37,252
99 Gregg, J. (R–NJ)	103,600	−144,296	−40,696
100 Smith, R. (R–NH)	91,214	−136,976	−45,762

VOTE TALLY MEMBER REPORT SORTED BY NET SPENDING—HOUSE

[What Members of Congress voted for in the 103d Congress (figures in millions of dollars)]

Name	In-creases	Cuts	Net
1 Tejeda, F. (TX)—D	141,363	(47,773)	93,590
2 Murtha, J. (PA)—D	140,545	(47,492)	93,053
3 Boehlert, S. (NY)—R	136,912	(45,270)	91,642
4 Gonzalez, H. (TX)—D	140,382	(49,191)	91,191
5 Clement, B. (TN)—D	131,474	(43,068)	88,406
6 Chapman, J. (TX)—D	139,177	(51,602)	87,575
7 Wise, B. (WV)—D	133,297	(47,577)	85,720
8 Fazio, V. (CA)—D	133,278	(47,609)	85,669
9 Dicks, N. (WA)—D	133,328	(47,767)	85,561
10 Darden, G. (GA)—D	133,263	(47,811)	85,452
11 Peterson, P. (FL)—D	133,241	(47,789)	85,452
12 Bevill, T. (AL)—D	133,165	(47,841)	85,324
13 Manton, T. (NY)—D	133,056	(57,900)	85,156
14 Meek, C. (FL)—D	132,765	(47,663)	85,102
15 Ortiz, S. (TX)—D	132,218	(47,340)	84,878
16 Swift, A. (WA)—D	132,523	(48,140)	84,383
17 Hoyer, S. (MD)—D	133,222	(48,893)	84,329
18 Brown, C. (FL)—D	133,224	(49,213)	84,011
19 DeLauro, R. (CI)—D	133,097	(49,205)	83,892
20 Berman, H. (CA)—D	133,124	(49,327)	83,797
21 Kennelly, B. (CT)—D	133,256	(49,553)	83,703
22 Cramer, R. (AL)—D	131,079	(47,836)	83,243
23 Lancaster, H. (NC)—D	141,669	(59,515)	82,154
24 Roybal-Allard, L. (CA)—D	132,591	(50,597)	81,994
25 Smith, N. (IA)—D	130,221	(48,374)	81,847
26 Gephardt, R. (MO)—D	133,462	(51,699)	81,763
27 Hall, T. (OH)—D	135,102	(53,743)	81,359
28 Sawyer, T. (OH)—D	133,549	(52,280)	81,269
29 de la Garza, E (TX)—D	132,460	(51,281)	81,179
30 Gibbons, S. (FL)—D	131,598	(50,571)	81,027

VOTE TALLY MEMBER REPORT SORTED BY NET SPENDING—HOUSE—Continued

[What Members of Congress voted for in the 103d Congress (figures in millions of dollars)]

Name	In-creases	Cuts	Net
31 Glickman, D. (KS)—D	131,011	(50,128)	80,883
32 Price, D. (NC)—D	133,572	(53,450)	80,122
33 Moran, J. (VA)—D	134,094	(54,248)	79,846
34 Richardson, B. (NM)—D	132,345	(52,617)	79,728
35 Spratt, J. (SC)—D	133,556	(53,868)	79,688
36 McCloskey, F. (IN)—D	133,603	(54,139)	79,464
37 Rose, C. (NC)—D	130,222	(50,862)	79,360
38 Dixon, J. (CA)—D	135,695	(56,387)	79,308
39 Whitten, J. (MS)—D	130,260	(51,373)	78,887
40 Coleman, R. (TX)—D	134,930	(56,112)	78,818
41 Mollohan, A. (WV)—D	127,593	(48,951)	78,642
42 Reed, J. (RI)—D	133,048	(54,455)	78,593
43 Thornton, R. (AR)—D	135,134	(56,709)	78,425
44 Sabo, M. (MN)—D	129,219	(51,210)	78,009
45 Bilbray, J. (NV)—D	133,633	(55,667)	77,966
46 Levin, S. (MI)—D	133,080	(55,338)	77,742
47 Derrick, B. (SC)—D	129,552	(52,095)	77,457
48 Traficant, J. (OH)—D	132,239	(54,813)	77,426
49 Rogers, H. (KY)—R	129,359	(52,075)	77,284
50 Matsui, R. (CA)—D	134,510	(57,291)	77,219
51 Ackerman, G. (NY)—D	131,956	(54,784)	77,172
52 Volkmer, H. (MO)—D	131,029	(54,470)	76,559
53 Skelton, I. (MO)—D	130,804	(55,373)	75,431
54 Pickett, O. (VA)—D	110,525	(35,608)	74,917
55 Edwards, C. (TX)—D	129,826	(54,946)	74,880
56 Brooks, J. (TX)—D	133,173	(58,641)	74,532
57 Harman, J. (CA)—D	132,362	(57,848)	74,514
58 Clyburn, J. (SC)—D	133,732	(60,148)	73,584
59 Mineta, N. (CA)—D	131,362	(57,945)	73,417
60 Bentley, H. (MD)—R	112,601	(39,832)	72,769
61 Johnston, H. (FL)—D	130,685	(58,569)	71,116
62 Stokes, L. (OH)—D	131,023	(59,011)	72,012
63 Bishop, S. (GA)—D	133,046	(61,705)	71,341
64 Laughlin, G. (TX)—D	129,656	(58,974)	70,682
65 McNulty, M. (NY)—D	132,851	(62,223)	70,628
66 Synar, M. (OK)—D	129,921	(59,423)	70,498
67 Clayton, E. (NC)—D	130,160	(59,698)	70,462
68 Sarpalius, B. (TX)—D	136,659	(67,164)	69,495
69 Beilenson, A. (CA)—D	123,210	(54,085)	69,125
70 Olver, J. (MA)—D	136,248	(67,248)	69,000
71 Williams, P. (MI)—D	138,000	(69,030)	68,970
72 Morella, C. (MD)—R	116,854	(48,097)	68,757
73 Gejdenson, S. (CT)—D	133,578	(64,972)	68,606
74 Conyers, J. (MI)—D	126,861	(58,795)	68,066
75 Rostenkowski, D. (IL)—D	134,763	(66,907)	67,856
76 Hamilton, L. (IN)—D	133,806	(66,170)	67,636
77 Jefferson, W. (LA)—D	133,276	(65,803)	67,473
78 Torres, E. (CA)—D	133,372	(66,328)	67,044
79 Sisisky, N. (VA)—D	117,136	(50,586)	66,550
80 Cantwell, M. (WA)—D	133,291	(66,938)	66,353
81 Machtley, R. (RI)—R	117,118	(50,818)	66,300
82 Mfume, K. (MD)—D	135,916	(69,644)	66,272
83 Diaz-Balart, L. (FL)—R	105,349	(39,199)	66,150
84 Scott, R. (VA)—D	129,072	(62,932)	66,140
85 Maloney, C. (NY)—D	133,215	(67,248)	65,967
86 Lipinski, W. (IL)—D	135,707	(69,875)	65,832
87 Danner, P. (MO)—D	136,122	(70,370)	65,752
88 Hochbrueckner (NY)—D	130,549	(64,845)	65,704
89 Nadler, J. (NY)—D	132,948	(67,379)	65,569
90 Mazzoli, R. (KY)—D	133,475	(67,925)	65,550
91 Lantos, T. (CA)—D	132,565	(67,248)	65,317
92 Browder, G. (AL)—D	132,765	(67,654)	65,111
93 Klein, H. (NJ)—D	132,260	(68,715)	63,545
94 Visclosky, P. (IN)—D	133,488	(70,124)	63,364
95 Brown, G. (CA)—D	131,062	(67,969)	63,093
96 Waxman, H. (CA)—D	129,495	(66,453)	63,042
97 Reynolds, M. (IL)—D	133,322	(70,340)	62,982
98 Kildee, D. (MI)—D	133,729	(71,150)	62,579
99 LaFalce, J. (NY)—D	132,956	(70,487)	62,469
100 Fowler, T. (FL)—R	117,511	(55,120)	62,391
101 Blackwell, L. (PA)—D	133,043	(70,656)	62,387
102 English, K. (AZ)—D	131,824	(69,704)	62,120
103 Spence, F. (SC)—R	103,080	(40,981)	62,099
104 Frost, M. (TX)—D	133,070	(71,340)	61,730
105 Boucher, R. (VA)—D	134,942	(73,222)	61,720
106 Dingell, J. (MI)—D	131,236	(69,533)	61,703
107 Applegate, D. (OH)—D	129,120	(68,370)	60,750
108 Tucker, W. (CA)—D	130,908	(70,253)	60,655
109 Skaggs, D. (CO)—D	133,458	(72,811)	60,647
110 Woolsey, L. (CA)—D	135,699	(75,289)	60,410
111 Foglietta, T. (PA)—D	133,448	(73,070)	60,378
112 Martinez, M. (CA)—D	135,563	(75,388)	60,175
113 Pickle, J. (TX)—D	131,819	(71,968)	59,851
114 Filner, B. (CA)—D	130,125	(70,313)	59,812
115 Rahall, N. (WV)—D	130,704	(70,898)	59,806
116 Lehman, R. (CA)—D	127,920	(68,375)	59,545
117 Borski, R. (PA)—D	135,626	(76,251)	59,375
118 Shepherd, K. (UT)—D	130,880	(71,552)	59,328
119 Wilson, C. (TX)—D	132,332	(73,141)	59,191
120 Carr, B. (MI)—D	132,782	(73,805)	58,977
121 McCurdy, D. (OK)—D	129,871	(70,988)	58,883
122 Hastings, A. (FL)—D	124,611	(65,777)	58,834
123 Waters, M. (CA)—D	128,403	(69,625)	58,778
124 Roemer, T. (IN)—D	115,914	(57,139)	58,775
125 Mink, P. (HI)—D	133,951	(75,239)	58,712
126 Collins, B. (MI)—D	130,646	(72,086)	58,560
127 Gordon, B. (TN)—D	133,005	(74,449)	58,556
128 Johnson, E. (TX)—D	135,851	(77,427)	58,424
129 Bonior, D. (MI)—D	135,494	(77,509)	57,985
130 Hughes, W. (NJ)—D	122,142	(64,546)	57,596
131 Pelosi, N. (CA)—D	136,146	(78,669)	57,477
132 Hilliard, E. (AL)—D	127,840	(70,623)	57,217
133 Deutsch, P. (FL)—D	135,305	(78,163)	57,142
134 Baesler, S. (KY)—D	131,843	(74,887)	56,956
135 Ford, H. (TN)—D	112,243	(55,410)	56,833
136 Hamburg, D. (CA)—D	131,907	(75,315)	56,592
137 Towns, E. (NY)—D	131,897	(75,597)	56,300

VOTE TALLY MEMBER REPORT SORTED BY NET SPENDING—HOUSE—Continued

[What Members of Congress voted for in the 103d Congress (figures in millions of dollars)]

Name	In-creases	Cuts	Net
138 Lowey, N. (NY)—D	136,236	(80,007)	56,229
139 Neal, R. (MA)—D	135,123	(78,926)	56,197
140 Eshoo, A. (CA)—D	134,752	(79,068)	55,684
141 Swett, D. (NH)—D	131,083	(75,590)	55,493
142 Abercrombie, N. (HI)—D	136,002	(80,623)	55,379
143 Kleczka, G. (WI)—D	136,083	(80,769)	55,314
144 Ford, W. (MI)—D	127,978	(72,795)	55,183
145 Gutierrez, L. (IL)—D	127,792	(72,618)	55,174
146 Hefner, W. (NC)—D	135,846	(80,675)	55,171
147 Huffington, M. (CA)—R	94,862	(39,830)	55,032
148 Wynn, A. (MD)—D	136,193	(81,292)	54,901
149 Lloyd, M. (IN)—D	128,944	(74,208)	54,736
150 Schumer, C. (NY)—D	135,227	(80,604)	54,623
151 Pallone, E. (NJ)—D	113,692	(59,576)	54,116
152 Coppersmith, S. (AZ)—D	117,093	(63,054)	54,039
153 Engel, E. (NY)—D	135,678	(81,675)	54,003
154 Hinchey, M. (NY)—D	135,659	(81,733)	53,926
155 Thurman, K. (FL)—D	132,997	(79,204)	53,793
156 McDermott, J. (WA)—D	134,667	(80,927)	53,740
157 Sharp, P. (IN)—D	131,236	(77,679)	53,557
158 Schenk, L. (CA)—D	133,606	(80,147)	53,459
159 Costello, J. (IL)—D	134,522	(81,139)	53,383
160 Byrne, L. (VA)—D	131,385	(78,014)	53,371
161 Kopetski, M. (OR)—D	130,335	(77,141)	53,194
162 Gilman, B. (NY)—R	110,441	(57,314)	53,127
163 Obey, D. (WI)—D	136,075	(82,955)	53,120
164 Menendez, R. (NJ)—D	133,872	(80,884)	52,988
165 Bryant, J. (TX)—D	133,135	(80,232)	52,903
166 Slaughter, L. (NY)—D	136,055	(83,249)	52,806
167 Kanjorski, P. (PA)—D	136,145	(83,549)	52,596
168 Gillmor, P. (OH)—R	113,401	(60,947)	52,454
169 Kennedy, J. (MA)—D	135,871	(83,428)	52,443
170 Coyne, W. (PA)—D	136,205	(84,074)	52,131
171 Durbin, R. (IL)—D	135,331	(83,300)	52,031
172 Bacchus, J. (FL)—D	132,887	(80,920)	51,967
173 Furse, E. (OR)—D	134,727	(82,816)	51,911
174 Edwards, D. (CA)—D	124,699	(72,855)	51,844
175 Markey, E. (MA)—D	136,201	(84,477)	51,724
176 Fields, C. (LA)—D	136,243	(84,672)	51,571
177 Andrews, M. (TX)—D	124,106	(72,551)	51,555
178 Studds, G. (MA)—D	135,994	(84,675)	51,319
179 Johnson, T. (SD)—D	134,057	(82,854)	51,203
180 Young, D. (AK)—R	107,842	(56,885)	50,957
181 Neal, S. (NC)—D	116,769	(65,916)	50,853
182 Unsoeld, J. (WA)—D	136,071	(85,252)	50,819
183 Strickland, T. (OH)—D	136,034	(85,400)	50,634
184 Evans, L. (IL)—D	136,045	(85,511)	50,534
185 Yates, S. (IL)—D	135,744	(85,592)	50,152
186 Stupak, B. (MI)—D	135,875	(85,738)	50,137
187 Lewis, J. (GA)—D	131,820	(81,783)	50,037
188 Sanders, B. (VT)—I	128,991	(79,303)	49,688
189 Moakley, J. (MA)—D	129,582	(80,030)	49,552
190 Brewster, B. (OK)—D	108,809	(59,262)	49,547
191 Mann, D. (OH)—D	111,590	(62,197)	49,393
192 Clay, W. (MO)—D	126,983	(77,654)	49,329
193 Vucanovich, B. (NV)—R	109,877	(60,553)	49,324
194 Walsh, J. (NY)—R	132,037	(83,063)	48,974
195 Barlow, T. (KY)—D	133,075	(84,133)	48,942
196 Kaptur, M. (OH)—D	135,191	(86,679)	48,512
197 Andrews, T. (ME)—D	134,168	(85,669)	48,499
198 Parker, M. (MS)—D	117,776	(69,297)	48,479
199 Montgomery, G. (MS)—D	122,661	(74,247)	48,414
200 Payne, L. (VA)—D	126,508	(78,141)	48,367
201 Emerson, B. (MO)—R	105,584	(57,296)	48,288
202 Wheat, A. (MO)—D	133,071	(84,832)	48,239
203 Ros-Lehtinen, I. (FL)—R	101,273	(53,047)	48,226
204 Slattery, J. (KS)—D	125,991	(78,020)	47,971
205 Becerra, X. (CA)—D	134,083	(86,337)	47,746
206 Leach, J. (IA)—R	111,274	(63,586)	47,688
207 Combest, L. (TX)—R	86,879	(39,267)	47,612
208 McKinney, C. (GA)—D	132,747	(85,370)	47,377
209 Flake, F. (NY)—D	134,476	(87,420)	47,056
210 Cooper, J. (TN)—D	130,486	(83,481)	47,005
211 Rangel, C. (NY)—D	126,757	(79,759)	46,998
212 Smith, B. (OR)—R	76,561	(29,600)	46,961
213 Oberstar, J. (MN)—D	129,767	(82,993)	46,834
214 Vento, B. (MN)—D	131,653	(84,926)	46,727
215 Watt, M. (NC)—D	131,786	(85,282)	46,504
216 Pomeroy, E. (ND)—D	133,784	(87,344)	46,440
217 Pastor, E. (AZ)—D	128,259	(81,835)	46,424
218 Tanner, J. (TN)—D	131,670	(85,516)	46,154
219 Payne, D. (NJ)—D	131,116	(85,294)	45,822
220 Miller, G. (CA)—D	134,447	(88,752)	45,695
221 Hoagland, P. (NE)—D	132,702	(87,191)	45,511
222 Johnson, D. (GA)—D	131,875	(87,544)	44,331
223 Rush, B. (IL)—D	131,997	(87,780)	44,217
224 Holden, T. (PA)—D	136,034	(92,293)	43,741
225 Kreidler, M. (WA)—D	135,965	(92,527)	43,438
226 Owens, M. (NY)—D	121,084	(77,737)	43,347
227 Lightfoot, J. (IA)—R	96,061	(52,927)	43,134
228 Barcia, J. (MI)—D	132,669	(89,812)	42,857
229 Geren, P. (TX)—D	113,248	(70,661)	42,587
230 Stark, P. (CA)—D	128,276	(86,378)	41,898
231 Collins, C. (IL)—D	117,579	(75,819)	41,760
232 Bereuter, D. (NE)—R	94,106	(52,443)	41,663
233 Regula, R. (OH)—R	115,493	(74,188)	41,305
234 Roukema, M. (NJ)—R	98,215	(57,205)	41,010
235 Hayes, J. (LA)—D	109,938	(69,222)	40,716
236 Brown, S. (OH)—D	136,089	(95,756)	40,333
237 Torricelli, R. (NJ)—D	133,861	(93,755)	40,106
238 Sangmeister, G. (IL)—D	136,095	(96,172)	39,923
239 Stearns, C. (FL)—R	89,425	(49,647)	39,778
240 Serrano, J. (NY)—D	127,638	(87,924)	39,714
241 Foley, T. (WA)—D	75,302	(35,590)	39,712
242 Molinari, S. (NY)—R	112,661	(73,230)	39,431
243 Kim, J. (CA)—R	112,313	(73,194)	39,119

VOTE TALLY MEMBER REPORT SORTED BY NET SPENDING—HOUSE—Continued

[What Members of Congress voted for in the 103d Congress (figures in millions of dollars)]

	Name	In-creases	Cuts	Net
244	Dellums, R. (CA)—D	174,443	(85,450)	38,993
245	Wyden, R. (OR)—D	126,217	(87,274)	38,943
246	Deal, N. (GA)—D	118,788	(80,398)	38,390
247	Klink, R. (PA)—D	136,088	(97,919)	38,169
248	Torkildsen, P. (MA)—R	119,938	(81,861)	38,077
249	Green, G. (TX)—D	117,418	(79,844)	37,574
250	Barrett, T. (WI)—D	129,832	(92,871)	36,961
251	Skeen, J. (NM)—R	112,479	(75,564)	36,915
252	Rowland, J. (GA)—D	109,857	(73,388)	36,469
253	Cardin, B. (MD)—D	133,856	(97,578)	36,278
254	Velazquez, N. (NY)—D	127,188	(90,925)	36,263
255	Frank, B. (MA)—D	124,628	(88,555)	36,073
256	Snowe, O. (ME)—R	123,710	(87,709)	36,001
257	Farr, S. (CA)—D	109,731	(73,906)	35,825
258	Roberts, P. (KS)—R	89,179	(53,720)	35,459
259	Thompson, B. (MS)—D	111,728	(76,771)	34,957
260	Barrett, B. (NE)—R	98,965	(64,067)	34,898
261	McHale, P. (PA)—D	135,817	(101,176)	34,641
262	Clinger, W. (PA)—R	104,552	(71,143)	33,409
263	Smith, C. (NJ)—R	119,676	(86,449)	33,227
264	Bateman, H. (VA)—R	106,621	(73,802)	32,819
265	Lazio, R. (NY)—R	101,259	(68,809)	32,450
266	Callahan, S. (AL)—R	83,227	(50,907)	32,320
267	Andrews, R. (NJ)—D	118,812	(86,934)	31,878
268	McDade, J. (PA)—R	109,525	(78,081)	31,444
269	Jacobs, A. (IN)—D	114,071	(83,108)	30,963
270	Canady C. (FL)—R	94,433	(63,566)	30,867
271	Washington, C. (TX)—D	98,221	(67,452)	30,769
272	DeFazio, P. (OR)—D	112,003	(81,768)	30,235
273	Levy, D. (NY)—R	97,636	(67,711)	29,925
274	Long, J. (IN)—D	134,135	(104,384)	29,751
275	Hefley, J. (CO)—R	74,007	(44,367)	29,640
276	King, P. (NY)—R	94,194	(64,718)	29,476
277	Gilchrest, T. (MD)—R	117,374	(88,017)	29,357
278	Dornan, R. (CA)—R	70,554	(41,368)	29,186
279	Allard, W. (CO)—R	76,951	(47,788)	29,163
280	Lewis, J. (CA)—R	107,912	(78,838)	29,074
281	Houghton, A. (NY)—R	113,776	(85,066)	28,710
282	Stump, B. (AZ)—R	69,828	(41,271)	28,577
283	Dooley, C. (CA)—D	130,330	(102,428)	27,902
284	Inslee, J. (WA)—D	134,108	(106,326)	27,782
285	Hall, R. (TX)—D	103,847	(76,141)	27,706
286	Fish, H. (NY)—R	115,328	(87,667)	27,661
287	Kingston, J. (GA)—R	87,286	(59,930)	27,356
288	Grandy, F. (IA)—R	102,787	(77,665)	25,122
289	McHugh, J. (NY)—R	95,105	(70,325)	24,780
290	Fingerhut, E. (OH)—D	113,373	(88,677)	24,696
291	Calvert, K. (CA)—R	101,960	(77,478)	24,482
292	Poshard, G. (IL)—D	133,523	(109,126)	24,397
293	Blute, P. (MA)—R	117,151	(92,971)	24,180
294	Burton, D. (IN)—R	81,826	(57,877)	23,939
295	Schroeder, P. (CO)—D	117,890	(94,438)	23,452
296	Minge, D. (MN)—D	116,973	(93,856)	23,117
297	Margolies-Mezv, (PA)—D	117,351	(94,689)	22,262
298	Bartlett, R. (MD)—R	90,787	(68,774)	22,013
299	Orton, B. (UT)—D	98,477	(76,968)	21,509
300	Gallo, D. (NJ)—R	102,380	(81,200)	21,180
301	Murphy, A. (PA)—D	117,285	(96,225)	21,060
302	McCollum, B. (FL)—R	86,428	(66,143)	20,295
303	Bilirakis, M. (FL)—R	111,730	(91,474)	20,256
304	Larocco, L. (ID)—D	131,628	(112,089)	19,539
305	Hutto, E. (FL)—D	98,320	(79,123)	19,197
306	Livingston, R. (LA)—R	106,973	(88,408)	18,565
307	Hyde, H. (IL)—R	94,185	(76,478)	17,707
308	Young, C. (FL)—R	112,386	(94,847)	17,539
309	Goodlatte, R. (VA)—R	74,768	(57,421)	17,347
310	Kolbe, J. (AZ)—R	99,503	(82,210)	17,293
311	Meyers, J. (KS)—R	105,890	(89,016)	16,874
312	Valentine, T. (NC)—D	111,821	(95,042)	16,779
313	Ridge, T. (PA)—R	108,188	(92,187)	16,001
314	Hoekstra, P. (MI)—R	96,995	(81,066)	15,929
315	McCandless, A. (CA)—R	80,914	(65,005)	15,909
316	Smith, L. (TX)—R	94,953	(79,108)	15,845
317	Dunn, J. (WA)—R	82,033	(66,335)	15,698
318	Condit, G. (CA)—D	111,786	(96,357)	15,429
319	Lambert, B. (AR)—D	134,547	(119,193)	15,354
320	Archer, B. (TX)—R	59,069	(43,841)	15,228
321	Peterson, C. (MN)—D	117,450	(102,774)	14,676
322	Meehan, M. (MA)—D	135,375	(120,729)	14,646
323	Mcinnis, S. (CO)—R	72,873	(58,742)	14,131
324	McCrery, J. (LA)—R	100,333	(86,945)	13,388
325	Hancock, M. (MO)—R	58,513	(45,127)	13,386
326	Buyer, S. (IN)—R	94,089	(81,664)	12,425
327	Zekuff, B. (NH)—R	79,479	(67,294)	12,176
328	Tauzin, W. (LA)—D	112,409	(100,269)	12,140
329	Shaw, E. (FL)—R	97,003	(85,295)	11,708
330	Hastert, D. (IL)—R	96,879	(85,496)	11,383
331	Ravenel, A. (SC)—R	116,390	(105,123)	11,267
332	Thomas, B. (CA)—R	98,510	(87,775)	10,735
333	Quinn, J. (NY)—R	96,639	(86,354)	10,285
334	Taylor, G. (MS)—D	97,103	(86,878)	10,225
335	Franks, G. (CT)—R	99,359	(89,472)	9,887
336	Baker, R. (LA)—R	93,284	(83,613)	9,671
337	Horn, S. (CA)—R	109,439	(100,148)	9,281
338	Talent, J. (MO)—R	87,618	(78,445)	9,173
339	Gallegly, E. (CA)—R	97,808	(88,778)	9,030
340	Myers, J. (IN)—R	92,448	(83,657)	8,791
341	Gunderson, S. (WI)—R	97,717	(88,982)	8,735
342	Klug, S. (WI)—R	88,482	(79,847)	8,635
343	Quilen, J. (TN)—R	92,083	(83,848)	8,235
344	Mckeon, H. (CA)—R	88,758	(80,696)	8,062
345	Pryce, D. (OH)—R	107,963	(99,910)	8,053
346	Oxley, M. (OH)—R	86,516	(79,548)	6,968
347	Knollenberg, J. (MI)—R	75,492	(69,738)	5,754
348	Kyl, J. (AZ)—R	81,769	(76,110)	5,659
349	Hobson, D. (OH)—R	107,143	(101,560)	5,583
350	Linder, J. (GA)—R	83,347	(78,226)	5,121
351	Saxton, H. (NJ)—R	96,489	(91,386)	5,103

VOTE TALLY MEMBER REPORT SORTED BY NET SPENDING—HOUSE—Continued—Continued

[What Members of Congress voted for in the 103d Congress (figures in millions of dollars)]

	Name	In-creases	Cuts	Net
352	Boehner, J. (OH)—R	71,804	(66,717)	5,087
353	Dickey, J. (AR)—R	91,151	(86,130)	5,021
354	Goodling, B. (PA)—R	98,168	(93,254)	4,914
355	Kasich, J. (OH)—r	93,919	(89,098)	4,821
356	Weldon, C. (PA)—R	91,001	(86,258)	4,743
357	Sundquist, D. (IN)—R	96,191	(91,745)	4,446
358	Hutchinson, T. (AR)—R	94,931	(90,577)	4,354
359	Wolf, F. (VA)—R	94,060	(90,009)	4,051
360	Castle, M. (DE)—R	89,461	(85,686)	3,775
361	Lewis, T. (FL)—R	82,691	(79,105)	3,586
362	Porter, J. (IL)—R	96,466	(93,657)	2,809
363	Crapo, M. (ID)—R	74,138	(71,766)	2,372
364	Bonilla, H. (TX)—R	95,946	(94,297)	1,649
365	Penny, T. (MN)—D	111,140	(110,111)	1,029
366	Goss, P. (FL)—R	71,039	(70,567)	472
367	Gingrich, N. (GA)—R	84,287	(83,872)	415
368	Fields, J. (TX)—R	65,879	(65,861)	18
369	Stenholm, C. (TX)—D	92,638	(92,702)	(64)
370	Cox, C. (CA)—R	69,678	(69,808)	(130)
371	Manzullo, D. (IL)—R	84,545	(85,360)	(815)
372	Delay, T. (TX)—R	72,114	(73,433)	(1,319)
373	Taylor, C. (NC)—R	75,562	(76,931)	(1,369)
374	Schaefer, D. (CO)—R	62,397	(64,193)	(1,796)
375	Armey, D. (TX)—R	66,063	(67,890)	(1,827)
376	Bacgus, S. (AL)—R	76,529	(79,254)	(2,725)
377	Schiff, S. (NM)—R	96,741	(99,656)	(2,915)
378	Baker, B. (CA)—R	74,768	(77,838)	(3,070)
379	Shuster, B. (PA)—R	81,291	(84,389)	(3,098)
380	Mica, J. (FL)—R	83,082	(86,383)	(3,301)
380	Grams, R. (MN)—R	66,974	(70,275)	(3,301)
382	Everett, T. (AL)—R	92,379	(95,818)	(3,439)
383	Bliley, T. (VA)—R	84,660	(88,240)	(3,580)
384	Solomon, G. (NY)—R	67,851	(71,579)	(3,728)
385	Michel, R. (IL)—R	84,049	(87,819)	(3,770)
386	Santorum, R. (PA)—R	91,135	(94,914)	(3,779)
387	Cunningham, R. (CA)—R	88,510	(92,438)	(3,928)
388	Greenwood, J. (PA)—R	103,726	(107,694)	(3,968)
389	Inhofe, J. (OK)—R	64,351	(68,642)	(4,291)
390	Packard, R. (CA)—R	81,520	(85,919)	(4,399)
391	Gekas, G. (PA)—R	83,847	(88,304)	(4,457)
392	Upton, F. (MI)—R	113,730	(119,172)	(5,442)
393	Johnson, S. (TX)—R	64,697	(71,164)	(6,467)
394	Hunter, D. (CA)—R	81,272	(88,508)	(7,236)
395	Barca, P. (WI)—D	98,012	(105,688)	(7,676)
396	McMillan, A. (NC)—R	100,292	(108,494)	(8,202)
397	Walker, R. (PA)—R	60,943	(69,783)	(8,840)
398	Johnson, N. (CT)—R	98,841	(108,139)	(9,298)
399	Fawell, H. (IL)—R	78,104	(87,618)	(9,514)
400	Moorhead, C. (CA)—R	71,534	(82,590)	(10,056)
401	Pombo, R. (CA)—R	79,667	(90,580)	(10,913)
402	Hoke, M. (OH)—R	74,439	(85,429)	(10,990)
403	Petri, T. (WI)—R	65,995	(78,148)	(12,153)
404	Thomas, C. (WY)—R	80,843	(94,142)	(13,299)
405	Collins, M. (GA)—R	75,886	(90,412)	(14,526)
406	Franks, B. (NJ)—R	83,517	(98,412)	(14,895)
407	Dreier, D. (CA)—R	68,710	(84,560)	(15,850)
408	Inglis, B. (SC)—R	72,616	(89,009)	(16,393)
409	Istook, E. (OK)—R	70,383	(87,137)	(16,754)
410	Ewing, T. (IL)—R	90,344	(109,384)	(19,140)
411	Portman, R. (OH)—R	70,694	(89,944)	(19,250)
412	Roth, T. (WI)—R	63,570	(83,398)	(19,828)
413	Herger, W. (CA)—R	71,660	(92,493)	(20,833)
414	Smith, N. (MI)—R	62,611	(83,827)	(21,216)
415	Paxon, B. (NY)—R	58,374	(80,005)	(21,631)
416	Hansen, J. (UT)—R	78,105	(100,181)	(22,076)
417	Duncan, J. (TN)—R	64,137	(86,559)	(22,422)
418	Doolittle, J. (CA)—R	66,669	(89,816)	(23,147)
419	Ballenger, C. (NC)—R	74,183	(97,923)	(23,740)
420	Camp, D. (MI)—R	95,088	(119,653)	(24,565)
421	Shays, C. (CT)—R	87,608	(112,645)	(25,037)
422	Bunning, J. (KY)—R	61,945	(88,179)	(26,234)
423	Miller, D. (FL)—R	71,308	(97,554)	(26,246)
424	Ramstad, J. (MN)—R	75,533	(102,537)	(27,004)
425	Barton, J. (TX)—R	63,541	(91,227)	(27,686)
426	Zimmer, D. (NJ)—R	72,441	(103,701)	(31,260)
427	Crane, P. (IL)—R	56,922	(88,955)	(32,033)
428	Coble, H. (NC)—R	79,221	(111,406)	(32,185)
429	Rohrabacher, D. (CA)—R	68,584	(105,546)	(36,962)
430	Royce, E. (CA)—R	72,229	(110,243)	(38,014)
431	Nussle, J. (IA)—R	77,293	(116,620)	(39,327)
432	Sensenbrenner, F. (WI)—R	56,113	(106,430)	(50,317)

VOTE TALLY STATE DELEGATION REPORT

[What Members of Congress voted for in the 103d Congress (figures in millions of dollars)]

Name	In-creases	Cuts	Net
ALABAMA			
Heflin (D–AL)	133,490	(57,768)	75,722
Shelby (D–AL)	117,660	(92,487)	25,173
Bachus (R–AL)	76,529	(79,254)	(2,725)
Bevill (D–AL)	133,163	(47,841)	85,324
Browder (D–AL)	132,765	(67,654)	65,111
Calahan (R–AL)	83,227	(50,907)	32,320
Cramer (D–AL)	131,079	(47,836)	83,243
Everett (R–AL)	92,379	(95,818)	3,439
Hilliard (D–AL)	127,840	(70,623)	57,217
ALASKA			
Murkowski (R–AK)	111,051	(120,295)	(9,244)
Stevens (R–AK)	122,046	(97,887)	24,159
Young (R–AK)	107,842	(56,885)	50,957

VOTE TALLY STATE DELEGATION REPORT—Continued

[What Members of Congress voted for in the 103d Congress (figures in millions of dollars)]

Name	In-creases	Cuts	Net
ARIZONA			
DeConcini (D–AZ)	137,812	(95,895)	41,937
McCain (R–AZ)	111,698	(139,708)	(28,010)
Coppersmith (D–AZ)	117,093	(63,054)	54,039
English (D–AZ)	131,824	(69,704)	62,120
Kolbe (R–AZ)	99,503	(82,210)	17,293
Kyl (R–AZ)	81,769	(76,110)	5,659
Pastor (D–AZ)	128,259	(81,835)	46,424
Stump (R–AZ)	69,828	(41,271)	28,557
ARKANSAS			
Bumpers (D–AR)	133,128	(65,901)	67,227
Pryor (D–AR)	130,554	(66,918)	63,616
Dickey (R–AR)	91,151	(86,130)	5,021
Hutchinson (R–AR)	94,931	(90,577)	4,354
Lambert (D–AR)	134,547	(119,193)	15,354
Thornton (D–AR)	135,134	(56,709)	78,425
CALIFORNIA			
Boxer (D–CA)	140,993	(54,218)	86,775
Feinstein (D–CA)	132,138	(51,370)	80,768
Baker (R–CA)	74,799	(78,815)	(4,016)
Becerra (D–CA)	137,670	(87,833)	49,837
Beilenson (D–CA)	128,024	(55,597)	72,427
Berman (D–CA)	137,047	(50,800)	86,247
Brown, G (D–CA)	135,173	(65,532)	69,641
Calvert (R–CA)	102,699	(78,647)	24,052
Condit (D–CA)	115,854	(97,670)	18,184
Cox (R–CA)	68,959	(69,864)	(905)
Cunningham (R–CA)	93,751	(102,314)	(8,563)
Dellums (D–CA)	129,203	(86,911)	42,292
Dixon (D–CA)	140,550	(57,899)	82,651
Dooley (D–CA)	135,131	(103,887)	31,244
Doolittle (R–CA)	66,041	(89,544)	(23,503)
Dornan (R–CA)	69,447	(41,442)	28,005
Dreier (R–CA)	70,191	(84,277)	(14,086)
Edwards, D (D–CA)	129,473	(74,367)	55,106
Eshoo (D–CA)	139,611	(80,580)	59,031
Farr (D–CA)	110,293	(68,790)	41,503
Fazio (D–CA)	138,101	(49,121)	88,980
Filner (D–CA)	134,813	(71,825)	62,988
Gallegly (R–CA)	96,618	(89,958)	6,660
Hamburg (D–CA)	133,657	(76,827)	56,830
Harman (D–CA)	137,040	(59,360)	77,680
Herger (R–CA)	72,438	(92,211)	(19,783)
Horn (R–CA)	114,207	(101,517)	12,690
Huffington (R–CA)	95,233	(39,892)	55,341
Hunter (R–CA)	84,581	(97,514)	(12,933)
Kim (R–CA)	112,267	(73,255)	39,012
Lantos (D–CA)	137,512	(68,709)	68,803
Lehman (D–CA)	132,567	(69,735)	62,832
Lewis (R–CA)	108,670	(80,057)	28,613
Martinez (D–CA)	140,397	(76,900)	63,497
Matsui (D–CA)	139,358	(58,752)	80,606
McCandless (R–CA)	78,321	(65,268)	13,053
McKeon (R–CA)	86,349	(80,965)	5,384
Miller, G (D–CA)	139,122	(90,264)	48,858
Mineta (D–CA)	136,052	(59,457)	76,595
Moorhead (R–CA)	72,312	(82,318)	10,006
Packard (R–CA)	82,099	(86,177)	(4,078)
Pelosi (D–CA)	140,834	(80,181)	60,653
Pombo (R–CA)	76,111	(90,302)	(14,191)
Rohrabacher (R–CA)	68,473	(105,263)	(36,790)
Roybal-Allard (D–CA)	137,426	(52,109)	85,317
Royce (R–CA)	71,028	(109,971)	(38,943)
Schenk (D–CA)	138,363	(81,659)	36,704
Stark (D–CA)	127,647	(87,829)	39,818
Thomas, B (R–CA)	97,174	(89,012)	8,162
Torres (D–CA)	137,196	(67,840)	69,356
Tucker (D–CA)	136,399	(67,466)	68,933
Waters (D–CA)	133,217	(71,137)	62,080
Waxman (D–CA)	134,328	(67,965)	66,363
Woolsey (D–CA)	140,508	(76,801)	63,707
COLORADO			
Brown, H. (R–CO)	103,040	(140,292)	(37,252)
Campbell, B. (D–CO)	127,361	(51,818)	75,543
Allard (R–CO)	76,951	(47,788)	29,163
Hefley (R–CO)	74,007	(44,367)	29,640
McInnis (R–CO)	72,873	(58,742)	14,131
Schaefer (R–CO)	62,397	(64,193)	(1,796)
Schroeder (D–CO)	117,890	(94,.438)	23,452
Skaggs (D–CO)	133,458	(72,811)	60,647
CONNECTICUT			
Dodd (D–CT)	126,256	(47,002)	79,254
Lieberman (D–CT)	122,816	(95,098)	27,718
DeLauro (D–CT)	133,097	(49,205)	83,892
Franks (R–CT)	99,359	(89,472)	9,887
Gejdenson (D–CT)	133,578	(64,972)	68,606
Johnson (R–CT)	98,841	(108,139)	(9,298)
Kennelly (D–CT)	133,256	(49,553)	83,703
Shays (R–CT)	87,608	(112,645)	(25,037)
DELAWARE			
Biden (D–DE)	130,708	(46,815)	83,893
Roth (R–DE)	95,926	(114,511)	(18,585)
Castle (R–DE)	89,461	(85,686)	3,775
FLORIDA			
Graham, B. (D–FL)	129,093	(71,883)	57,210

VOTE TALLY STATE DELEGATION REPORT—Continued

[What Members of Congress voted for in the 103d Congress (figures in millions of dollars)]

Name	Increases	Cuts	Net
Mack (R–FL)	113,043	(143,972)	(30,929)
Bacchus (D–FL)	132,887	(80,920)	51,967
Bilirakis (R–FL)	111,730	(91,474)	20,256
Brown (D–FL)	133,224	(49,213)	84,011
Canady (R–FL)	94,433	(63,566)	30,867
Deutsch (D–FL)	135,305	(78,163)	57,142
Diaz-Balart (R–FL)	105,349	(39,199)	66,150
Fowler (R–FL)	117,511	(55,120)	62,391
Gibbons (D–FL)	131,598	(50,571)	81,027
Goss (R–FL)	71,039	(70,567)	472
Hastings (D–FL)	124,611	(65,777)	58,834
Hutto (D–FL)	98,320	(79,123)	19,197
Johnston (D–FL)	130,685	(58,569)	72,116
Lewis (R–FL)	82,691	(79,105)	3,586
McCollum (R–FL)	86,438	(66,143)	20,295
Meek (D–FL)	132,765	(47,663)	85,102
Mica (R–FL)	83,082	(86,383)	(3,301)
Miller (R–FL)	71,308	(97,554)	(26,246)
Peterson (D–FL)	133,241	(47,789)	85,452
Ros-Lehtinen (R–FL)	101,273	(53,047)	48,226
Shaw (R–FL)	97,003	(85,295)	11,708
Stearns (R–FL)	89,425	(49,647)	39,778
Thurman (D–FL)	132,997	(79,204)	53,793
Young (R–FL)	112,386	(94,847)	17,539
GEORGIA			
Coverdell (R–GA)	111,795	(142,899)	(31,104)
Nunn (D–GA)	127,354	(69,730)	57,624
Bishop (D–GA)	133,046	(61,705)	71,341
Collins (R–GA)	75,886	(90,412)	(14,526)
Darden (D–GA)	133,263	(47,811)	85,452
Deal (D–GA)	118,788	(80,398)	38,390
Gingrich (R–GA)	84,287	(83,872)	415
Johnson (D–GA)	131,875	(87,544)	44,331
Kingston (R–GA)	87,286	(59,930)	27,356
Lewis (D–GA)	131,820	(81,783)	50,037
Linder (R–GA)	83,347	(78,226)	5,121
McKinney (D–GA)	132,747	(85,370)	47,377
Rowland (D–GA)	109,857	(73,388)	36,469
HAWAII			
Akaka (D–HI)	130,732	(47,884)	82,848
Inouye (D–HI)	130,702	(46,352)	84,350
Abercrombie (D–HI)	136,002	(80,623)	55,379
Mink (D–HI)	133,951	(75,239)	58,712
IDAHO			
Craig (R–ID)	115,251	(137,160)	(21,909)
Kempthorne (R–ID)	115,281	(137,160)	(21,879)
Crapo (R–ID)	74,138	(71,766)	2,372
LaRocco (D–ID)	131,628	(112,089)	19,539
ILLINOIS			
Moseley-Braun (D–IL)	134,553	(50,324)	84,229
Simon (D–IL)	134,777	(82,337)	52,440
Collins (D–IL)	117,579	(75,819)	41,760
Costello (D–IL)	134,522	(81,139)	53,383
Crane (R–IL)	56,922	(88,955)	(32,033)
Durbin (D–IL)	135,331	(83,300)	52,031
Evans (D–IL)	136,045	(85,511)	50,534
Ewing (R–IL)	90,244	(109,384)	(19,140)
Fawell (R–IL)	78,104	(87,618)	(9,514)
Gutierrez (D–IL)	127,792	(72,618)	55,174
Hastert (R–IL)	96,879	(85,496)	11,383
Hyde (R–IL)	94,185	(76,478)	17,707
Lipinski (D–IL)	135,707	(69,875)	65,832
Manzullo (R–IL)	84,545	(85,360)	(815)
Michel (R–IL)	84,049	(87,819)	(3,770)
Porter (R–IL)	96,466	(93,657)	2,809
Poshard (D–IL)	133,523	(109,126)	24,397
Reynolds (D–IL)	133,322	(70,340)	62,982
Rostenkowski (D–IL)	134,763	(66,907)	67,856
Rush (D–IL)	131,997	(87,780)	44,217
Sangmeister (D–IL)	136,095	(96,172)	39,923
Yates (D–IL)	135,744	(85,592)	50,152
INDIANA			
Coats (R–IN)	111,932	(121,410)	(9,478)
Lugar (R–IN)	115,399	(120,289)	(4,890)
Burton (R–IN)	81,826	(57,887)	23,939
Buyer (R–IN)	94,089	(81,664)	12,425
Hamilton (D–IN)	133,806	(66,170)	67,636
Jacobs (D–IN)	114,071	(83,108)	30,963
Long (D–IN)	134,135	(104,384)	29,751
McCloskey (D–IN)	133,603	(54,139)	79,464
Myers (R–IN)	92,448	(83,657)	8,791
Roemer (D–IN)	115,914	(57,139)	58,775
Sharp (D–IN)	131,236	(77,679)	53,557
Visclosky (D–IN)	133,488	(70,124)	63,364
IOWA			
Grassley (R–IA)	117,692	(152,677)	(34,985)
Harkin (D–IA)	140,062	(64,432)	75,630
Grandy (R–IA)	102,787	(77,665)	25,122
Leach (R–IA)	111,274	(63,586)	47,688
Lightfoot (R–IA)	96,061	(52,927)	43,134
Nussle (R–IA)	77,293	(116,620)	(39,327)
Smith (D–IA)	130,221	(48,374)	81,847
KANSAS			
Dole (R–KS)	117,684	(122,677)	(4,993)
Kassebaum (R–KS)	120,090	(133.058)	(12,968)
Glickman (D–KS)	131,011	(50,128)	80,883
Meyers (R–KS)	105,890	(89,016)	16,874
Roberts (R–KS)	89,179	(53,720)	35,459

VOTE TALLY STATE DELEGATION REPORT—Continued—Continued

[What Members of Congress voted for in the 103d Congress (figures in millions of dollars)]

Name	Increases	Cuts	Net
Slattery (D–KS)	125,991	(78,020)	47,971
KENTUCKY			
Ford (D–KY)	130,732	(49,714)	81,018
McConnell (R–KY)	117,608	(113,755)	3,853
Baesler (D–KY)	131,843	(74,887)	56,956
Barlow (D–KY)	133,075	(84,133)	48,942
Bunning (R–KY)	61,945	(88,179)	26,234
Mazzoli (D–KY)	133,475	(67,925)	65,550
Rogers (R–KY)	129,359	(52,075)	77,284
LOUISIANA			
Breaux (D–LA)	130,572	(45,993)	84,579
Johnston (D–LA)	127,122	(31,700)	95,422
Baker (R–LA)	93,284	(83,613)	9,671
Fields (D–LA)	136,243	(84,672)	51,571
Hayes (D–LA)	109,938	(69,222)	40,716
Jefferson (D–LA)	133,276	(65,803)	67,473
Livingston (R–LA)	106,973	(88,408)	18,565
McCrery (R–LA)	100,333	(86,945)	13,388
Tauzin (D–LA)	112,409	(100,269)	12,140
MAINE			
Cohen (R–ME)	116,295	(146,117)	(29,822)
Mitchell (D–ME)	127,308	(52,668)	74,640
Andrews (D–ME)	134,168	(85,669)	48,499
Snowe (R–ME)	123,710	(87,709)	36,001
MARYLAND			
Mikulski (D–MD)	128,823	(45,826)	82,997
Sarbanes (D–MD)	127,332	(47,571)	79,761
Bartlett (R–MD)	90,787	(68,774)	22,013
Bentley (R–MD)	112,601	(39,832)	72,769
Cardin (D–MD)	133,856	(97,578)	36,278
Gilchrest (R–MD)	117,374	(88,018)	29,357
Hoyer (D–MD)	133,222	(48,893)	84,329
Mfume (D–MD)	135,916	(69,644)	66,272
Morella (R–MD)	116,854	(48,097)	68,757
Wynn (D–MD)	136,193	(81,292)	54,901
MASSACHUSETTS			
Kennedy (D–MA)	127,256	(51,079)	76,177
Kerry J. (D–MA)	127,332	(62,446)	64,886
Blute (R–MA)	117,151	(92,971)	24,180
Frank (D–MA)	124,628	(88,555)	36,073
Kennedy (D–MA)	135,871	(83,428)	52,443
Markey (D–MA)	136,201	(84,477)	51,724
Meehan (D–MA)	135,375	(120,729)	14,646
Moakley (D–MA)	129,582	(80,030)	49,552
Neal (D–MA)	135,123	(78,926)	56,197
Olver (D–MA)	136,248	(67,248)	69,000
Studds (D–MA)	135,994	(84,675)	51,319
Torkildsen (R–MA)	119,938	(81,861)	38,077
MICHIGAN			
Levin (D–MI)	127,302	(61,256)	66,046
Riegle (D–MI)	128,496	(47,037)	81,459
Barcia (D–MI)	132,669	(89,812)	42,857
Bonior (D–MI)	135,494	(77,509)	57,985
Camp (R–MI)	95,088	(119,653)	(24,565)
Carr (D–MI)	132,782	(73,805)	58,977
Collins (D–MI)	130,646	(72,086)	58,560
Conyers (D–MI)	126,861	(58,795)	68,066
Dingell (D–MI)	131,236	(69,533)	61,703
Ford (D–MI)	127,978	(72,795)	55,183
Hoekstra (R–MI)	96,995	(81,066)	15,929
Kildee (D–MI)	133,729	(71,150)	62,579
Knollenberg (R–MI)	75,492	(69,738)	5,754
Levin (D–MI)	133,080	(55,338)	77,742
Smith (R–MI)	62,611	(83,827)	(21,216)
Stupak (D–MI)	135,875	(85,738)	50,137
Upton (R–MI)	113,730	(119,172)	(5,442)
MINNESOTA			
Durenberger (R–MN)	113,712	(122,966)	(9,254)
Wellstone (D–MN)	135,793	(54,280)	81,513
Grams (R–MN)	66,974	(70,275)	(3,301)
Minge (D–MN)	116,973	(93,856)	23,117
Oberstar (D–MN)	129,767	(82,933)	46,834
Penny (D–MN)	111,140	(110,111)	1,029
Peterson (D–MN)	117,150	(102,774)	14,676
Ramstad (R–MN)	75,533	(102,537)	(27,004)
Sabo (D–MN)	129,219	(51,210)	78,009
Vento (D–MN)	131,653	(84,926)	46,727
MISSISSIPPI			
Cochran (R–MS)	117,697	(101,611)	16,086
Lott (R–MS)	115,558	(113,289)	2,269
Montgomery (D–MS)	122,661	(74,247)	48,414
Parker (D–MS)	117,776	(69,297)	48,479
Taylor (D–MS)	97,103	(86,878)	10,225
Thompson (D–MS)	111,728	(76,771)	34,957
Whitten (D–MS)	130,260	(51,373)	78,887
MISSOURI			
Bond (R–MO)	117,452	(112,300)	5,152
Danforth (R–MO)	119,264	(127,421)	(8,157)
Clay (D–MO)	126,983	(77,654)	49,329
Danner (D–MO)	136,122	(70,370)	65,752
Emerson (R–MO)	105,584	(57,296)	48,288
Gephardt (D–MO)	133,462	(51,699)	81,763
Hancock (R–MO)	58,513	(45,127)	13,386

VOTE TALLY STATE DELEGATION REPORT—Continued—Continued

[What Members of Congress voted for in the 103d Congress (figures in millions of dollars)]

Name	Increases	Cuts	Net
Skelton (D–MO)	130,804	(55,373)	75,431
Talent (R–MO)	87,618	(78,445)	9,173
Volkmer (D–MO)	131,029	(54,470)	76,559
Wheat (D–MO)	133,071	(84,832)	48,239
MONTANA			
Baucus (D–MT)	129,869	(79,774)	50,095
Burns (R–MT)	116,079	(118,112)	(2,033)
Williams (D–MT)	138,000	(69,030)	68,970
NEBRASKA			
Exon (D–NE)	130,612	(89,195)	41,417
Kerrey, R. (D–NE)	127,183	(95,574)	31,609
Barrett (R–NE)	98,965	(64,067)	34,898
Bereuter (R–NE)	94,106	(52,443)	41,663
Hoagland (D–NE)	132,702	(87,191)	45,511
NEVADA			
Bryan (D–NV)	132,582	(44,342)	88,240
Reid (D–NV)	132,610	(48,449)	84,161
Bilbray (D–NV)	133,633	(55,667)	77,966
Vucanovich (R–NV)	109,877	(60,553)	49,324
NEW HAMPSHIRE			
Gregg (R–NH)	103,600	(144,296)	40,696
Smith, R.C. (R–NH)	91,214	(136,976)	45,762
Swett (D–NH)	131,083	(75,590)	55,493
Zeliff (R–NH)	79,470	(67,294)	12,176
NEW JERSEY			
Bradley (D–NJ)	129,639	(59,336)	70,303
Lautenberg (D–NJ)	136,633	(74,425)	62,208
Andrews (D–NJ)	118,812	(86,934)	31,878
Franks (R–NJ)	83,517	(98,412)	(14,895)
Gallo (R–NJ)	102,380	(81,200)	21,180
Hughes (D–NJ)	122,142	(64,546)	57,596
Klein (D–NJ)	132,260	(68,715)	63,545
Menendez (D–NJ)	133,872	(80,884)	52,988
Pallone (D–NJ)	113,692	(59,576)	54,116
Payne (D–NJ)	131,116	(85,294)	45,822
Roukema (R–NJ)	98,215	(57,205)	41,010
Saxton (R–NJ)	96,489	(91,386)	5,103
Smith (R–NJ)	119,676	(86,449)	33,227
Torricelli (D–NJ)	133,861	(93,755)	40,106
Zimmer (R–NJ)	72,441	(103,701)	(31,260)
NEW MEXICO			
Bingaman (D–NM)	125,602	(56.267)	69,335
Domenici (R–NM)	113,763	(113,076)	687
Richardson (R–NM)	132,345	(52,617)	79,728
Schiff (R–NM)	96,741	(99,656)	(2,945)
Skeen (R–NM)	112,179	(75,564)	36,915
NEW YORK			
D'Amato (R–NY)	119,056	(121,381)	(2,325)
Moynihan (D–NY)	129,613	(54,602)	75,011
Ackerman (D–NY)	131,936	(54,784)	77,172
Boehlert (R–NY)	136,912	(45,270)	91,642
Engel (D–NY)	135,678	(81,675)	54,003
Fish (R–NY)	115,328	(87,667)	27,661
Flake (D–NY)	134,476	(87,420)	47,056
Gilman (R–NY)	110,441	(57,314)	53,127
Hinchey (D–NY)	135,659	(81,733)	53,926
Hochbrueck (D–NY)	130,549	(64,845)	65,704
Houghton (R–NY)	113,776	(85,066)	28,710
King (R–NY)	94,194	(64,718)	29,476
LaFalce (D–NY)	132,956	(70,487)	62,469
Lazio (R–NY)	101,259	(68,809)	32,450
Levy (R–NY)	97,636	(67,711)	29,925
Lowey (D–NY)	136,236	(80,007)	56,229
Maloney (D–NY)	133,715	(67,248)	65,967
Manton (D–NY)	133,056	(47,900)	85,156
McHugh (R–NY)	95,105	(70,325)	24,780
McNulty (D–NY)	132,851	(62,223)	70,628
Molinari (R–NY)	112,661	(73,230)	39,431
Nadler (D–NY)	132,948	(67,379)	65,569
Owens (D–NY)	121,084	(77,737)	43,347
Paxon (R–NY)	58,374	(80,005)	(21,631)
Quinn (R–NY)	96,639	(86,354)	10,285
Rangel (D–NY)	126,757	(79,759)	46,998
Schumer (D–NY)	135,227	(80,604)	54,623
Serrano (D–NY)	127,638	(87,924)	39,714
Slaughter (D–NY)	136,055	(83,249)	52,806
Solomon (R–NY)	67,851	(71,579)	(3,728)
Towns (D–NY)	131,897	(75,597)	(56,300)
Velazquez (D–NY)	127,188	(90,925)	(36,263)
Walsh (R–NY)	132,037	(83,063)	(48,974)
NORTH CAROLINA			
Faircloth (R–NC)	103,531	(139,538)	(36,007)
Helms (R–NC)	91,567	(112,912)	(21,345)
Ballenger (R–NC)	74,183	(97,923)	(23,740)
Clayton (D–NC)	130,160	(59,698)	70,462
Coble (R–NC)	79,221	(111,406)	(32,185)
Hefner (D–NC)	135,846	(80,675)	55,171
Lancaster (D–NC)	141,669	(59,515)	82,154
McMillan (R–NC)	100,292	(108,494)	(8,202)
Neal (D–NC)	116,769	(65,916)	50,853
Price (D–NC)	133,572	(53,450)	80,122
Rose (D–NC)	130,222	(50,862)	79,360
Taylor (R–NC)	75,562	(76,931)	(1,369)

VOTE TALLY STATE DELEGATION REPORT—Continued

[What Members of Congress voted for in the 103d Congress (figures in millions of dollars)]

Name	Increases	Cuts	Net
Valentine (D–NC)	111,821	(95,042)	16,779
Watt (D–NC)	131,786	(85,282)	46,504
NORTH DAKOTA			
Conrad (D–ND)	131,665	(70,587)	61,078
Dorgan (D–ND)	132,900	(66,454)	66,446
Pomeroy (D–ND)	133,784	(87,344)	46,440
OHIO			
Glenn (D–OH)	127,262	(46,343)	80,919
Metzenbaum (D–OH)	122,709	(71,661)	51,048
Applegate (D–OH)	129,120	(68,370)	60,750
Boehner (R–OH)	71,804	(66,717)	5,087
Brown (D–OH)	136,089	(95,756)	40,333
Fingerhut (D–OH)	113,373	(88,677)	24,696
Gillmor (R–OH)	113,401	(60,947)	52,454
Hall (D–OH)	135,102	(53,743)	81,359
Hobson (R–OH)	107,143	(101,560)	5,583
Hoke (R–OH)	74,439	(85,429)	(10,990)
Kaptur (D–OH)	135,191	(86,679)	48,512
Kasich (R–OH)	93,919	(89,098)	4,821
Mann (D–OH)	111,590	(62,197)	49,393
Oxley (R–OH)	86,516	(79,548)	6,968
Portman (R–OH)	70,694	(89,944)	(19,250)
Pryce (R–OH)	107,963	(99,910)	8,053
Regula (R–OH)	115,493	(74,188)	41,305
Sawyer (D–OH)	133,549	(52,280)	81,269
Stokes (D–OH)	131,023	(59,011)	72,012
Strickland (D–OH)	136,034	(85,400)	50,634
Traficant (D–OH)	132,239	(54,813)	77,426
OKLAHOMA			
Boren (D–OK)	126,528	(100,581)	25,947
Nickles (R–OK)	108,958	(142,761)	(33,803)
Brewster (D–OK)	108,809	(59,262)	49,547
Inhofe (R–OK)	64,351	(68,642)	(4,291)
Istook (R–OK)	70,383	(87,137)	(16,754)
McCurdy (D–OR)	129,821	(70,988)	58,883
Synar (D–OK)	129,921	(59,423)	70,498
OREGON			
Hatfield (R–OR)	112,737	(86,919)	25,808
Packwood (R–OR)	110,030	(121,330)	(11,300)
DeFazio (D–OR)	112,003	(81,768)	30,235
Furse (D–OR)	134,727	(82,816)	51,911
Kopetski (D–OR)	130,335	(77,141)	53,194
Smith (R–OR)	76,561	(29,600)	46,961
Wyden (D–OR)	126,217	(87,274)	38,943
PENNSYLVANIA			
Specter (R–PA)	124,538	(100,781)	23,757
Wofford (D–PA)	132,613	(61,662)	70,951
Blackwell (D–PA)	133,043	(70,656)	62,387
Borski (D–PA)	135,626	(76,251)	59,375
Clinger (R–PA)	104,552	(71,143)	33,409
Coyne (D–PA)	136,205	(84,074)	52,131
Foglietta (D–PA)	133,448	(73,070)	60,378
Gekas (R–PA)	83,847	(88,304)	(4,457)
Goodling (R–PA)	98,168	(93,254)	4,914
Greenwood (R–PA)	103,726	(107,694)	(3,968)
Holden (D–PA)	136,034	(92,293)	43,741
Kanjorski (D–PA)	136,145	(83,549)	52,596
Klink (D–PA)	136,088	(97,919)	38,169
Margolies-Mezv (D–PA)	117,351	(94,689)	22,662
McDade (R–PA)	109,325	(78,081)	31,444
McHale (D–PA)	135,817	(101,176)	34,641
Murphy (D–PA)	117,285	(96,225)	21,060
Murtha (D–PA)	140,515	(47,492)	93,053
Ridge (R–PA)	108,188	(92,187)	16,001
Santorum (R–PA)	91,135	(94,914)	(3,779)
Shuster (R–PA)	81,291	(84,389)	(3,098)
Walker (R–PA)	60,943	(69,783)	(8,840)
Weldon (R–PA))	91,001	(86,258)	4,743
RHODE ISLAND			
Chafee (D–RI)	122,158	(136,007)	(13,849)
Pell (R–RI)	121,372	(58,847)	62,525
Machtley (R–RI)	117,118	(50,818)	66,300
Reed (D–RI)	133,048	(54,455)	78,593
SOUTH CAROLINA			
Hollings (D–SC)	126,315	(62,298)	64,017
Thurmond (R–SC)	117,863	(120,618)	(2,755)
Clyburn (D–SC)	133,732	(60,148)	73,584
Derrick (D–SC)	129,552	(52,095)	77,457
Inglis (R–SC)	72,616	(89,009)	(16,393)
Ravenel (R–SC)	116,390	(105,123)	11,267
Spence (R–SC)	103,080	(40,981)	62,099
Spratt (D–SC)	133,556	(53,868)	79,688
SOUTH DAKOTA			
Daschle (D–SD)	130,763	(46,354)	84,409
Pressler (R–SD)	113,502	(119,079)	(5,577)
Johnson (D–SD)	134,057	(82,854)	51,203
TENNESSEE			
Mathews (D–TN)	129,125	(56,887)	72,238
Sasser (D–TN)	132,719	(60,681)	72,038
Clement (D–TN)	131,474	(43,068)	88,406
Cooper (D–TN)	130,486	(83,481)	47,005
Duncan (R–TN)	64,137	(86,559)	(22,422)

VOTE TALLY STATE DELEGATION REPORT—Continued—Continued

[What Members of Congress voted for in the 103d Congress (figures in millions of dollars)]

Name	Increases	Cuts	Net
Ford (D–TN)	112,243	(55,410)	56,833
Gordon (D–TN)	133,005	(74,449)	58,556
Lloyd (D–TN)	128,944	(74,208)	54,736
Quillen (R–TN)	92,083	(83,848)	8,235
Sundquist (R–TN)	96,191	(91,745)	4,446
Tanner (D–TN)	131,670	(85,516)	16,154
TEXAS			
Gramm (R–TX)	116,963	(117,343)	(380)
Hutchison (R–TX)	112,902	(84,690)	28,212
Andress (D–TX)	124,106	(72,551)	51,555
Archer (R–TX)	59,069	(43,841)	15,228
Armey (R–TX)	66,063	(67,890)	(1,827)
Barton (R–TX)	63,541	(91,227)	(27,868)
Bonilla (R–TX)	95,946	(94,297)	1,649
Brooks (D–TX)	133,173	(58,641)	74,532
Bryant (D–TX)	133,135	(80,232)	52,903
Chapman (D–TX)	139,177	(51,602)	87,575
Coleman (D–TX)	134,930	(56,112)	78,818
Combest (R–TX)	86,879	(39,267)	47,612
de la Garza (D–TX)	132,460	(51,281)	81,179
DeLay (R–TX)	72,114	(73,433)	(1,319)
Edwards (D–TX)	129,825	(54,946)	74,880
Fields (R–TX)	65,879	(65,861)	18
Frost (D–TX)	133,070	(71,340)	61,730
Geren (D–TX)	113,248	70,661	42,587
Gonzalez (D–TX)	140,382	(49,191)	91,191
Green (D–TX)	117,418	(79,844)	37,574
Hall (D–TX)	103,817	(76,141)	27,706
Johnson, E. (D–TX)	135,851	(77,427)	58,424
Johnson, S. (R–TX)	64,697	(71,164)	(6,467)
Laughlin (D–TX)	129,656	(58,974)	70,682
Ortiz (D–TX)	132,218	(47,340)	84,878
Pickle (D–TX)	131,819	(71,968)	59,851
Sarpalius (D–TX)	136,659	(67,164)	69,495
Smith (R–TX)	94,953	(79,108)	15,845
Stenholm (D–TX)	92,638	(92,702)	(64)
Tejeda (D–TX)	141,363	(47,773)	93,590
Washington (D–TX)	98,221	(67,452)	30,769
Wilson (D–TX)	132,332	(73,141)	59,191
UTAH			
Bennett (R–UT)	118,656	(118,998)	(342)
Hatch (R–UT)	118,376	(119,990)	(1,524)
Hansen (R–UT)	78,105	(100,181)	(22,076)
Orton (D–UT)	98,477	(76,968)	21,509
Shepherd (D–UT)	130,880	(71,552)	59,328
VERMONT			
Jeffords (R–VT)	127,492	(79,181)	48,311
Leahy (D–VT)	134,144	(64,377)	69,767
Sanders (I–VT)	128,991	(79,303)	49,688
VIRGINIA			
Robb (D–VA)	127,304	(84,096)	43,208
Warner (R–VA)	104,160	(121,462)	(17,002)
Bateman (R–VA)	106,621	(73,802)	32,819
Bliley (R–VA)	84,660	(88,240)	(3,580)
Boucher (D–VA)	134,942	(73,222)	61,720
Byrne (D–VA)	131,385	(78,014)	53,371
Goodlatte (R–VA)	74,768	(57,421)	17,347
Moran (D–VA)	134,094	(54,248)	79,846
Payne (D–VA)	126,508	(78,141)	48,367
Pickett (D–VA)	110,525	(35,608)	74,917
Scott (D–VA)	129,072	(62,932)	66,140
Sisisky (D–VA)	117,136	(50,586)	66,550
Wolf (R–VA)	94,060	(90,009)	4,051
WASHINGTON			
Gorton (R–WA)	119,839	(108,973)	10,866
Murray (D–WA)	127,332	(48,003)	79,329
Cantwell (D–WA)	133,291	(66,938)	66,353
Dicks (D–WA)	133,328	(47,767)	85,561
Dunn (R–WA)	82,033	(66,335)	15,698
Foley (D–WA)	75,302	(35,590)	39,712
Inslee (D–WA)	134,108	(106,326)	27,782
Kreidler (D–WA)	135,965	(92,527)	43,438
McDermott (D–WA)	134,667	(80,927)	53,740
Swift (D–WA)	132,523	(48,140)	84,383
Unsoeld (D–WA)	136,071	(85,252)	30,819
WEST VIRGINIA			
Byrd (D–WV)	128,325	(53,869)	74,456
Rockefeller (D–WV)	130,488	(46,657)	83,831
Mollohan (D–WV)	127,593	(48,951)	78,642
Rahall (D–WV)	130,704	(70,898)	59,806
Wise (D–WV)	133,297	(47,577)	85,720
WISCONSIN			
Feingold (D–WI)	126,933	(81,812)	45,121
Kohl (D–WI)	124,700	(103,945)	20,755
Barca (D–WI)	98,012	(105,688)	(7,676)
Barrett (D–WI)	129,832	(92,871)	36,961
Gunderson (R–WI)	97,717	(88,982)	8,735
Kleczka (D–WI)	136,083	(80,769)	55,314
Klug (R–WI)	88,482	(79,847)	8,635
Obey (D–WI)	136,075	(82,955)	53,120
Petri (R–WI)	65,995	(78,148)	(12,153)
Roth (R–WI)	63,570	(83,398)	(19,828)
Sensenbrenner (R–WI)	56,113	(106,430)	(50,317)

VOTE TALLY STATE DELEGATION REPORT—Continued—Continued

[What Members of Congress voted for in the 103d Congress (figures in millions of dollars)]

Name	Increases	Cuts	Net
WYOMING			
Simpson (R–WY)	98,332	(130,480)	(32,148)
Wallop (R–WY)	96,189	(100,419)	(4,230)
Thomas (R–WY)	80,843	(94,142)	(13,299)

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

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

(Mr. MOAKLEY asked and was given permission to include extraneous material.)

Mr. MOAKLEY. Mr. Speaker, we are finally at the end of the contract.

For 100 days America's children, senior citizens, and working families have watched the Republican Congress gut their school lunches, home heating assistance, and student loans. And for what reason? To pay for tax breaks for the very rich. To continue to allow billionaires to renounce their American citizenship to avoid paying taxes.

The tax bill we are considering today illustrates very clearly the winners and losers in the Republican contract.

This bill takes money from school lunches and hands it over to the very rich in the form of tax breaks—from the mouths of babes to the pockets of billionaires.

Some people are very happy with the Republican Congress. Some people got what they wanted. They had their cake and they will eat it too. Those people are special interest lobbyists, corporations, and millionaires.

The losers were children who get meals at school, young people who need summer jobs, and families whose homes are heated with the help of the LIHEAP Program.

Mr. Speaker, I was sorry to see that Mr. SOLOMON's own committee, which is stacked with nine Republicans to four Democrats, refused to make in order any amendments.

Yesterday he called himself the fiercest deficit hawk up here. Still, despite the demand of 102 Members of their own party, despite Mr. SOLOMON's support, the Republican leadership refused to allow amendments to slow down tax cuts in the face of exploding deficits.

They imposed a watered down, milquetoast amendment that doesn't even qualify as a speed bump on the deficit highway.

I know if Mr. SOLOMON were calling the shots on the Rules Committee he would have made stronger amendments in order. Once we're finished with the contract I hope he gets his way.

I urge my colleagues to defeat the previous question so we can come back with an open rule, instead of this gag rule, and help someone other than the special interest lobbyists.

Mr. Speaker, I include the following for the RECORD:

FLOOR PROCEDURE IN THE 104TH CONGRESS

Bill No.	Title	Resolution No.	Process used for floor consideration	Amendments in order
H.R. 1	Compliance	H. Res. 6	Closed	None.
H. Res. 6	Opening Day Rules Package	H. Res. 5	Closed; contained a closed rule on H.R. 1 within the closed rule	None.
H.R. 5	Unfunded Mandates	H. Res. 38	Restrictive; Motion adopted over Democratic objection in the Committee of the Whole to limit debate on section 4; Pre-printing gets preference.	N/A.
H.J. Res. 2	Balanced Budget	H. Res. 44	Restrictive; only certain substitutes	2R; 4D.
H. Res. 43	Committee Hearings Scheduling	H. Res. 43 (OJ)	Restrictive; considered in House no amendments	N/A.
H.R. 2	Line Item Veto	H. Res. 55	Open; Pre-printing gets preference	N/A.
H.R. 665	Victim Restitution Act of 1995	H. Res. 61	Open; Pre-printing gets preference	N/A.
H.R. 666	Exclusionary Rule Reform Act of 1995	H. Res. 60	Open; Pre-printing gets preference	N/A.
H.R. 667	Violent Criminal Incarceration Act of 1995	H. Res. 63	Restrictive; 10 hr. Time Cap on amendments	N/A.
H.R. 668	The Criminal Alien Deportation Improvement Act	H. Res. 69	Open; Pre-printing gets preference; Contains self-executing provision	N/A.
H.R. 728	Local Government Law Enforcement Block Grants	H. Res. 79	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference	N/A.
H.R. 7	National Security Revitalization Act	H. Res. 83	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference	N/A.
H.R. 729	Death Penalty/Habeas	N/A	Restrictive; brought up under UC with a 6 hr. time cap on amendments	N/A.
S. 2	Senate Compliance	N/A	Closed; Put on suspension calendar over Democratic objection	None.
H.R. 831	To Permanently Extend the Health Insurance Deduction for the Self-Employed.	H. Res. 88	Restrictive; makes in order only the Gibbons amendment; waives all points of order; Contains self-executing provision.	1D.
H.R. 830	The Paperwork Reduction Act	H. Res. 91	Open	N/A.
H.R. 889	Emergency Supplemental/Rescinding Certain Budget Authority	H. Res. 92	Restrictive; makes in order only the Obey substitute	1D.
H.R. 450	Regulatory Moratorium	H. Res. 93	Restrictive; 10 hr. Time Cap on amendments; Pre-printing gets preference	N/A.
H.R. 1022	Risk Assessment	H. Res. 96	Restrictive; 10 hr. Time Cap on amendments	N/A.
H.R. 926	Regulatory Flexibility	H. Res. 100	Open	N/A.
H.R. 925	Private Property Protection Act	H. Res. 101	Restrictive; 12 hr. time cap on amendments; Requires Members to pre-print their amendments in the Record prior to the bill's consideration for amendment, waives germaneness and budget act points of order as well as points of order concerning appropriating on a legislative bill against the committee substitute used as base text.	1D.
H.R. 1058	Securities Litigation Reform Act	H. Res. 105	Restrictive; 8 hr. time cap on amendments; Pre-printing gets preference; Makes in order the Wyden amendment and waives germaness against it.	1D.
H.R. 988	The Attorney Accountability Act of 1995	H. Res. 104	Restrictive; 7 hr. time cap on amendments; Pre-printing gets preference	N/A.
H.R. 956	Product Liability and Legal Reform Act	H. Res. 109	Restrictive; makes in order only 15 germane amendments and denies 64 germane amendments from being considered.	8D; 7R.
H.R. 1158	Making Emergency Supplemental Appropriations and Rescissions	H. Res. 115	Restrictive; Combines emergency H.R. 1158 & nonemergency 1159 and strikes the abortion provision; makes in order only pre-printed amendments that include offsets within the same chapter (deeper cuts in programs already cut); waives points of order against three amendments; waives cl 2 of rule XXI against the bill, cl 2, XXI and cl 7 of rule XVI against the substitute; waives cl 2(e) of rule XXI against the amendments in the Record; 10 hr time cap on amendments. 30 minutes debate on each amendment.	N/A.
H.J. Res. 73	Term Limits	H. Res. 116	Restrictive; Makes in order only 4 amendments considered under a ''Queen of the Hill'' procedure and denies 21 germane amendments from being considered.	1D; 3R
H.R. 4	Welfare Reform	H. Res. 119	Restrictive; Makes in order only 31 perfecting amendments and two substitutes; Denies 130 germane amendments from being considered; The substitutes are to be considered under a ''Queen of the Hill'' procedure; All points of order are waived against the amendments..	5D; 26R
H.R. 1271	Family Privacy Act	H. Res. 125	Open	N/A
H.R. 660	Housing for Older Persons Act	H. Res. 126	Open	N/A

** 72% restrictive; 28% open. **** Restrictive rules are those which limit the number of amendments which can be offered, and include so called modified open and modified closed rules as well as completely closed rules and rules providing for consideration in the House as opposed to the Committee of the Whole. This definition of restrictive rule is taken from the Republican chart of resolutions reported from the Rules Committee in the 103rd Congress. **** Not included in this chart are three bills which should have been placed on the Suspension Calendar. H.R. 101, H.R. 400, H.R. 440.

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

Mr. SOLOMON. Mr. Speaker, I would love to respond to the gentleman but time does not allow right now.

I yield 2 minutes to the very distinguished gentleman from Sanibel, FL [Mr. GOSS], a member of the Committee on Rules.

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

Mr. GOSS. I thank the gentleman from Glens Falls, NY [Mr. SOLOMON], the distinguished chairman, for yielding me the generous time.

Mr. Speaker, this is a very important vote that is coming up, for many reasons, just one of which is that passage of this rule is indeed going to complete our perfect record of bringing the Contract With America up for a vote just as we promised. We are keeping our promise.

This rule does allow the minority free rein to offer its alternative tax plan, such as it may be, and this rule ensures that we match the primary goal of cutting spending so we can balance the budget with the important need to reduce taxation, to curtail Uncle Sam's persistent depressing reach into Americans' pockets and wallets. The average tax filer in my State of Florida will save $1,605 in taxes if this bill becomes law. Other States will fare similarly well. We are delivering the long overdue tax relief that is good for all America, for every American. It will create jobs by providing investment incentives, particularly for small businesses. And it will give much needed relief to our seniors by eliminating the very unfair 1993 Clinton Social Security tax and rolling back the unfair earnings test limit that saps the energies and earnings of seniors who need to work or want to work.

H.R. 1215 is a down payment on comprehensive tax reform. The first 100 days, we have done a lot. The next 265 days, we can do the rest.

I urge a ''yes'' vote on this rule, so we can get on with that job and do what we were elected to do last November.

Mr. MOAKLEY. Mr. Speaker, I yield 30 seconds to the gentleman from Florida [Mr. GIBBONS], the ranking member of the Committee on Ways and Means.

Mr. GIBBONS. Mr. Speaker, we should vote against the previous question, we should vote against the rule and if it passes, we should vote against this bill. It is the wrong time to be cutting taxes. We ought to be cutting the deficit. It is the wrong time, it is the wrong way to be cutting taxes, even if we should be cutting them. This is a terrible gag rule. We are going to do nothing for 3 weeks after Friday. Why can we not spend enough time talking about the impact of this bill instead of gagging us with 1 hour to all the Democrats to talk about the tax matter, a $700 billion mistake?

Mr. SOLOMON. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. ARCHER], the chairman of the Committee on Ways and Means and one of the most respected Members of this House.

Mr. ARCHER. I thank the gentleman for yielding me the time.

Mr. Speaker, in September of last year, we promised in our Contract With America that we would vote on tax relief for families and on incentives to create new jobs. We also promised to pay for these tax cuts by slowing down the growth of Federal spending, and today we fulfill that pledge. But we do more. This package nets out with a $30 billion greater reduction in deficit than the President's budget proposal.

□ 1315

We have heard some Democrats say the taxpayers do not need or deserve tax cuts right now, and I disagree. The American family is overworked and it is overtaxed. So as promised, this bill provides a $500 per child tax credit, marriage penalty relief, tax credits for adoption of children and for the care of elderly family members.

It also provides tax incentives for long-term care insurance and for tax-free distributions of life insurance for the terminally and chronically ill.

This bill will repeal current laws that penalize seniors. It repeals the punitive 5-percent tax on Social Security benefits imposed by President Clinton in 1993, and it gives senior citizens greater opportunity to continue to work without suffering the loss of their benefits.

Americans do not save enough. High taxes are a big reason why. So we include incentives for savings and investment. We create a new type of individual retirement account, IRA, the American Dream Savings Account, and

we permit homemakers to build their own IRA's.

We provide much-needed capital gains relief to stimulate job-creating investment. Capital gains for individuals will get a 50-percent exclusion along with indexing for inflation. This will reduce the rate for lower income Americans to only 7½ percent.

Corporations will be eligible for a 25-percent alternative capital gains rate. And people who sell their homes at a loss will finally be able to get a tax deduction for that loss.

Businesses will have incentives to invest in new plant and equipment. The punitive and onerous job stifling alternative minimum tax will be repealed and small businesses will be able to double the amount that they can expense and deduct for the purchase of new equipment.

People who work out of their homes will be able to deduct more home office expenses.

The tax burden on family retention of small businesses and farms will be reduced, because the estate tax exclusion will be increased.

Democrats complain that these tax cuts are too big, they are not fair, and they are not targeted, and they are simply wrong.

These tax cuts are not too big. The total cost of all of the cuts is equal to 2 percent of what the Federal Government will spend over the next 5 years. And this will force a further 2-percent shrinking in the size of the Federal Government as we move to a balanced budget.

I think that is what the American people want to hear. These tax cuts are fair. The biggest tax cuts go to families earning $30,000 to $75,000. Over the next 5 years, higher income people, that is, the top 1 to 10 percent of the income categories, will actually pay a larger share of Federal taxes than they pay under current law. These taxes go to the right beneficiaries. Seventy-five percent go to families and 25 percent to create jobs.

Of the family benefits, 75 percent of the child credit goes to families with incomes under $75,000 and 90 percent goes to families with under $95,000 of annual income.

This rule is the only way that we can comply with our contract pledge, which is to bring before the floor of this House a vote on these provisions. A vote against the rule will be a vote against the contract.

I urge a vote for the rule.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes and 15 seconds to the former chairman of the Committee on the Budget, the gentleman from Minnesota [Mr. SABO].

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

Mr. SABO. Mr. Speaker, here we go again. Once more we have a major piece of legislation before us, and the Republican majority has structured a rule to get around all kinds of serious Budget Act problems.

The reason we have a Budget Act is to help us think through legislation before we pass it. Yet this is the eighth time this year we have been asked by the new majority to ignore the Budget Act.

The tax before us is a good example of the unwise legislation the House has recently been passing. The measure actually makes the long-term deficit worse since the cost of these tax cuts grow far more quickly than the spending cuts.

By the year 2000, according to CBO, the deficit under the bill will be $12 billion higher than it would be if we simply did nothing. Further, it contains some serious provisions that were never passed or considered by the appropriate committees. One of these provisions is a dangerous new taxpayer debt buydown plan. This proposal lets taxpayers designate a portion of their tax liability for debt reduction, thereby taking decisions about Federal spending from the people's elected representatives and handing them over to the wealthy. Essentially it says that the fundamental nature of the Federal Government should be changed from a representative democracy, one person one vote, to a plutocracy, one dollar one vote, a million dollars a million votes.

Mr. Speaker, I cannot think of any more invidious scheme for us to include in a tax package. The plan has never been reviewed by the Committee on the Budget. Rather, it was just dropped into the bill by rule as a part of the Kasich substitute.

Mr. Speaker, may I also remind the House that the Speaker, now Speaker, in August 1993 said that we, if we pass the President's program, we would head into a recession.

Mr. Speaker, the facts are in. Employment is up, unemployment is down, inflation is low, growth was at 4 percent in 1994 productivity is improving, factories are operating at high rates, investment is booming. Mr. Speaker, you were wrong 2 years ago. This is a bad bill.

Mr. SOLOMON. Mr. Speaker, how much time is remaining on each side?

The SPEAKER. The gentleman from New York [Mr. SOLOMON] has 18 minutes remaining, and the gentleman from Massachusetts [Mr. MOAKLEY] has 24½ minutes remaining.

Mr. SOLOMON. Mr. Speaker, this year we have the privilege of having a very outstanding Member, a former judge from Ohio, serve on our Committee on Rules, Ms. DEBORAH PRYCE.

Mr. Speaker, I yield 2 minutes to the gentlewoman from Ohio [Ms. PRYCE].

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

Mr. Speaker, I rise in strong support of this rule. By adopting this resolution, we will enable the House to complete the contract's promise to strengthen families and grow the national economy by delivering real tax relief.

Today, the average family spends more on taxes than it spends on food, clothing, and shelter combined. Many families now need a second breadwinner just to support the costs of a bloated Federal Government, not to cover the costs of raising a family.

After years of struggling to move a pro-family, pro-growth tax plan through Congress, we have the opportunity today to tip the tax scales back in favor of mothers, fathers, grandparents, and children.

It reduces the tax burden on families with children, and on two-earner married couples. It creates valuable tax incentives to encourage families to adopt children, and to care for elderly relatives. And, it gives families more reason to save their hard-earned money for the future.

In my own State of Ohio, taxes will be reduced by an average of more than $1,400 per person. That's $1,400 more that families can spend as they see fit, on the things they need most, and not as Washington would spend it for them.

More importantly, this legislation is fiscally responsible. As we all know, the best hope for tax fairness for America's families lies in our commitment to reducing the deficit and achieving a balanced Federal budget.

Mr. Speaker, I am disappointed that the House will not have the chance to debate the Ganske amendment, but, as the distinguished chairman of the Rules Committee has pointed out, it has been customary over the years to consider tax measures under more restrictive procedures, and I will support this rule. It is a balanced and responsible rule. By allowing the Gephardt substitute and the customary motion to recommit, the rule provides the House with two clear opportunities to offer alternative tax proposals.

Finally, Mr. Speaker, only long-term expansion of our national economy, and the new jobs it will create, can make the American dream a reality for future generations. That is why it is so important that this Congress not miss this opportunity.

Mr. Speaker, we have had a very productive 93 days so far in the 104th Congress. The majority has kept its promise to the American people, and we have made rebuilding and strengthening America's families a top legislative priority.

I urge our colleagues to adopt this rule so that we can usher in a new era of growth, productivity, and financial security—for our children and future generations of Americans.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from the District of Columbia [Ms. NORTON].

(Ms. NORTON asked and was given permission to revise and extend her remarks.)

[Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentlewoman from Illinois [Mrs. COLLINS].

(Mrs. COLLINS of Illinois asked and was given permission to revise and extend her remarks.)

Mrs. COLLINS of Illinois. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in opposition to the rule providing for consideration of this bill, for a variety of reasons. As the ranking member on the Government Reform and Oversight Committee, I want to point out one particular problem with the rule. It includes a provision that was never passed by any committee.

This is a provision which hikes the taxes of 2 million middle-class Americans who work for the Federal Government in order to pay for tax cuts for the wealthy. It imposes these new taxes on Federal employees by making changes in the Federal retirement system; changes which were rejected by the committee of jurisdiction—the Government Reform and Oversight Committee.

This rule places before the House legislation which no committee has ever considered. The retirement provisions in this bill were written by the chairman of the Budget Committee. In what is clearly an extraordinary departure from usual procedure, the Rules Committee has chosen to take a course of action which negates the very existence of authorizing committees. This is a very dangerous precedent to set. This is not the same situation as might occur with a reconciliation bill, where the Congress has previously voted for a budget resolution that included reconciliation instructions.

In such a case, the Congress would vote to authorize the Budget Committee to report the necessary legislation, if the authorizing committee had failed to act, and the Congress had voted that budget reductions in a particular area were justified.

This is not the case. This is bad business.

But there has been no such vote, and the Rules Committee is acting without a mandate from the House.

Continuing with the unusual, the rule makes in order a tax increase in a tax cut bill. The bill would increase the amount of payroll withholding for the average Federal employee by an additional 2.5 percent of their income. This would take $750 more out of an employee's pocket each and every year.

Last week, when I testified before the Rules Committee with a bipartisan panel of Members who made these points, the committee's chairman, Mr. SOLOMON, and one of its most distinguished majority members, Mr. QUILLEN, agreed with us. Chairman SOLOMON said, "This is a case where we are raising taxes on some to pay for tax cuts for others, and that to me is wrong. I don't believe we ought to be doing this in this bill."

When we asked that an amendment be made in order to strike this provision, should it be included in the bill, Mr. QUILLEN asked to be made a cosponsor of any such amendment. Clearly, from their comments and those of other Members, Rules Committee members on both sides of the aisle were deeply troubled by this proposal, yet the rule allows for this proposal to be considered.

For those of my colleagues who are not concerned about imposing a 2.5-percent payroll tax on Federal employees, consider the precedent this sets. I believe that if the Republican leadership can get away with this, next they will try to raise the Social Security tax paid by all other American workers. They promised no new taxes, and yet, with this bill, they have broken that promise.

For these reasons, Mr. Speaker, I strongly urge my colleagues to vote "no" on the rule. Reject this effort to bypass the jurisdiction of authorizing committees. Oppose this effort by the Republican leadership to impose a tax increase on middle-class Americans.

Mr. SOLOMON. Mr. Speaker, we continue to reserve our time.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. EVANS].

Mr. EVANS. Mr. Speaker, a few weeks ago, the House acted to reform the welfare system. We also need to ensure that an even larger welfare system—the more than $200 billion in corporate giveaways—is reformed. Corporate taxpayers must live up to their responsibility as U.S. residents and ensure that they do not dodge their duty to pay their fair share of taxes and their obligation to help reduce the deficit.

I gave my Republican colleagues on the Rules Committee the opportunity to seek a fairer tax system by offering an amendment that curbs tax benefits given exclusively to multinational corporations and foreign investors. This amendment would have closed loopholes in the code that drain billions from our Treasury every year.

Yet, the majority again refuses to stand up to corporate interests so that we can reduce the deficit and put fairness in our tax system.

The Republican gravy train for the wealthy never seems to end. Included in this bill is a repeal of the alternative minimum tax. This tax ensures that profitable corporations do not avoid paying taxes in the United States. Many advocates of a repeal say that instead of an AMT, we need to look at individual parts of the code. But once again, the majority leaves loopholes for multinationals virtually untouched.

I urge my colleagues to oppose the rule.

□ 1330

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, the rule before us contains a brutal breach of contract with America's public servants. Markup of similar legislation, as the ranking member, the gentlewoman from Illinois [Mrs. COLLINS], has said, was rejected on March 15 because a majority did not support this provision.

The chairman of this committee who brings this bill to the floor said that 2 million Americans were getting a tax increase so that the wealthiest in America could get a tax decrease, because retirement benefits are an integral part of the retirement package that we offer to attract and retain top-quality Federal personnel. We should not make hasty, ill-considered, and not supported by a majority of the committee of jurisdiction decisions by the Committee on Rules, by the chairman's own admission, not having jurisdiction over this matter.

The chairman said it is traditional not to have amendments to tax bills. If this is a tax bill and if title IV is a tax bill, it should take three-fifths of this body to increase the taxes on 2 million Americans.

Proponents of this proposal have offered only one justification: We need to pay for the tax cut. There has been some argument about an unfunded liability, but the Congressional Research Service looked at this issue, is the unfunded liability of CRS a problem? And their answer was no, we have a system that is paid for. But everybody agrees that the Federal Employment Retirement System [FERS] is fully paid for, and it is included in this, a brutal breach of contract, my friends, in this, your last item.

Reject this rule. Reject this brutal breach of contract. Reject this ill-considered tax policy.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama [Mr. BROWDER].

Mr. BROWDER. Mr. Speaker, I appreciate the gentleman yielding time to me.

Mr. Speaker, I am not here to argue about the value of letting the American people keep as much of their money as we can. I support tax cuts.

But the proposed bill gets the process wrong. I offered a straightforward amendment that insured deficit reduction would be the first priority while fulfilling the Contract With America. My amendment would have made us get on track to balance before the tax cuts become effective and would make continued tax cuts dependent upon us staying on track.

The shame is that in making this rule, the majority opted to reject the advice of the American people. I am entering into the RECORD four quotes that show that a vote for this rule is a vote against the best advice provided to the Congress.

I urge Members to support deficit reduction and returning money to the people who earn it by opposing the rule until we get it right.

GOP leadership needs to listen to the public:

> Opinion polls show public support for tax cuts is low and falling. Even Frank Luntz, the pollster who testmarketed the "Contract With America," says support has eroded in recent months. "The public currently believes that you cannot balance the budget and get a tax cut," Mr. Luntz says.—The Wall Street Journal, Monday, April 3, 1995

GOP leadership needs to listen to the experts:

> Now, with all due respect to both parties, the American people don't want a tax cut.

Every poll indicates they want deficits reduced.—Senator Warren Rudman, CNN Late Edition, Sunday, April 2, 1995

GOP leadership needs to listen to its supporters:

''Our members, if you ask them straight up, come down hard for deficit reduction'' ahead of lower taxes, says the head of a national association that is part of the GOP lobbying coalition.—The Wall Street Journal, Friday, March 31, 1995

GOP leadership needs to listen to its pollsters:

Nothing tells America more about your priorities than the sequence of your actions. . . . That's why ''banking'' the budget savings before cutting taxes is so important. It's aligned with the national mood, which would choose ''ensuring no debt for their children'' (72%) over ''getting a tax cut this year'' (24%).—Memorandum from Frank Luntz, January 19, 1995

Mr. SOLOMON. Mr. Speaker, I yield myself 1½ minutes.

I would point out that the gentleman from Florida [Mr. GIBBONS] appeared before our Committee on Rules. I have great respect for the gentleman, as much as anybody in this body. But I made a note when he said, ''I not only support a closed rule, I would support you sending this bill back to the Ways and Means Committee and telling us to get it right. That is our job. I support Chairman ARCHER on a closed rule.''

I would just say to my good friend, the gentleman from Alabama [Mr. BROWDER], I really do have to resent his calling this a fig leaf. You know, we really are trying to work together here.

Let me just quote some language in this legislation. It says, ''The concurrent resolution on the budget for fiscal year 1996, as agreed to, provides that the budget of the United States will be in balance by fiscal year 2002.'' That is part 1.

Part 2, ''The conference report, as agreed to, on the reconciliation bill for that resolution achieves the aggregate amount of deficit reduction to effectuate the reconciliation instructions required for the years covered by that resolution necessary to so balance the budget.'' That is why people like myself, who have proven that we are deficit hawks year in and year out for the past 16 years, support this rule. Every Member of this body should.

Mr. Speaker, I yield 5 minutes to my good friend, the gentleman from Ohio [Mr. KASICH], and if there ever was a deficit hawk that meets my standards, it is the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Speaker, let me just say to my Republican colleagues particularly and to those Democrats who were considering casting a vote for this, this is like the end of a horse race, maybe like the Kentucky Derby, but that would not be appropriate; the last race in the Triple Crown.

What we have done is we have kept our promises. We signed a Contract With America back last fall, and we said that there were a variety of things that we were going to do. We were going to downsize the operations of this House. We were going to cut committees. We were going to cut committee staff. We were going to cut committee funding. We said we would pass the Shays Act which would say that all laws we apply to the American people ought to be applied to ourselves. We said we would pass the balanced budget amendment. We got it done. We said we were going to pass the line-item veto. We got it done.

And you know what else we said? We said we were going to come to this floor, that we were going to downsize the operation of the Federal Government as we head into the 21st century. Let me tell you, ladies and gentlemen, the American people are with us. The American people resent the fact that more of their money and more of their power and more control has been sent from where they live to this city.

What the Republicans are beginning to do is to listen to the communications of the American people, and the will of the American people is simple. What they want done is they want this Federal Government downsized. They want it reduced in scope. They want it reduced in power, and they want their money given back to them so they can begin to solve problems where they live.

They believe that, as we move into the 21st century, we need a smaller, more limited, more focused Federal Government, and they are demanding that in the course of doing that, in the course of shrinking this big Federal Government and giving them their money and power back, they can solve problems where they live, and at the same time that we are shifting power from Washington to local communities, we are also going to save the country from financial collapse.

I just commend to you the testimony of Alan Greenspan before the House Committee on the Budget when he said that if, in fact, we balance the budget, the kind of prosperity that we would experience in this country cannot even be estimated, that the power and the ingenuity and the creativity of the American people and the absolute wonderful dynamic process of our economy, our free enterprise, entrepreneurial economy that rewards every individual for hard work, will unleash a prosperity that we have not known in this country.

And what we are doing today by passing this rule and bringing this bill up for consideration is we are keeping our word. First and foremost, it is critical that the Republican Party keep its word to the American people. It is the only way to restore credibility, and when we come to the floor today, we are going to downsize this operation of the Federal Government, and we are going to give families, the building block of this Nation, it needs to be reinforced, in some cases it needs to be rebuilt, the American family is going to get some of their money back so that they can decide, individuals can decide, how to spend money on their children, not leaving it up to bureaucrats to decide.

Second, we have a growth element. We say we want to increase the size of the funnel so that we can pour more prosperity, have more job creation in this country. We are going to help the senior citizens by lifting the earnings limit. Let them work. Do not penalize them for work if they want to work.

We are going to have an IRA program. We are going to say to the people that if you want to save instead of punishing you in this country, we are going to give you an incentive to save.

Let me just say that this is the final leg of the Republican Contract With America. But it is the first downpayment on what we will follow up with in May, and that is to take this provision that gives tax relief and has growth in it, and we are going to marry it up in May with our budget resolution.

You know what we will achieve? What we promised last fall. We are going to balance the budget. We are going to save the future of this country. We are going to give Americans tax relief in the process, and we are going to shift power from this city back to where we live.

That is what the American people want. Those that fight against it are resisting the will of the American people, and you know, the beauty of what we do today, we not only give you tax relief, but we also have more deficit reduction, $60 billion more in deficit reduction than the entire President's budget.

And you know what, when it comes to deficit reduction and balancing the budget, you ain't seen nothing yet. We will be back in May to complete our job, to keep our word and save America and future generations.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Virginia [Mr. MORAN].

Mr. MORAN. Mr. Speaker, this is not a good tax-cut bill. In fact, there are two tax shelters within it which will make all the other tax shelters even enacted by this body pale by comparison, with regard to the abuse that they will enable people to take advantage of.

But the worst part of this, of what we are to do today, is not even the bill, it is the rule. We are going to consider legislation which was rejected by the committee of jurisdiction, and under the guise of tax fairness, and not breaking contracts, we are going to increase taxes on each Federal employee by an average of $4,525, to provide a tax cut of about $1,000 to the average American.

And talk about breaking contracts, when each Federal employee had to decide how to provide for the retirement security of their wives and children, we told them we would never break this retirement contract, and today we are going to break it. We are going to require them to lose retirement benefits,

and to increase their retirement contribution by 313 percent.

This day will go down in infamy if we pass this bill, and particularly if we do not reject this rule.

Mr. MOAKELY. Mr. Speaker, I yield 2½ minutes to the gentleman from Texas [Mr. STENHOLM.].

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

Mr. STENHOLM. Mr. Speaker, we have come to the end of a long and exhausting 100 days to take up this final piece of the Contract With America, which I have supported 70 to 80 percent thereof.

Unfortunately, though, what we have before us today is not a crown jewel but, rather, fool's gold.

You know, it was about 2 years ago at this time that we were on the floor trying to pass the rule for another high-profile, highly controversial piece of deficit-reduction legislation. As seems to be my destiny, my role leading up to that vote was to provide better assurance of true deficit reduction. We wanted to try to start to get some sort of handle on the entitlement spending which is increasingly driving our deficits.

Let me tell you about the reaction I received for my efforts when we reached the floor from this side of the aisle. I heard about skepticism, cynicism, I was lectured about meaningless guarantees which had no teeth. I was considered gullible for accepting promises of what would happen tomorrow rather than demanding the deal be closed today.

Now we come to today's vote when I hear I do not need to worry about deficit reduction in this bill. I am told the guarantee is already there. I am assured that we can have the promised land, both massive tax cuts and a balanced budge with borrowed money.

Well, the tax cut promises could not be any clearer. But just how does today's deficit-reduction guarantee stack up against the agreement I worked for 2 years ago, the guarantee which was deemed so inadequate, so toothless, so meaningless? Well, we had proposed laying out specific, numeric entitlement targets. If those targets were exceeded, we would have required the House Committee on the Budget to report a budget resolution which brought us back in line with spending cuts.

Now, does today's guarantee have such a requirement? No, it does not. We said that if the budget resolution or budget conference report breached the targets, the bills could not even be considered on the House floor.

□ 1345

No such prohibition in today's bill. We said, if the Congress decided to increase those targets, in other words, they chose to spend more money, a separate vote had to bring that provision into the political sunshine. No such sunshine in today's bill.

As one who has been criticized for alleged weaknesses in spending discipline proposals, which were 100 times stronger than the rule we have today, would somebody please tell me why I should accept this ''trust me'' language before us today? I refuse to trust anything other than an honest, enforceable guarantee that these tax cuts will not come at the expense of my children and grandchildren. I refuse to adorn myself with the jewels of political slogans and then hand to my children and grandchildren those worthless minerals passed off as gold.

Tax cuts with borrowed money is no bargain. Vote ''no'' on this rule and vote ''no'' on this bill.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Maryland [Mr. CARDIN].

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

Mr. Speaker, I urge my colleagues to reject this rule.

It does not comply with what the Contract With America said, that we are going to have a open debate on tax issues. There is no opportunity for us to offer an amendment. It breaks the promise that we would have specific spending cuts before us before we would be asked to vote on a tax cut.

What this bill attempts to do is to use a phony mechanism for saying that we have to pass a budget reconciliation before the tax cuts become effective. But after we do that, the tax cuts become permanent.

I hope my colleagues will read the Balanced Budget and Emergency Deficit Control Act of 1985, because that is what we did in 1985 with the Gramm-Rudman proposal. By the way, that bill required us to have a balanced budget by fiscal year 1991.

The tax cut in this bill is permanent. The spending cuts are 1 year, and they do not even give us anywhere near the amount of money. Let us do deficit reduction first.

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

Mrs. MORELLA. I thank the gentleman from Massachusetts for yielding this time to me.

Mr. Speaker, I rise to state my opposition to the rule for H.R. 1327. This rule does not permit a number of very important amendments which are critical to improving this bill. It does not permit the Roberts-Ganske amendment to direct the child tax credit to middle-income families; it does not permit the Porter amendment to require that our budget be balanced before tax cuts go into effect; and it does not permit an amendment I offered with several of my colleagues to remove the tax hike that this bill imposes upon Federal employees. A tax hike in a so-called tax reduction bill.

Title IV of H.R. 1327 would require Federal employees to pay an additional 2.5 percent toward their retirement system. An average Government worker making $20,000 a year would have to pay an extra $500 per year, and the employee making $30,000 would have to pay an additional $750. These are hefty sums for middle-class workers. Whatever happened to our contract with the Federal work force?

Title IV also would change the retirement formula to reflect the highest 5 years of salary as opposed to the present formula based on the highest 3 years. This provision would affect postal workers as well as civil service employees. Changing the retirement formula reduces the lifetime retirement benefits by 4 percent.

The General Accounting Office, just this week, issued a statement in support of the conclusions reached by the Congressional Research Service [CRS] on the status of the civil service retirement system. The report states that:

> (1) the system's unfunded liability is not a problem that needs to be fixed to avoid steep increases in outlays from the Treasury or increases in the deficit and (2) the system is not insolvent nor will it become insolvent in the future.

Mr. Speaker, Federal employees have borne the brunt of deficit reduction for more than a decade. Why are we once again taxing an already overburdened work force? Why have we tucked into this tax bill provisions that were never approved by the Government Reform and Oversight Committee?

I oppose the rule, and I ask my colleagues not to support a tax bill that will harm the more than 2 million Federal workers and their families nationwide.

Mr. SOLOMON. Mr. Speaker, I yield 3 minutes to the Republican whip, the gentleman from Texas [Mr. DELAY], one of the outstanding Members of this body.

Mr. Speaker, boy, he has surely earned his medal in the last 100 days, I will tell you.

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

I hope I do not take the 3 minutes, but I appreciate all work that the chairman of the Committee on Rules has done on this issue. I know it has been very, very hard for all the Members because this is a very big and important bill. Everyone wants a piece of it, but not everyone got what they wanted, and there are some ''push me, pull you'' going on on the rule. I appreciate that. But you have got to also appreciate the hugeness of this bill and what we are trying to do.

Mr. Speaker, I rise in strong support of this rule, and in strong support of the Tax Fairness and Deficit Reduction Act.

Last November, the American people spoke loud and clear by voting in the first Republican majority in the House in 40 years.

The message voters sent was simple: Cut our taxes and cut Federal Government spending.

The new Republican majority has heard that message, and today we start to deliver on our promise.

The rule we have before us is a fair one. It gives the Democrat minority a chance to offer an alternative while keeping the integrity of the Republican majority package.

The rule also gives the American people a very clear choice.

You can vote for a Democrat package that contains no tax relief for middle class Americans. Or you can vote for the Republican package that finally begins the process of talking the tax burden of the American people.

I am reminded of the vote we had in 1993, when President Clinton and the leadership in the Congress voted in a tax increase that hit seniors, hit the middle class, and slowed economic growth.

Two hundred forty billion dollars' worth of tax increases. All we are doing is allowing people to keep $190 billion of those taxes for themselves to spend the way they think it ought to be spent. Not one Republican voted for that tax increase.

So today I urge my colleagues on the other side of the aisle to join with us in righting the wrongs of 1993. Vote to stop taxing our seniors, vote to allow middle-class families to keep more of their money, and vote to create jobs for our workers.

We have been asked how do you balance the budget by cutting taxes? Well, we have shown you that we honor our promises with passing the Contract With America; we will also show you in May when you cut taxes, as President Kennedy and President Reagan did, revenues go up and as we cut spending and the size of this Government, the cost of government goes down and the American people allowed to hold onto their money and spend it the time way they think is important.

So I urge all my colleagues to vote for this rule, vote for job-creating, deficit-cutting, the Tax Fairness and Deficit Reduction Act.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from North Dakota [Mr. POMEROY].

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

Mr. Speaker, I rise in strong opposition to the rule before us. The majority leadership is desperate to convince this House and the American public that this is a bill for middle-income Americans. But their very rule snuffs out an amendment offered by Democrats and Republicans alike to ensure that it goes where it ought to. The bill, the amendment I offered is a case in point. It would have established tax fairness in the deductibility of health insurance. Presently corporations can deduct 100 percent, self-employed individuals 30 percent, other individuals paying their own premium, nothing at all. The bill I introduced would have allowed an 80-percent reduction in premiums paid by individuals. This would have made coverage more affordable for their families and would have installed tax fairness. That is why my amendment was supported by the Farm Bureau, supported by the Farmers Union, supported by the National Association of the Self-employed. And we do not even get a vote. In fact, when the Committee on Rules addressed this issue, at least one said, ''We don't want to open up the Tax Code on this issue.'' Well, they opened up the Tax Code for America's most wealthy; why will they not open up this bill for an amendment to help working Americans?

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Vermont [Mr. SANDERS].

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

Mr. SANDERS. Mr. Speaker, more than half of the tax cuts proposed by the Republicans today for individuals will benefit families earning over $100,000 a year, and more than a quarter of the tax cuts will go to families earning over $200,000 a year.

The highest-earning 1 percent of families will get more in tax cuts than the 60 percent of families at the lower end of the income scale.

This is the Robin Hood proposal in reverse. We savagely cut programs for the poor and the vulnerable, and we give huge tax breaks to the rich and the powerful.

Mr. Speaker, this is bad legislation because it does not allow us to debate the tens of billions of dollars in corporate welfare that goes to rich and large corporations. It does not allow us to debate the propriety of millionaires saving huge amounts of money on mortgage interest deductions. This is bad legislation, a bad rule; let us defeat it.

Mr. Speaker, politics and much of what goes on here in Congress is really not very complicated. Everybody here understands that the majority of poor and working people don't vote and, for a variety of reasons, don't have much confidence that what happens here is relevant to their lives.

On the other hand, the wealthy and the powerful do vote, do contribute very heavily to the political parties, do have well-paid lobbyists and lawyers working full time for their interests. And that in a nutshell is why the rich get richer, the middle class is shrinking, and the poor are becoming poorer and are facing a terrible onslaught from the leadership of this House.

Mr. Speaker, during the last several months some of the wealthiest people in America and representatives of the largest corporations came together to contribute $11 million in one night to the Republican Party. Others came together for a $50,000-a-plate fund raising dinner with NEWT GINGRICH to raise money for a rightwing television network. Corporation like Amway and Golden Rule Financial have been contributing hundreds of thousands of dollars into Republican party coffers.

And today, Mr. Speaker, is payback time. After cutting back massively on programs for low income people, on programs for children, on programs for the elderly, for students, for the homeless, for people with Aids, today is payback time for the rich and the powerful. Today, they get the return on their campaign contributions to the Republican party.

Mr. Speaker, according to the Treasury Department, more than half of the tax cuts proposed by the Republicans for individuals will benefit families earning over $100,000 a year, and more than one quarter of the tax cuts will go to families earning over $200,000 a year. The highest earning 1 percent of families will get more in tax cuts than the 60 percent of families at the lower of the income scale. For the very highest income people, the top 1 percent, the Republican proposal creates an average tax reduction of $20,362, for the lowest income 20 percent taxes are reduced by all of $36.00. The Robinhood proposal in reverse. We cut savagely programs needed by the poor and vulnerable in order to give tax breaks to the rich and the powerful.

Mr. Speaker, this is a bad bill because it does not allow us to provide rational alternatives to the tax breaks for the rich scheme that is being presented today. It does not allow us to cut the tens and tens of billions of dollars in corporate welfare that the largest corporations in America receive. It does not allow us to debate the propriety of millionaires saving large sums of money in taxes from the mortgage interest deduction on their palatial mansions. It does not allow us to remove Federal subsidies for such Federal agencies as OPIA, the Overseas Private Investment Association in which tax payers are paying to see their own jobs go to third world countries.

Mr. Speaker, we need open and vigorous debate about how we can move toward a balanced budget in a fair and progressive way—not on the backs of the weak and the vulnerable. We need fair and open debates to begin the process of eliminating the tax loopholes and the subsidies which the wealthy in large corporations receive.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentlewoman from Utah [Mrs. WALDHOLTZ] an outstanding Member and the first Freshman female Republican Member to serve on the Committee on Rules since the First World War.

Mrs. WALDHOLTZ. I thank the gentleman for yielding this time to me.

Mr. Speaker, today we will have the chance to vote on a bill that will help restore tax fairness to families and senior citizens.

For too long, American families and seniors have seen their tax burden rise. Today, the average American family pays more in taxes than it spends on food, clothing and shelter combined. Some senior citizens now face a marginal tax rate of 85 percent—a rate much higher than that of other Americans.

The problem is not that the Government taxes too little; the problem is that it spends too much. The American people are simply overtaxed. The Tax Fairness and Deficit Reduction Act recognizes families for what they are—the basic building block of American society. It will give them the tax relief they so desperately need and deserve, and despite allegations that this bill is for the wealthy, seventy-six percent of the tax cuts go directly to families.

The $500 per child tax credit will help nearly one-quarter million parents in my State of Utah alone. Listening to the other side of the aisle you would

think that only wealthy people have children. But, 75 percent of the family tax credit goes to people with incomes of less than $75,000.

Our bill recognizes the invaluable contribution homemakers make to the family by allowing nonworking spouses a full $2,000 deductible IRA contribution instead of the current $250, helping homemakers provide for their retirement years and recognizing the value and worth of their work at home.

Our bill also helps senior citizens. Under the Clinton tax bill our seniors were unfairly singled out for higher taxes through an increase on their Social Security. Our bill will repeal that tax increase and restore tax fairness to elderly Americans. In addition, we will help remove the penalty for seniors who choose to work in their sunset years by raising the earnings test limit—rewarding rather than punishing working seniors.

The tax money we collect is not ours, it belongs to the taxpayers. As we cut Government spending and reduce the size of the Government and balance the budget, we need to let people keep more of the money they earn. I encourage my colleagues to support this rule, and this bill.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Texas, [Mr. DOGGETT].

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

Mr. Speaker, it is true the circus is in town, but not really the roar of the lion that we hear today. The significant thing is a certain mooing sound that is under way. You see, I do not believe we will ever get the budget in balance without a true bipartisan effort. I thought we were headed in that direction because I have a letter here that was signed by 105 Republican Members who said that they recognized there was a need for more money for deficit reduction and they could change their tax proposal and apply it to only 85 percent of the families in this country and provide an addition $12 billion to $14 billion in deficit reduction.

□ 1400

That represented a half step, and it is sure a lot better than the lockstep we have seen most of this session of Congress. But somewhere along the way that all changed. We are not going to have a chance to vote on that proposal of 105 Republican Members because somewhere along the way the Speaker said ''no,'' and I do not know what it is that is so persuasive about him, but sometimes I get the feeling that, when these Members are around him, they are so cowed, I can almost hear them moo.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from New Mexico [Mr. RICHARDSON].

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

Mr. RICHARDSON. Mr. Speaker, in this tax bill, where are the tax breaks designed to improve the lives of ordinary Americans? This bill has provisions to allow Exxon to write off expenses on capital improvements, but there are no breaks for students that try to improve themselves through higher education. The greatest threats to our Nation's economy are soaring deficits and the erosion of the middle class. Today's tax cut legislation will not remedy any of these problems. Instead it places the burden of future deficits squarely on the backs of working Americans.

Economic indicators tell us that the economy is growing at a strong, steady pace. Do we really need to stimulate it with massive tax cuts for wealthy Americans and big business?

We should take advantage of a healthy economy and follow a prudent course of deficit reduction that will solidify our financial base. Let us send a message to Americans that Congress is making honest spending cuts that pay off our debts. Tying spending cuts to budgetary gimmicks further undermines the credibility of this institution.

Mr. MOAKLEY. Mr. Speaker, I yield 1 minute to the gentleman from Rhode Island [Mr. KENNEDY].

Mr. KENNEDY of Rhode Island. Mr. Speaker, I rise against the rule and the Republican tax cut for the wealthy that this rule allows, a Republican tax cut plan where, according to the Citizens for Tax Justice, more than 71 percent of total capital gains tax cut breaks goes to those who make more than $200,000 a year.

The question is: Who is going to pay?

School lunches are getting cut. Elderly are getting tossed out of senior high-rises because they are reducing the amount of subsidies for the elderly to have affordable high-rises. In addition, they have not let the students alone either. They are now going to tack on interest payments for student loans starting the day the student enters the university.

This is not progressive and far from being the middle-class tax cut that the Republicans would have us believe because it is putting the burden on the students, and who gets the break? The people who have the most money.

It figures. It is the Republicans all over again.

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to the gentleman from New Jersey [Mr. MARTINI], another outstanding freshman Member who was helpful in writing in the language that is going to bring us to a balanced budget.

Mr. MARTINI. Mr. Speaker, as we have kept our promises these first 100 days, we have made the democratic process work. This week it will continue to work with the passage of this rule and this bill.

Mr. Speaker, as originally written I must confess that I was concerned that the tax package in the Contract With America did not place enough emphasis on deficit reduction. Mindful of that concern, a group of us, including the gentleman from Delaware [Mr. CASTLE], the gentleman from Michigan [Mr. UPTON], the gentleman from New York [Mr. SOLOMON], and a host of others from both sides of the aisle, worked with the Republican leadership and fashioned an agreement on the issue that makes it entirely clear to the public that in passing tax relief we will not abandon our pledge to bring the deficit down to zero.

According to the new provision, the tax cuts in the bill cannot go into effect until a budget is passed, putting us on course to a balanced budget in the year 2002, and each year thereafter Congress will have to revisit our deficit reduction goals to make sure we stay on track.

Mr. Speaker, I am pleased to say that with the addition of these provisions to this original bill my concerns have been satisfied. A good bill has been made better, and the process is working again. I urge support of this rule and this bill.

Mr. MOAKLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Florida [Mr. GIBBONS], the former chairman of the Committee of Ways and Means.

Mr. GIBBONS. Mr. Speaker, this is a time when we, as Members of Congress, should be deliberative and we should take our time in doing the Nation's business. This is a very, very important piece of economic legislation. It is a very, very important piece of social legislation. The Senate, when it will look at it, will call this a $700 billion tax cut. That is because they prefer to look at it in its longer term rather than the very short term that we House Members look at it.

This is the wrong time in America's history to be cutting taxes. This is a time in America's history to be cutting the deficit. Why? Because America is at full employment today. Why? Because America is using its maximum factory capacity utilization today. Factory capacity utilization today in America is the highest it has been in 15½ years. The Federal Reserve knows it; that is the reason why they have increased interest rates 7 times in the last 14 months. Every sensible economist knows that this is the wrong time to be cutting taxes. They tell us it is only time, the right time, to cut the fiscal deficit.

This bill, when it comes up, and it is going to come up, they have twisted enough arms to get it up, is an inequitable piece of social justice. Let us take the capital gains issue. It is a huge item in all of this, and who gets it? Only 8 percent of all taxpayers ever take a capital gains, 8 percent. But in this bill one-half of the capital gains will be taken by the upper 1 percent of our income earners every years, and they will take them every year, not just one time in a lifetime like most Americans.

Let us tell the truth about the capital gains thing. Eight percent of Americans ever take a capital gain. Of

that 8 percent, more than half of it goes to those above $200,000, and I say, ''If you look at those people again, they're not just taking one or two capital gains in a lifetime. They take multiple capital gains every year.'' And what do they do? They are just swapping their equities around between each other. Somebody buys their bad investment if they want to get rid of it. There is no creation of additional capital. It is just a game there.

So it is bad economic justice, it is bad social justice.

Now let us take the family credit. When the Republicans first introduced this bill, they gave a family credit, to low income individuals, those below $50,000. The gentleman from Texas [Mr. ARMEY] stood on the Capitol steps out there with the bill on September 27, 1994, and shook it into everybody's face, but this bill takes away 13 billion dollars worth of family tax credit from all those families earning less than $50,000 a year. That is not fair, that is not just, and that is not correct.

The SPEAKER pro tempore. (Mr. GOODLATTE). The time of the gentleman from Florida [Mr. GIBBONS] has expired.

Mr. MOAKLEY. Mr. Speaker, does the gentleman from Florida want another minute?

Mr. GIBBONS. Yes.

Mr. MOAKLEY. Mr. Speaker, I yield 1 additional minute to the gentleman from Florida. I just did not want to slow the gentleman down when he got that steam going.

Mr. GIBBONS. Mr. Speaker, I appreciate it, and I say, ''You know I appreciate you, Mr. SOLOMON, but you gave me an hour to ration between 204 Democrats. I've been swamped for requests for time. They would like to stay here and debate this.''

I see the Speaker standing in the back back there chatting with the chairman of the Committee on the Budget, and I say, ''We welcome you here, Mr. Speaker. We don't see you as much as we used to, but we're glad to have you here today. Have you gotten off the elephant out there in the circus. or are you coming in here to ride this elephant?''

Mr. Speaker, this is a lousy bill. It is the wrong time to be reducing taxes. We ought to be reducing the deficit now. We should not be cutting taxes the way we are doing it. It is reckless, it is irresponsible, it is bad policy for the American economy, it is bad policy for the American people.

Mr. MOAKLEY. Mr. Speaker, I yield 1½ minutes to the gentlewoman from New York [Mrs. LOWEY].

(Mrs. LOWEY asked and was given permission to revise and extend her remarks.

Mrs. LOWEY. Mr. Speaker, I rise in strong opposition to this closed and restrictive rule. I cannot believe that my colleagues in the majority, who claimed that they would open up this House, could come to us with a straight face and gag this Chamber with a rule that restricts us to 5 hours of debate on a matter of such gravity for the Nation's future—$630 billion to be exact.

While I dare say that H.R. 1215 is far from the crown jewel that it has been touted to be by some, I will be the first to admit that the bill makes several changes in the Tax Code that I think are long overdue: easing the tax burden on senior citizens, providing tax credits for expenses incurred when adopting a child or caring for an elderly parent or grandparent in your home, and indexing capital gains. I would like to support provisions such as these, but this rule doesn't allow me to do that in a fiscally responsible manner. We are told to take all or nothing, and if that is the case I will have no choice but to vote no.

Mr. Speaker, I will not vote for a bill that will enable some of our wealthiest corporations to avoid taxes altogether while giving just $90 in tax relief for a family with an income of $20,000, and then forces massive cuts in programs that would have a devastating impact on hardworking Americans. For the citizens I represent in New York, this bill spells higher transit fares, devastating cuts in Medicare, reduced student loans, hungrier school children, less affordable child care, and fewer police on the beat.

One of the bill's more offensive provisions is the repeal of the corporate alternative minimum tax, which was instituted in 1986 because more than half of the Nation's most profitable corporations had been able to utilize various loopholes in the Tax Code to pay no Federal income taxes, even though they were reporting huge profits. The inequity of this situation was so clear that the Reagan Administration supported establishment of a corporate AMT.

Repeal of the corporate AMT would clearly represent an inequitable shift in the tax burden. Seventy-four percent percent of the corporations who pay the corporate minimum tax have assets greater than $250 million. Given these facts, it is not surprising that its repeal was not originally part of the Contract With America. Instead, it was added in at the 11th hour, when the American people weren't looking and special interest lobbyists were hard at work.

Let me remind my colleagues that under this rule we will not have the opportunity to vote to restore the corporate AMT; to make the Social Security tax repeal effective immediately, as it should be; to help students pay for college; and to decide if the child tax credit should be available to the families of 35 percent of our Nation's children who need it most but who would not benefit from the credit as it is currently written in this bill.

I urge a no vote on this rule.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. DREIER], a very outstanding veteran member of the Committee on Rules.

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

Mr. DREIER. Mr. Speaker, I rise in very strong support of this fair and balanced modified closed rule.

Now, when the gentleman from Florida [Mr. GIBBONS] came before the Committee on Rules, he requested a closed rule. We are not even going as far as the distinguished ranking minority member of the Committee on Ways and Means would like, but we do have a modified closed rule. It is a measure which is bringing to the floor an opportunity for us to do what the American people have said overwhelmingly that they want. They want us to try and reduce the size and scope of Government and allow them to keep a little bit of what they have earned.

Now, as I have been listening to the rhetoric over the past few minutes about us versus them, class warfare, I am very discouraged. I have enjoyed working for years with the gentleman from Florida [Mr. GIBBONS] on trade issues, but, when I hear him talking about the very few who will utilize the capital gains tax reduction versus those working individuals who do not or would not be able to, I cannot help but think of a column that appeared recently in the New York Post where Thomas Sowell said,

> Class-warfare politics is not just fraudulent, it is a cheap play on envy and a very serious disservice to the whole country. Not only does it divide us yet another way, it threatens the very process by which all of us have benefited economically.

□ 1415

This is a balanced approach. We want to recognize that we are in this together. The American people want us to responsibly deal with deficit reduction.

This bill is a very important step on the road toward a balanced budget. Why? Because every shred of evidence is that with this capital gains tax rate reduction, we are going to see an increase in the flow of revenues to the Federal Treasury. That increase is going to help us responsibly get to a balanced budget.

I urge support of this fair and balanced modified closed rule, and urge my colleagues to join us.

Mr. SOLOMON. Mr. Speaker, I yield such time as he may consume to the gentleman from Delaware [Mr. CASTLE] a former Governor of Delaware and one of the outstanding Members of this body, who has participated in writing the balanced budget legislation.

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

Mr. CASTLE. Mr. Speaker, I rise in support of the rule for consideration of H.R. 1215, the Tax Fairness and Deficit Reduction Act of 1995.

The American people deserve to keep more of their hard-earned money. They recognize that the Federal Government is collecting an ever larger share of their earnings and that the money it collects is often not well spent. Americans do not mind paying their fair share of the costs for our Nation's needs—protecting our national security, looking after those who truly

need help. But the programs and operations of the Federal Government have become too big and far too inefficient. Excessive Federal spending has resulted in a national debt of $4.8 trillion and deficits of almost $200 billion adding to that debt every year.

Americans want relief from taxes, but what my constituents in Delaware tell me is that reducing the deficit, balancing the budget, and making the Government live within its means is what they want done first, I am happy to say that we now have language in this bill that will ensure that Congress acts to cut the deficit and balance the budget before the tax cuts can become law.

The Rules Committee has added an amendment offered by Mr. UPTON, Mr. MARTINI, and myself which states that the tax provisions in this bill cannot become law until Congress passes a budget resolution and reconciliation legislation that will result in a balanced budget by the year 2002. This provision reflects the will of our constituents: cut taxes, but not at the expense of balancing the budget.

By including this important provision in the bill we are insuring that Congress will have to face the difficult decisions to reduce Government spending. If Congress cannot make those decisions, the tax cuts will not go into effect. It is as simple as that.

The Castle-Upton-Martini amendment also adds two key requirements to force Congress and the President to continue to work toward a balanced budget.

After Congress passes the budget reconciliation legislation that places us on course to a balanced budget, in each subsequent year the budget committees and CBO must report on whether we are still on the path to balance in 2002. If we fall off course, Congress must consider ways to get back on course in that year's budget resolution. In short, Congress must take action if the deficit begins to increase.

Equally as important, this provision will require the President to join in this effort, by requiring him to submit a balanced budget each year. This year, President Clinton has chosen again to propose a budget that would result in annual deficits of $200 billion for the next 5 years. Under this amendment, if the President chooses not to officially submit a balanced budget, he would have to offer an alternative plan that shows how the budget could be balanced. It forces the President to face the same decisions the Congress must face.

Mr. Speaker, I support tax relief for families, savings incentives for individual Americans, and investment incentives for business. But, I am adamant about the critical need to balance the budget. I support the rule because it clearly links tax cuts to deficit reduction. My colleagues and I will continue this effort on the budget resolution and the budget reconciliation bill to ensure that we stay on course to a balanced budget.

I want to thank FRED UPTON and BILL MARTINI for their efforts on this amendment. I also want to acknowledge Mr. BROWDER and Mr. ORTON for their leadership on the need for deficit reduction. Finally, I appreciate the work of JOHN KASICH and JIM NUSSLE, and the Republican leadership for working with us to make this provision part of the bill. I urge support of the rule and approval of the tax fairness and deficit reduction bill.

Mr. MOAKLEY. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE. Mr. Speaker, I rise to oppose this rule as a noninclusive rule and hurting the American people.

Mr. Speaker, I rise in strong support of the Democratic substitute to H.R. 1215. The Democratic substitute benefits primarily low- and middle-income Americans. Whereas, H.R. 1215 benefits primarily wealthy Americans with incomes above $200,000.

The Democratic substitute sponsored by my colleague, RICHARD GEPHARDT of Missouri, ensures that 100 percent of the benefits of the tax cut will accrue to families with adjusted gross income of less than $100,000. Moreover, it permits us to invest in human capital by allowing middle-income families to deduct up to $10,000 in educational expenses per year.

Furthermore, the Gephardt bill encourages Americans to emphasize savings for their retirement years by expanding the number of taxpayers who would be eligible to deduct contributions to individual retirement accounts [IRA]. This is accomplished by raising the adjusted gross income level requirement from $35,000 to $50,000 for single taxpayers and $60,000 to $75,000 for couples who file joint tax returns.

The Gephardt bill also affirms our commitment to balancing the Federal budget. This bill requires certification by the Office of Management and Budget [OMB] that the Federal budget will be balanced in fiscal year 2002. H.R. 1215 fails to incorporate the requirement that deficit reduction be a priority.

Frankly, the Democratic bill promotes fairness, maintains fiscal responsibility, and strengthens American families. And finally it is a good commonsense tax bill because it invests in our people—college loans for students—part of America's future.

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

Mr. Speaker, in closing I would like to urge Members to defeat the previous question. If the previous question is defeated, I intend to offer an amendment to the rule which will allow Members to vote on several amendments:

The Ganske amendment, which lowers the eligible income level for the child tax credit;

The Kennelly amendment relating to taxable income for the blind;

The Browder amendment tying the tax cuts to deficit reduction;

The Wolf amendment which strikes the tax increase on Federal workers; and

The Nadler-Lowey amendment which restores the pre-1993 lower tax rate for middle-income seniors immediately rather than being phased in as the bill does.

And many others as well.

This will be the only opportunity on this bill to have votes on these issues affecting Federal workers, the blind, the middle class, deficit reduction, and the elderly. I urge Members to vote ''no'' on the previous question.

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

Mr. Speaker, I have here the U.S. Tax Code. It is the fear of every American. If we had an open rule today we would open it up, and gosh knows what would happen.

Mr. Speaker, we have heard a lot of complaining about the tax cuts in this bill, but I wonder if the real opposition is to the fact on something we have not heard about much here today. Is there $100 billion in real spending cuts in this bill? That is what Members are going to be voting for.

You know, I said at the time when we opened this debate that a vote on this rule is going to be a vote for a balanced budget. Let me tell you, a vote against the rule is going to be a vote against a balanced budget.

What the people are really afraid of is the language that appears in this bill, and it says, ''. . . the budget of the United States will be in balance by the fiscal year 2002.'' And the second part of it is something they fear even more. It writes into law ''the aggregate amount of deficit reduction to effectuate the reconciliation instructions required for the years covered by that resolution necessary to so balance the budget.''

That will become the law if you vote for this rule and the bill it will bring up.

Mr. Speaker, when you look at this chart, you see that President Clinton projected, when he gave us the budget a few months ago, another $1 trillion, $996 billion, added to the debt. What is compassionate about that, to load that kind of deficit on the American people and their children and my grandchildren?

We can have a chance to do something about it right now. Vote for the previous question.

Mr. NADLER. Mr. Speaker, I rise to oppose this rule on the Tax Fairness and Deficit Reduction Act, H.R. 1215.

The Contract With America states that ''within the first 100 days of the 104th Congress, we shall bring to the House Floor the following bills, each to be given full and open debate, each to be given a clear and fair vote and each to be immediately available this day for public inspection and scrutiny.'' With a closed rule on the tax bill, the Republicans have not provided, as they said they would, for a ''full and open debate'' on this crucial legislation.

I would agree that many Americans need tax relief, and that we must do all that we can to ensure fairness for our seniors and families. That is why I offered two amendments to this legislation which would have furthered these very important goals. But, unfortunately, ''full and open debate'' on these amendments was denied, and the Members of this House will not have the opportunity to vote on these amendments.

My colleague from New York, NITA LOWEY, and I introduced an amendment which would repeal immediately the increased tax on Social Security benefits rather than repeal it over a 5-year period, as the Republican bill does. While our amendment would have granted seniors

immediate tax relief, and would have been paid for by striking from the bill a repeal of the Corporate Alternative Minimum Tax—making corporations pay their fair share of taxes—it was, nonetheless, rejected by the Rules Committee. When we raised this issue of equity regarding our Nation's seniors we were hushed.

While this bill does much to provide significant and immediate tax relief for wealthy corporations, it delays tax relief and fairness for our Nation's seniors. While the Republicans state that this bill will provide fairness, this, to me, does not seem fair.

Repealing the Social Security tax increase immediately and paying for it by requiring Republicans to retain the Corporate Alternative Minimum Tax is only fair and equitable. The Alternative Minimum Tax was adopted to stop the practice of large corporations using the talents of high-priced tax lawyers to contrive ingenious loopholes that enable them to escape all taxation. To provide these huge tax giveaways to corporations and not provide immediate tax relief and fairness to our Nation's senior would be the height of unfairness and hypocrisy. It would be a moral outrage to allow or Nation's most profitable corporations to cease paying income taxes immediately, while requiring seniors to wait half a decade for tax relief.

Mr. Speaker, after restoring fairness to seniors by repealing the Social Security tax increase immediately, our amendment would have left approximately $7 billion for deficit reduction—almost half of the amount of appropriations this House rescinded earlier this month for this very purpose.

Our amendment would have significantly reduced the deficit, while restoring tax fairness to our Nation's seniors, but the Republican leadership would not allow this fiscally prudent amendment to be considered on the House floor.

Our amendment would have done the right thing by making profitable corporations pay their fair share and lifting this unjustified increased tax burden off senior citizens immediately.

I asked, again with no success, that the Rules Committee consider another one of my amendments. The amendment would simply index income taxes to reflect regional differences in the cost of living. These differences mean that an income which might make one well off in, say, rural Arkansas, would barely afford a middle-class lifestyle in New York or Dallas. Yet the current Tax Code, by taxing nominal, rather than regionally adjusted, incomes, treats each of these taxpayers as if their incomes were economically equivalent.

We know that this is not the case.

People living in high cost-of-living areas, like New York City, should not be penalized by the tax system. By regionally adjusting income tax brackets, we can make the tax burden on American families more fair and equitable.

Furthermore, I find it ironic that this rule waives the requirement for a three-fifths vote in order to increase taxes. The Republicans passed a rule earlier this Congress which would require that in order to increase taxes the House had to have a three-fifths vote. Now they are waiving this rule for the purposes of passing their tax bill which gives tax breaks to the wealthy. The hypocrisy here again is blatant.

Mr. Speaker, this bill is unfair and I urge my colleagues to oppose this rule.

Ms. DUNN of Washington. Mr. Speaker, I rise in strong support of this rule.

Two years ago, the liberal Democrats voted for the largest tax in history. Today, we right that wrong by allowing the American people to keep more of their hard-earned money.

The Republican Tax Relief and Deficit Reduction Act accomplishes many things for American families. One of the most symbolic and important is the provision that corrects an inequity against the American homemaker.

Mr. Speaker, the current Tax Code treats American homemakers, who are overwhelmingly women, as second class citizens.

In the eyes of the Federal Government, the work of the homemaker is not as valuable as the work of her husband.

For tax purposes, a single-income family can set aside for retirement roughly one-half what a dual-income family can. Our spousal IRA proposal allows the work-at-home spouse to save $2,000 just like the spouse.

This rule, and the Republican tax relief bill, acknowledge the value and hard work of the millions of homemakers in America.

Support this rule, support homemakers, and support the families of America.

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

The SPEAKER pro tempore (Mr. GOODLATTE). The question is on ordering the previous question.

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

Mr. MOAKLEY. 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 230, nays 203, not voting 2, as follows:

[Roll No. 289]

YEAS—230

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—203

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hayes
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Laughlin
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer

Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stenholm
Stokes
Studds
Stupak
Tanner
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—2

Reynolds
Stark

☐ 1437

Mr. DAVIS changed his vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. GOODLATTE). The question is on the resolution.

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

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 228, noes 204, not voting 3, as follows:

[Roll No. 290]

AYES—228

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bevill
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Graham
Greenwood
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—204

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bilbray
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Danner
Davis
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Ehrlich
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Ganske
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Green
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Horn
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
LaHood
Lantos
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Tucker
Velazquez
Vento
Visclosky
Volkmer
Ward
Watt (NC)
Waxman
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates

NOT VOTING—3

Pomeroy
Reynolds
Waters

☐ 1455

Mr. TAUZIN changed his vote 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.

PERSONAL EXPLANATION

Mr. POMEROY. Mr. Chairman, I regret that I was not present for rollcall vote No. 290, the rule to provide for the consideration of H.R. 1215, the Contract With America Tax Relief Act of 1995. I was unavoidably detained in a meeting with Office of Management and Budget Director Alice Rivlin regarding Missouri River flood control. I spoke on the floor of the House twice against the rule and, had I been present, I would have voted ''no.''

PARLIAMENTARY INQUIRY

Mr. MORAN. I have a parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore (Mr. GOODLATTE). The gentleman will state his parliamentary inquiry.

Mr. MORAN. Mr. Speaker, it is my recollection that this body passed legislation earlier this term, in fact, on the first day of this session, that required that any tax increase be passed with a three-fifths vote of this body.

Since there is a tax increase to be leveled on Federal employees, in the case of the Federal Employees Retirement System, a 313 percent increase on their retirement contribution; in the case of the Civil Service Retirement System there was a 35 percent increase in their retirement contribution. This is clearly a tax increase, Mr. Speaker.

Therefore, it seems to me, to be consistent with the legislation this body previously passed, it would require a three-fifths vote. I would reserve my point of order, but I would make that parliamentary inquiry at this time.

The SPEAKER pro tempore. The Chair will take the gentleman's inquiry under advisement and rule on it at the appropriate time.

Mr. MORAN. Mr. Speaker, I would ask, when would be the appropriate time for a ruling on this parliamentary inquiry?

The SPEAKER pro tempore. Pending final passage of the legislation.

Mr. MORAN. Mr. Speaker, when would I be able to get a division of the question on that issue?

The SPEAKER pro tempore. The Chair will state that the rule relates to the vote on passage. The question becomes ripe for the House upon passage of the legislation.

Mr. MORAN. Mr. Speaker, the rule said that all points of order are waived, but yet I am making an inquiry as to whether this is consistent with previously passed legislation of this body.

☐ 1500

It seems to me this then ought to enable us to call for a division as to the ruling of the Speaker. What I want to understand is when that might occur, when this body might be able to vote on that ruling.

The SPEAKER pro tempore (Mr. GOODLATTE). If the gentleman will suspend. At this point the Chair is merely not responding to an anticipatory parliamentary inquiry. The Chair will rule at the appropriate time.

Mr. MFUME. When is the appropriate time, Mr. Speaker? When is the appropriate time?

The SPEAKER pro tempore. The appropriate time is upon final passage.

GENERAL LEAVE

Mr. ARCHER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous material, on H.R. 1215, the bill about to be considered.

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

There was no objection.

CONTRACT WITH AMERICA TAX RELIEF ACT OF 1995

The SPEAKER pro tempore. Pursuant to House Resolution 128 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. 1215.

□ 1501

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. 1215) to amend the Internal Revenue Code of 1986 to strengthen the American family and create jobs, with Mr. BOEHNER in the chair.

The Clerk read the title of this bill.

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

Under the rule, the gentleman from Texas [Mr. ARCHER] and the gentleman from Florida [Mr. GIBBONS] will each be recognized for 1 hour; the gentleman from Ohio [Mr. KASICH] and the gentleman from Minnesota [Mr. SABO] will each be recognized for 30 minutes; and the gentleman from Virginia [Mr. BLILEY] and the gentleman from Michigan [Mr. DINGELL] will each be recognized for 30 minutes.

The Chair recognizes the gentleman from Texas [Mr. ARCHER].

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

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

Mr. ARCHER. Mr. Chairman, I am proud to support this bill which may be the most concrete sign yet that the voters have ended 40 years of Democrat control over the House of Representatives. Just 2 years ago, the Democrat Congress passed the largest tax hike in history. Under the Democrats, tax increases were the answer to every question. In this bill, we proudly bring to a close the era of raising taxes on the working people of this country. When this bill is passed, the tax raising legacy of President Clinton and his party will officially be over.

It gives me great pleasure to look the American people in the eye and say, the days of tax and spend are over. The days of smaller Government and less taxes are at hand.

This is a bill to cut taxes. The tax cuts are fully paid for, as we promised they would be—and—in addition—we reduce the deficit by $30 billion more than President Clinton's budget.

The baseball strike is behind us, Mr. Chairman, and this bill is the first home run of the new season. We cut spending, we cut taxes, and we reduce the deficit. Washington, DC's old conventional wisdom said it couldn't be done. The mavins of the media were saying just this week, well, you don't have the votes, do you? Well, stand back because we're doing it—just as our Nation's Governors have done it in many States.

We signed a contract with the American people pledging to reduce the size of Government and let the American people keep more of their hard-earned dollars. With this bill, we are again keeping our promise.

Our tax cuts can be summarized in three words: family, children, jobs. Our tax relief package will help America's families, and it will create better jobs for those families to head off to every morning.

Over the next 5 years, the Federal Government will spend $9 trillion. Our cuts—$189 billion—represent just 2 percent of Federal spending. The Federal Government is too big, it spends too much, and it's about time we cut it down to size.

These tax cuts coupled with our pledge to get to a balanced budget will mean that when we get there, the government will be 2 percent smaller yet.

In our bill, 76 percent of the tax cuts go directly to families and the other 24 percent go towards job creation.

We bring tax relief to 42-million families through a $500 per child tax credit, 20-million people benefit from marriage penalty relief, and 7-million Americans will enjoy a new IRA known as the American Dream Savings Account. We provide adoption tax credits and we provide credits for those who take care of their ailing parents.

We help 5 million seniors by repealing the punitive 85 percent Clinton tax hike on those who earn as little as $34,000; we increase the earnings limit so seniors—just like the energizer bunny—can go on working, and working and working—for as long as they choose; and we provide long-term care tax relief and accelerated death benefits.

Finally, we provide fuel for the engine that pulls the train of economic growth by cutting capital gains taxes, repealing the alternative minimum tax, and by changing and improving expensing for small business.

The Democrats, who never met a tax they didn't hike—will again go off the deep end complaining about tax cuts. I have a simple message for the Democrats. It is not your money. It is the taxpayers money. It does not belong to the Government. It belongs to the workers who earned it.

When it comes to taxes, the two parties have very different views. Democrats think people work to support the Government. Republicans think people work to support themselves.

Democrats think tax money is their money. Republicans think tax money belongs to the taxpayers.

Democrats think tax rates should start at 100 percent and anything less than that is through the good graces of the Government. Republicans think tax rates should start at zero percent and anything more than that is through the good graces of the people.

The bottom line is this. When the Democrats see someone in the middle of their American dream, they shake them, wake them, and tell them their dream can't come true. Their message is: If you make it in America we're gonna get 'ya.

Republicans, on the other hand, want everyone to have an American dream come true. We want to open up opportunities; we want the magic of free enterprise to give every American the opportunity to become a rich American; and we want success to flourish in a million places, unhindered by the heavy hand of big government.

Our tax cuts are fair, they are good for families, and they will create jobs. That is why they are the right thing to do and that is why I ask for the support of members today.

The Contract With America promised lower taxes and less government. And that's the promise this bill keeps. Every one of you who votes for this bill today is confirming that you meant what you promised to the voters in September of last year.

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

Mr. GIBBONS. Mr. Chairman, I yield myself 1½ minutes.

Mr. Chairman, the gentleman from Texas [Mr. ARCHER] has just had a good time vilifying we Democrats. We believe there are times for tax cuts, we believe there are ways to tax-cut. We believe it is the wrong time to cut taxes now. This is the time to cut the deficit, not to cut taxes.

Mr. Chairman, I was here in 1981 and I want to just reminisce for a second and recall some of the things that went on in 1981.

In 1981, President Reagan was President, and his Office of Management and Budget Director Mr. Stockman appeared before the Committee on Ways and Means and he said this about the huge Reagan tax cut at that time:

> The combination of incentive-minded tax rate reductions and firm budget controls is expected to lead to a balanced budget by 1984.

Does anybody remember that that is when we began the huge deficit? Not to be outdone on that same day, President Reagan's Secretary of the Treasury Don Regan said this:

> If I know anything about the investing process at all, and I spent most of my adult career in that, I think we have a tremendous boom facing us as a result of what we are going to do today after we pass this tax bill.

Can anybody remember what happened? We had the biggest depression right after that, after that tax bill passed, that we had had since the 1930's. It is deja vu all over again. The same rhetoric, the same people.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. PORTMAN], a member of the committee.

Mr. PORTMAN. Mr. Chairman, after hearing the debate this afternoon, I think it is important that we back up a little bit and highlight the fundamental purpose of this tax relief bill. We are trying to strengthen the American family and yes, we are trying to encourage economic growth. That is what we are going to do with this legislation if we are able to enact it.

As the gentleman from Texas [Mr. ARCHER] told us moments ago, this new Congress refuses to be stuck in the old thinking, refuses to cling to the tax-and-spend policies of the past. Instead, it is simple. We believe in helping families and we believe in growing the economy through economic growth, not in growing big government.

History is a good guide here. In 1948, the average American family of 4 paid just 3 percent of their income to the Federal Government. My 1992 that Federal tax bill had increased to about 25 percent of family earnings. In 1993 Congress added to that by passing the largest tax increase in American history.

Common sense tells us that Congress has gone in the wrong direction. I would hope we would all agree on both sides of the aisle that it is fundamentally important for us to have economic growth, increase jobs and increase our global competitiveness. That is what this bill is all about. By eliminating the marriage penalty, by providing tax credits, by expanding IRA's, it encourages savings, savings we desperately need in this country and it encourages economic growth. Because it lowers the capital gains tax, relieves corporations from the obsolete burden of the alternative minimum tax, and permits small businesses to take tax deductions for needed investment, it will create jobs.

These and other changes will all enhance U.S. competitiveness, which we have to have in order to survive in the global economy of the 21st century.

□ 1515

For those who argue that cutting taxes is incompatible with our goal of balancing the budget, let me be emphatic: This bill is paid for, more than paid for, with spending cuts. I could not do it without this commitment. As the gentleman from Ohio, JOHN KASICH, said earlier today, this is actually the first step toward a balanced budget. This is the down payment.

Mr. GIBBONS. Mr. Chairman, I yield 4½ minutes to the gentleman from Michigan [Mr. LEVIN], a member of the Committee on Ways and Means.

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

Mr. LEVIN. Mr. Chairman, this bill is not mainstream. This bill is extreme. This bill will not respond to the dreams of Americans. It is going to turn out to be a nightmare if it were to pass.

I was not here in 1981. I came here in 1983. I came here when Michigan was in a deep recession. I came here when unemployment rates were climbing to 17 percent in my State, 17 percent. There has been a lot of partisanship in this debate and a lot of rhetoric. I am not saying the 1981 act was the sole responsible cause of that recession. But it was part and parcel of it.

And here we go again. Here we go again. The basic thrust of this proposal is you cut taxes mainly for the privileged few, not only, but mainly, and everybody is going to benefit, and the deficit will disappear. That was the assumption in 1981 and now it is the assumption in 1995.

But what happened? The deficit skyrocketed. We know that, despite tax increases while I was here, that President Reagan supported to try to counteract what he did in 1981. The gentleman from Florida [Mr. GIBBONS] was here then for that experience. The gentleman from Texas [Mr. GONZALEZ] I see, and he was here, was forced to vote for tax increases because of the irresponsibility in 1981.

Do not say it helped the middle class. This chart shows what happened to incomes from 1973 to 1993, and it was not only because of the mistakes of 1981, but that was an important part of it.

What happened? This chart shows it all, it shows it all. Income stagnation for the middle class, income loss for low-income families, and who benefited? In those 20 years, 30 percent increases for the upper fifth percentile. I represent some of the upper fifth percentile.

I also represent those who are in the fourth quintile, and the third, and second, and the first. And I am not going to vote to help those in the upper fifth at the sacrifice of those in the lower fifth period, period.

It is bad, bad public policy.

So why are you doing it? You say the taxes are paid for. The gentleman from Florida [Mr. GIBBONS] referred to what was presented in 1982, and I read it. This is what was presented as the budget proposal for the fiscal year 1982. What will the surplus or the deficit be? Just 00.5. When you round it off, zero. That is what was said, and all your bill says is the same pledge has to be made.

It is not even a fig leaf, it is nothing.

So why are you doing it? I think in part because extremism does not learn by experience.

Second, because the moderates in your party on the Republican side have essentially lost their way and there is no such left. This may satisfy the contract, but it sure changes America.

This may be this crown jewel, rubies and sapphires for the privileged few. For the rest of America it is costume jewelry at best. Let us reject it. If we do not, I predict it will be dead on arrival in the U.S. Senate, but let us do our job here and vote no.

Mr. ARCHER. Mr. Chairman, I yield myself 1 minute just to respond to the gentleman from Michigan.

It is the same old story that we have heard. Figures do not lie, but, figures here can be so distorted. In 1981 there was a tax reduction. There were not the precise spending cuts that the gentleman from Ohio [Mr. KASICH] has insisted on and are in this bill. This will be precisely paid for, as confirmed by CBO figures. Not only that, but over and above the tax cuts it will reduce the deficit by $30 billion more than the Democrat President's budget proposal, by CBO numbers.

So the gentleman just is not on track with his figures.

Mr. GIBBONS. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. MATSUI], a member of the Committee on Ways and Means.

Mr. MATSUI. Mr. Chairman, I thank the gentleman from Florida, the ranking member of the Ways and Means Committee, for yielding me this time.

I think what both the gentleman from Florida and the gentleman from Michigan said was absolutely correct. I was here in 1981, and I would implore the Members of this House and this body to pick up the book by David Stockman, the Director of the Office of Management and Budget for President Reagan.

David Stockman, when he left the Office of Management and Budget wrote a book called ''The Triumph of Politics,'' and he said in that book essentially that they knew that they would not achieve a balanced budget by 1984, 3 years after they passed this massive tax cut; and, you know, Ronald Reagan said we are going to have a tax cut, we are going to increase defense and cut spending and balance the budget in 36 months.

That was smoke and mirrors, and everyone now admits it was smoke and mirrors, and we are playing the same smoke and mirrors game again.

There is no way in 7 years we are going to achieve a balanced budget from a $350 billion annual deficit today and give tax cuts in excess of $188 billion, and that is what we are talking about, $188 billion over the next 5 years; and over the next 10 years, even with the Republicans' own actuarial studies, it will cost $640 billion over the next decade. There is no way you are going to be able to achieve that result

with these tax cuts and balance the Federal budget at the same time.

The reason the Republicans feel comfortable and the reason this is probably going to pass today is they know the United States is not going to accept it because it is so extreme. Even Senator PACKWOOD said this is nonsense, they are not going to accept this. And so they have nothing to worry about, they are playing a little figment of imagination on the American public, and they are going to be able to go back home and say they passed these wonderful tax cuts that they know will never become law. Let me tell my colleagues, talking about this being paid for, they have $188 billion over 5 years. We do not even pay for it over 5 years. One of the first things is they have $10.5 billion in spending cuts on pensions. They could not even pass pension reduction out of their committee. That is why that bill did not come to the floor. The committee that has jurisdiction over this issue could not get a majority vote to pass it out. So that is a figment. There is $10 billion that they should subtract; they are unwilling to do that.

Then the $100 billion that they have of the $188, what happened there is the gentleman from Ohio [Mr. KASICH] the chairman of the Budget Committee, says he has got some illustrative cuts. Illustrative cuts. They are not in place yet. These are illustrative budget cuts he is talking about.

We will not see those maybe until the fall and who knows, let us see how courageous they will be in the fall of this year when they are going to have to cut over the next decade 100 billion dollars' worth of spending. That is the issue. And you know this is not a middle-class tax cut. I tell you, this is unbelievable, to consider this a middle-class tax cut.

We have Treasury Department numbers here. A family that makes between $30,000 and $50,000 a year, a family that makes between $30,000 and $50,000 a year under this proposal will get about a buck and one-half a day, about $560 a year. On the other hand, on the other hand, and listen to this, those that make over $200,000 a year, the middle class, will get $11,266 a year as a tax cut under this proposal. That is not a tax cut for working families, that is not a tax cut for middle-class families. And what is really frightening I think to the average citizen when they find this, if in fact this ever becomes law, is if we had huge deficits as a result of this misguided decision today, you will see interest rates go up, and what would you rather have, a $560 a year or buck-and-a-half a day tax break or would you rather have lower interest rates so you can buy a home or maybe your child can buy a home?

That is where your savings is, but interest rates will go up. I guarantee interest rates will go up if this ever becomes law.

But they know it will not become law. This is a little figment we are playing on the American public, but the reality is we should vote this down just to show we in this Congress, the House of Representatives have discipline, unlike what we are seeing on the other side of the aisle.

I urge a ''no'' vote on this particular bill.

Mr. ARCHER. Mr. Chairman, I yield myself 30 seconds.

There they go again, there they go again. Figures do not lie, but. Those were Treasury figures. They do not cite the Joint Committee figures that the congressional activities depend upon. The Treasury figures are so distorted that they are not credible. They were exposed as being noncredible in our committee when the Treasury witness was before us. Imputing rental incomes to somebody that owns their own home and saying that is income to you, this is ridiculous. These figures are just not credible.

Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. RAMSTAD], a member of the committee.

Mr. RAMSTAD. Mr. Chairman, I thank the distinguished chairman for yielding me this time.

Mr. Chairman, for the first time in many American voters' memories politicians are keeping their promises. The new House majority promised tax relief, and we are keeping our promise.

The new majority promised to pay for our tax cuts and lower the deficit, and we are keeping our promise.

The new majority promised to create jobs. And we are keeping our promise.

One leading economist told the Committee on Ways and Means that 1.74 million new jobs will be created over the next 5 years from the capital gains tax cut. Economist after economist told the Committee on Ways and Means why we should reduce the capital gains tax.

As Allen Sinai put it, the capital gains tax reductions will ''stimulate economic activity, increase jobs, capital spending and capital formation, improve national savings, increase entrepreneurship and raise economic output.''

But, Mr. Chairman, even more impressive than all of these leading economists was the young 17-year-old in my district who came up to me recently after my remarks to his high school assembly. This young man, this young 17-year-old explained to me that he liked what I said about capital gains taxes. And I was a little bit more surprised, not used to this kind of a feedback from a 17-year-old high school student. I looked at this young man and I said, ''Do you mind if I ask you a question? Do you have any capital gains?'' He looked back at me and his eyes got about this big and he said, ''No, not now, Mr. RAMSTAD, but someday I hope to.''

Mr. Chairman, that is the kind of incentive we need to restore for all American taxpayers. Vote yes on H.R. 1327.

Mr. GIBBONS. Mr. Chairman, I yield myself 30 seconds, and hope the gentleman will not leave the floor. I hope that young 17-year-old gets a capital gains tax cut, but he would be better off playing the lottery. Only 8 percent of the American taxpayers ever win anything on the capital gains tax cut.

Mr. Chairman, I yield 3 minutes to the gentleman from Virginia [Mr. PAYNE], a member of the Committee on Ways and Means.

Mr. PAYNE of Virginia. Well, Mr. Chairman, here we go again.

Fifteen years after George Bush warned the Nation about voodoo economics, my friends on the other side of the aisle are at it again. They are trying to tell the American people that a 5-year, $188 billion tax cut is an important stop along the road to a balanced budget.

This time the American people know better. They know, as I do, that this tax cut bill is fiscally and economically irresponsible. They know that you can't get something for nothing.

The American people know their history. They saw the national debt climb from less than $1 trillion in 1980 to more than $4.7 trillion today.

Americans know that tax cuts did not balance the budget in 1981. And they know that tax cuts will not balance the budget now.

Our constituents understand what uncontrolled deficit spending means for the family budget. This year, the typical American family of four will spend $3,100 just to pay interest on the national debt. This is not their total tax bill. Nor is it their share of the total national debt. It is simply the amount of money they will spend to pay off the investors, many of whom are located overseas, who have purchased Treasury bills and other debt instruments of the U.S. Government.

The best way to help American families is to cut the deficit and to bring down the crippling interest payments that our constituents have to pay each year. This is the tax cut the American people want.

Mr. Chairman, just 2 months ago, Democrats and Republicans came together on this floor and made history when we passed a balanced budget amendment to the Constitution. We did so out of a shared belief that we cannot continue to saddle American families with a national debt that saps our productive capacity, stifles investment, and causes so much of our wealth to be used just to service the national debt.

In that debate, we heard a lot of very sincere speeches about fiscal discipline, about the need to make tough choices, and about our shared obligation not to burden our children and grandchildren with an ever increasing national debt.

So what happened?

Here we are just 2 months later, and the tough choice that we are being asked to make is for a tax cut that will cost $188 billion over 5 years, and that will explode in cost after the year 2000.

Mr. Chairman, this bill is not my idea of fiscal discipline.

It is not the kind of tough choice that a $4.7 trillion national debt cries out for.

And it will do nothing to save our children and grandchildren from the crushing weight of the national debt.

All this bill does is to repeat the age-old Washington mistake of borrowing from our children to pay for what seems popular right now.

For the sake of deficit reduction, and for the sake of a stronger economic future for all Americans families, I urge my colleagues to reject this poorly timed, irresponsible legislation.

□ 1530

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. ZIMMER], a member of the committee.

Mr. ZIMMER. Mr. Chairman, I thank the gentleman for yielding.

It is a sad reality that the average American family is earning no more today than it earned 20 years ago. This reality has led to frustration, it has led to pessimism, it has led to anger among middle-income Americans who are beginning to wonder whether, for the first time in our history, their children will not have a better life than they have had.

We Republicans are deeply concerned about the future of working Americans, but unlike the minority, we are willing to attack the cause of this problem. We understand that wages have stagnated in large part because we have a Tax Code that penalizes people who invest, people who save, people who take risks to create new jobs, good jobs. We tax capital gains at a rate that is higher than our competitors, and we tax capital gains that are attributable solely to inflation.

Even though it is quite obvious that a capital gains tax cut will help working Americans increase their standard of living, most Democrats hate it, because they are afraid that somebody who is rich might also benefit. To them, I would like to quote a Democratic Senator, JOSEPH LIEBERMAN, from Connecticut, who said:

> The argument of some Democrats against a cut in the capital gains tax—that the rich will benefit more than the rest of us—misses the point and is politically divisive. Lower- and middle-income people won't realize most of the tax savings for the obvious reason that they have less capital, but they could get something better: a job, if they have none, or a better job, if they are underemployed. After all, the whole idea of a capital gains tax cut is to induce people who have capital to move it into new investments that will make America more productive and competitive and benefit all of us with greater economic opportunity and security.

So said a wise Democrat, Senator LIEBERMAN.

Mr. GIBBONS. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland [Mr. CARDIN], a member of the Committee on Ways and Means.

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

I oppose this tax cut at this time.

Yes, there are some good provisions in the tax cut proposal that help American families. I support some capital gains relief and AMT relief, but there are some very bad things in this bill as well, including the neutral cost recovery system, the raid on the Medicare trust fund, and the relief tilted toward the wealthiest Americans. But the fatal flaw in the tax bill before us is that we must make deficit reduction our first priority. Whatever tax cut we pass, we have to borrow money in order to give the taxes back to our constituents, and that borrowing of additional money will cost our constituents more money.

The Republican bill that is before us will cost the American taxpayer an additional $17.7 billion in debt service over the next 5 years in order to pay for the $188 billion of tax relief. The net impact on the deficit will be an increase in the national debt of $206 billion over the next 5 years as a result of the bill that is before us.

So let us look at the results during the first 100 days. If you take a look at the specific spending cuts that have been passed in the House so far and what is in the bill before us, if we assume that the welfare reform bill will pass the Senate without change, which is very unlikely, if we assume that the rescission bill will stay at $12 billion net savings, and that will not change, and that will hold during the entire 5 years, if you assume that the other provisions in this bill will be enacted, and if you take the specific tax cuts that are proposed in this bill, you find that what we are doing is increasing the deficit over this period of time.

The spending cuts which are in blue are far less than the tax cuts. Let me just give you 2 illustrative years. In 1998 the tax cut will cost the Treasury $35.6 billion, the spending cuts $29.2 billion, a net increase in the debt of $6.4 billion. But go to the year 2002. See what happens when you get a little bit further out, because of the way the tax provisions are worded. The tax cut will cost $87.7 billion, the spending cuts are $51.5 billion, for a net, a net increase in the deficit in the year 2002 at $36.2 billion. We have a major deficit problem. CBO has projected the deficit by the blue columns that you see here; it is scheduled to increase if we do not take action on deficit reduction. If we pass just the bills that have been passed so far in this Congress, in this House, if that is what we do, we are going to find the deficit larger rather than smaller during this period of time.

I do not think that is the record that we want to use. Many of these tax-cut provisions will get worse as time goes on.

Let me just give you one example. The neutral cost recovery system that gives businesses extraordinary write-offs raises $16 billion during the first 5 years, but costs $136 billion during the next 5 years when we do not score it, so we take advantage of revenue even though it is going to cost us billions of dollars and create a major problem for the future.

The contingency will not work. It is a gimmick, a sham. There is no question about it. The tax cuts are permanent. The spending cuts are only 1 years. We can come back and change, and do not think we will not.

Look at the history. Look at the Emergency Deficit and control Act of 1985; when that was passed, the deficit was $212 billion. In 1985 we were supposed to have a balanced budget. That was supposed to give us a balanced budget by the year 1991 with the sequestration, with enforcement.

What was the deficit in 1991? It grew from $212 billion to $269 billion.

We have the specific tax cuts. We do not have the specific spending cuts. That is why a bipartisan group today opposed this bill under the Concord coalition. That is why a group of business leaders told me yesterday to oppose this bill, do deficit reduction first.

The best present we can give our children and the future generations and the businesses and the growth in our economy is to cut the deficit.

Vote against this bill. Vote for deficit reduction. Vote for the future of our Nation.

Mr. ARCHER. Mr. Chairman, I yield myself 30 seconds.

Here we go again. Figures do not lie, but—the gentleman talks about deficit reduction. There is no Democrat plan before this House for deficit reduction that I know of. This is the only one, and CBO scores us at $30 billion more in deficit reduction than the President's budget.

I hope that the Democrats in their substitute and motion to recommit with instructions will show us a CBO score deficit reduction that is greater than is in this package.

Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. CRANE], the ranking Republican of the Committee on Ways and Means.

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

Mr. CRANE. Mr. Chairman, I want to express appreciation to my distinguished chairman and to our colleagues who are in the process of making real significant, historic strides in turning around the direction that this country has been on in virtually all of the 25 years I have been here. We had a tax cut in 1981, the biggest tax cut in our history at that time, approximately, about $200 billion, and the fact of the matter is that that was the last time we had a tax cut.

We have done nothing in the intervening years but raise taxes, and paying taxes to the average middle-income family today accounts for 40 to 50 percent of their budget when you include taxes at all levels, Federal, State, and local. The tax burden has become oppressive. It has had a dampening effect

on the economy. I know of no economist who has ever attempted to advance the argument that by raising taxes you are promoting economic growth. Quite the contrary. You lower taxes and you promote growth.

The other thing that was significant about that tax cut in 1981 is that it more than doubled revenues to the Treasury in the decade of the 1980's. That one single tax reduction more than doubled revenues. It was the fastest revenue increase in our national experience, and it had a very positive effect in other ways, too, which created almost 20 million new jobs.

We have an opportunity here though to address more than just tax relief. it is the question of distribution of taxes.

According to the Joint Committee on Taxation, if you look at income brackets after the tax cut, those people in the highest income brackets will be paying a marginally larger component part of the total tax burden, and those people in the lowest income brackets will be paying a marginally lower percentage of the total tax burden.

I urge my colleagues to support this legislation and get this country moving in a forward direction.

Mr. Chairman, the last time I was on the floor of the House of Representatives to debate and vote on a substantial tax cut for the American taxpayer was in 1981. Since that time, Congress has raised taxes more times than I care to remember. In 1993, President Clinton and a Democrat Congress topped all the previous tax bills by enacting the single largest tax increase in the history of the world—literally. According to the Joint Committee on Taxation, the 1993 tax bill robbed the American taxpayers of a total of $240 billion over a 5-year period. Not surprising, not one Republican in either the House or the Senate voted for Clinton's tax bill.

For the American taxpayer, the 1993 tax bill may have been the last straw. And thanks to the American voter, the make-up of Congress was radically altered in the 1994 elections. For the first time in 40 years, the Republicans gained control of the House of Representatives. Republicans campaigned on the Contract With America and promised to change business as usual. We have kept our promises and we certainly have changed this House of Representatives. One of the key components of the contract is to give back to the American taxpayers some of their hard-earned dollars that Democratic Congresses have taken from them over the years.

The bill we have before us today would cut taxes by a total of $190 billion over 5 years. Some have called this excessive. In fact, it is rather modest, particularly when one considers that the $190 billion figure falls $50 billion short of cutting the amount of taxes raised in the 1993 tax bill alone—to say nothing of all the other tax increases we have seen in the last 12 years. Unfortunately, my colleagues need to be reminded of an important point—tax dollars do not, by right, belong to our Government. Some of my colleagues in this House seem to think that tax dollars are owned by Congress.

Let me remind my colleagues that tax dollars are owned by hardworking taxpayers, and Congress has a responsibility to ensure that any money it takes from the taxpayers is spent wisely. Unfortunately, we cannot say that Congress has spent tax dollars wisely over the last 40 years. Indeed, Congress has squandered billions upon billions of dollars. In my view, the only way to force the Federal Government to become efficient, to force it to return to the essentials, and to force it to eliminate the excesses that exist, is to restrict the flow of tax dollars to Congress—it is time to turn off the spigot. Only then will we be able to force Congress to live within its means. Only then will we be able to force Congress to stop spending money and stop mortgaging the future of our children.

WHAT THE BILL DOES

If you listened to the opponents of this bill you'd think we were increasing taxes. Of course, what this bill does is substantially reduce taxes for both individuals and businesses. The opponents of this bill have been screaming in righteous indignation over even the thought of reducing taxes. When you look at the actual contents of this tax legislation you begin to wonder where the opponents of this tax bill are coming from.

This bill does a great many good and necessary things for the overburdened individual and business taxpayers.

First of all, this bill helps American families. I have seen estimates that indicate that 40 to 50 percent of the typical American family budget goes toward paying taxes—Federal, State, and local. Specifically, 25 percent of the family budget goes toward paying Federal taxes. That is absolutely outrageous and it is no wonder that families are getting sick and tired of the tax burden they are shouldering, particularly when they see how their money is being spent by Congress. Families have been hit hard over the last few decades by taxes. The exemption amount for dependents, had it been indexed for inflation from the date it was created, should be worth over $8,000 today, instead of the $2,450 allowed in 1994. This bill attempts to modestly help families by providing a $500 per child credit. In addition, the bill creates the American Dream savings accounts which will provide families the opportunity to create an IRA with tax free withdrawals for retirement, education expenses, medical expenses, and first time home purchases. The legislation provides a credit for adoption expenses and reduces the marriage penalty. As a long time proponent of all of these efforts, and as the lead sponsor of the American Dream Restoration Act which contained nearly all of these three proposals, I can assure my colleagues I feel strongly about this portion of the bill. All these things are long overdue and will help families considerably.

The bill helps seniors as well. While Democrats have often tried to portray themselves as the protectors of senior citizens, in reality you will find that Democrat tax policies have hit senior citizens very hard. Our seniors have worked hard all their lives and they have paid taxes all their lives. Many live on fixed incomes and can ill-afford the continual tax hikes that have been heaped upon them by an arrogant Congress these past 40 years. Seniors deserve a break. This legislation offers them some hope. The bill repeals the increase in income taxes on Social Security benefits which President Clinton had pushed for in the 1993 tax bill. In addition, the legislation raises the amount seniors can earn before their Social Security benefits are reduced. This is referred to as the Social Security Earnings Limitation issue. Both of these measures will put more money in the pockets of seniors. In addition, the bill provides for a tax credit to taxpayers who provide custodial care of certain elderly family members staying in the taxpayer's home.

Finally, the bill gives the American business community a break. Although it is fundamental economics, I believe some of my colleagues need to be reminded of some basic tenets of the marketplace: First, businesses create jobs, and second, without employers you do not have employees. Anything we can do to ease the burden on business community, increase their ability to compete, and encourage investments in new business ventures will help create new jobs in this country. The best way out of poverty is opportunity—a job. This legislation reduces the tax burden on American businesses by eliminating the excessive, complicated, and inefficient section of the Internal Revenue Code referred to as the alternative minimum tax. Scrapping this insane system will go a long way toward putting American businesses on a competitive footing with businesses overseas. In addition, we reduce the rate on capital gains and index capital assets for inflation. I could write a book about the importance of this provision of the bill. I have been advocating reducing the rate on capital gains for years, and I have seen the benefits of doing so based on past experience. By reducing the capital gains rate we will not only encourage more capital to be invested but we also encourage capital to move freely. This will result in job creation. Moreover, the increased number of transactions will actually mean more revenue to the Treasury.

In short, this bill will create long term dynamic economic growth that will benefit all Americans.

THE CLASS WARFARE DEBATE

In the debate over this legislation, there are those in Congress who wish to divide our country and its people. These people wish to create class antagonism, and choose demagoguery over logic and reason. These people want to engage in class warfare. These are the social engineers of our society who still don't understand that socialism died of natural causes. These people think they have the perfect formula for deciding what the proper tax burden ought to be for various income groups. They believe that it is Government's responsibility to redistribute income. They apparently do not understand some of the basic concepts upon which this country was founded—freedom, opportunity, hard work, etc.

These people argue that the tax bill before us today caters to the rich—that it does not properly distribute the tax burden. Let me present some hard facts for these social engineers. According to the Tax Foundation, in 1982, the top 1 percent of income earners paid 19 percent of the taxes. In 1992, this group paid 27.4 percent of the taxes. In 1982, the top 10 percent of income earners paid 48.6 percent of the taxes, while in 1992, that figure rose to 57.5 percent. For both 1982 and 1992 the top 50 percent of taxpayers paid over 90 percent of the taxes. All this was before the 1993 tax bill which was specifically designed to take $114 billion from high-income individuals. Isn't this progressive enough? In fact, the tax bill we have before us today does nothing to change these percentages. Indeed, figures from the Joint Committee on Taxation

actually indicate that the top 1 percent and top 10 percent will pay a slightly higher proportion of the total tax burden after this bill is passed than they would if it were not passed. That ought to make the social engineers happy and they ought not be complaining.

Of course my point is that all this talk of tax/income distribution tables and class warfare is foolishness. This bill gives money back to the taxpayers. It does not discriminate. It is designed to encourage savings and investment. It is about reducing the size of Government.

CONCLUSION

Mr. Chairman, I could speak on this subject for a long time. However, let me simply say that this legislation is a most critical part of our Contract With America. Yes, we have brought this legislation to the floor of the House as we promised. But let us do even better than that. Let us pass this legislation with the goal of enacting into law real tax relief before the year is over.

Mr. GIBBONS. Mr. Chairman, I yield 6 minutes to the gentleman from Washington [Mr. MCDERMOTT], a member of the Committee on Ways and Means.

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

Mr. MCDERMOTT. Mr. Chairman, although both sides of the aisle strongly disagree on the merits of this bill, I think both parties will agree that in the last few days we have seen a truckload of statistics, charts, graphs, and surveys arguing for or against this tax cut plan.

However, there is one thing that both sides agree upon—that the Republican tax cut plan will increase the deficit by $189 billion. Worse still, the Republican majority is proposing that we pay for over half of this deficit increase with an I.O.U. for $100 billion. Not real money, but a promise to pay in the future.

No one knows what will happen in the future when the appropriators actually identify where the cuts will come from to achieve the $100 billion in savings.

We have before us a so-called illustrative list of proposed cuts by Budget Committee Chairman KASICH. I am sure that I am not the only Member of Congress who is dubious at best, about anyone's ability to mandate spending cuts.

If the Republican majority so firmly believes in this tax cut plan, why have they not come up with the specific spending cuts which they promised to identify for the American people? When President Clinton lowered spending caps 2 years ago, he did it to cut spending, not to give the money to the wealthy.

We have been down this road before. In 1981, Congress passed President Reagan's tax cut bill without any accompanying spending cuts. As a result, the deficit soared and we face the budget mess we are in today.

How many Members on the other side of the aisle remember that in 1981 the Reagan administration projected a balanced budget by 1984? Sound familiar? As Yogi Berra would say, ''It's deja-vu all over again.''

The Republican leadership is asking for a giant leap of faith. They are implicitly forcing Members to sign a second contract, not with the American people, but with the Republican leadership to vote for a budget reconciliation bill that has not been written and currently does not exist.

Unlike the recent rescissions bill which spared projects in key Republican districts, everything—including Social Security—will have to be on the table to find the $100 billion in real cuts.

In September you will be asked to vote for a budget reconciliation bill that drastically cuts programs and services in your district to pay for this wasteful tax cut bill. Many of you will have a lot of explaining to do.

The agreement by the Republican leadership to link the tax cuts to a balanced budget plan is toothless and misleading. This phony agreement allows the leadership to get their tax bill enacted without having to commit to any guaranteed deficit reduction.

There is absolutely nothing in the agreement that even remotely looks like an enforcement mechanism. This agreement makes it all too clear that it is more important to the Republican leadership to keep their political opiate—a promise of tax cuts—no matter how damaging the long-term consequences.

The unfairness of who gets what of this bill are too numerous for me to recite. No matter how you analyze this bill, families with higher incomes receive a disproportionate share of the total benefits from these tax cuts.

Chairman ARCHER knows this. That is why he is trying to change the focus of the debate from who receives the majority of the tax bill's benefits to what percentage of total income taxes are paid by the rich. Good try, Mr. Chairman, but it will not work.

The real issue today is not the total proportion of income taxes the richest 10 percent of the population pay, but how much of a tax benefit high income families receive under the contract when compared to current tax law.

Under the Republican bill, the rich get richer so it is logical that they will pay additional taxes on the extra money they earn. In contrast, a working class family that is not able to take advantage of all of the new tax breaks contained in this bill will simply not benefit nearly as much.

The majority of these tax cuts will not benefit working class Americans. Under the Republican theory of ''trickle-down-economics,'' working families will not even get wet.

For example, the richest 1 percent of Americans who make more than $267,000 will pay 18.23 percent of the tax burden under the contract, up 2 percent. But what Chairman ARCHER does not say is that those same families—the top 1 percent—will an average tax savings of more than $11,000 per year under the contract.

In contrast, the majority of American taxpayers whose incomes are less than $44,434 will pay 16.1 percent of the tax burden under the contract, a drop of 0.2 percent. But, these families only see an average tax savings of $760 or less.

That's right, the rich will get $11,000 in tax savings from this tax plan and the majority of Americans will get $760 or less in savings. Is this what the Speaker means when he talks about the ''opportunity society'' for the American people?

By voting for this bill with its fairy tale $100 billion I.O.U., the Republican rank-and-file have given up any remaining shred of independence they so briefly entertained last week.

They might as well give their voting cards to the Speaker and allow him to vote yes for them on passage of the budget reconciliation bill in September because after today they have no choice.

In September the voters back home will be wondering why they sent you here. Did they want you to vote your conscience or to play the childish game of ''follow the leader?'' Unfortunately, we have so few Members who do the former and far too many who do the latter.

□ 1545

Mr. ARCHER. Mr. Chairman, I yield 3 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON], the chairman of the Subcommittee on Oversight of the Committee on Ways and Means.

Mrs. JOHNSON of Connecticut. I thank the chairman for yielding this time to me.

Mr. Chairman, I rise in strong support of this bill. It is a fine and necessary tax bill. First, it will make our economy grow more rapidly. Small business, the creator of most jobs, will gain the right to expense $30,000 worth of equipment, We all know that any small business can expand more rapidly if it can afford the equipment to produce its product. Expensing has long been the No. 1 demand of the small-business community to accelerate the pace at which it will be able to grow.

Estate tax law reform, home office deduction reinstatement, capital gains, all will help small business grow, prosper and create the jobs that America needs.

Second, this bill helps big businesses that compete in a very tough international market where you can not pass on new costs through higher prices. In Connecticut, one company invested $4 billion over the last few years in capital investment in manufacturing facilities in this Nation and paid higher taxes than other manufacturers who invested not $1 because of the alternative minimum tax. That is wrong. That is bad policy. That is anti-jobs. That is anti a strong economy.

Not only will this bill help build economic strength and create jobs, but it also helps families and seniors, and it takes a giant step toward health care reform. Young families are carrying a heavier burden in our society today than they have at any time in our history. Surely we can agree to give them this $500 tax credit per child.

Seniors have been disadvantaged by the tax hike we imposed on them a couple of years ago. This bill repeals that; it gives them tax relief, raises the earnings limit, so that those with low pensions can work without penalizing them $1 for every $3 they earn.

It also creates the long-term care partnership that protects our seniors and families from the catastrophic costs of long-term care and home care.

Is this a perfect bill? Absolutely not. I disagree with the Neutral Cost Recovery section. I want the $200,000 threshold lowered because I think it is better policy, fairer to all Americans. I think the solution in this bill to the underfunded Federal pension plans may not be the best, but there is no problem in this bill that is not entirely solvable as we move along.

And this bill is critical. Mark my words, it is critical to achieving a balanced budget. If we are going to achieve a balanced budget by the year 2002, that spending plan must not only enable us to provide the services we need in those years but also the tax policy we need to create jobs, to create economic strength and to assure a fair distribution of burden among the families and the seniors of America.

I urge your support of this bill.

Mr. GIBBONS. Mr. Chairman, may I inquire as to how much time remains on each side?

The CHAIRMAN. The gentleman from Texas [Mr. ARCHER] has 41 minutes remaining, and the gentleman from Florida [Mr. GIBBONS] has 34½ minutes remaining.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentlewoman from Washington [Ms. DUNN], a respected member of the committee.

Ms. DUNN of Washington. I thank the gentleman for yielding this time to me.

Mr. Chairman, my State of Washington is home to thousands of entrepreneurs, and home to Microsoft—now an economic giant but once launched by a pair of young entrepreneurs. We also have timber—an industry that once was robust and thriving, but now is facing difficult times.

For too long, our Nation's entrepreneurs have been penalized by the tax policy of the United States. Since 1986, when the business capital gains rate was raised to 35 percent, venture capital financing has dropped by two-thirds—from $4.19 to $1.41 billion—and the number of firms receiving venture capital financing has declined every single year.

Mr. Chairman, we must correct the current tax policy regarding capital formation. It we don't, we will be directly responsible when the next Microsoft never takes it off the ground.

Failure to act could bankrupt 1,200 small timber businesses, who typically own 50 acres and have an income of less than $50,000. For them, the capital gains reduction is a life or death matter. These small timber firms alone represent more than 5,000 jobs threatened by high capital gains rates.

Mr. Chairman, cutting taxes on capital is about jobs. Support capital formation, support entrepreneurs, support family businesses, and support more jobs for Americans.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield 2 minutes to the gentleman from Louisiana [Mr. MCCRERY].

Mr MCCRERY. I thank the gentlewoman for yielding this time to me.

Mr. Chairman, the quote that I am given by my constituents back home is that, ''The Federal Government is too big and spends too much.'' I do not hear, when I go back home, ''I pay too little in taxes.'' Every Republican and many Democrats who were here 2 years ago voted against the Clinton tax increase. If 2 years ago you were against the tax increase, why would you not be now for giving back to the people about two-thirds of that tax increase? Instead of trying to create class warfare in America, let us talk about what is or is not sound tax policy.

For example, the House recently passed a historic welfare reform bill. Those who oppose welfare reform rightly asked the question: ''Where will the jobs come from for people who lose their welfare benefits?''

Well, this bill begins to address that question. There are a number provisions in this tax reduction bill which will encourage productive investment and creation of private sector jobs. Chief among them is the reduction in the capital gains tax rate. By reducing the tax on capital gains, we reduce the cost of capital; by reducing the cost of capital, we encourage investment, which increases productivity, which allows economic growth without inflation and which, most importantly for Americans who want to work, creates jobs.

This tax cut bill gives us a chance to go back in time 2 years and do now what Americans wanted us to do then: Cut spending first.

If you voted against the tax increase 2 years ago, then you ought to vote today to repeal most of it. Now is your chance to make right what you said was wrong 2 years ago.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HERGER].

Mr. HERGER. I thank the gentlewoman for yielding this time to me.

Mr. Chairman, this legislation is a crucial step in a tidal wave of reform. Americans are fed up with paying more in taxes than they pay for their families' food, clothing and shelter Americans are fed up with seeing small business drown beneath a suffocating mass of Government regulation, and American taxpayers do not want the Federal Government to be the fastest growing employer in the Nation.

Mr. Chairman, in 1993, the Democrats voted for the largest tax increase in history, and they continue to support high taxes today.

This legislation pays for all of our tax cuts, and still lowers the deficit by $30 billion. In addition, this bill provides $189 billion in tax relief. Tax relief for families with children, tax relief for young couples beginning to save for their first home, and tax relief for senior citizens living on fixed incomes.

Moreover, Mr. Chairman, much of this relief merely gives back to citizens that which was taken away by President Clinton in the 1993 tax bill. The average Californian will save $1,761 a year in taxes if this bill is enacted into law—76 percent of these benefits going to American families.

Mr. Chairman, it is time that Washington realizes that income belongs to the worker, not to the Government. Congress must allow American workers to keep more of what they earn—we must also restore the free market incentive which drives our American dream, that same incentive which leads citizens to take risks and create jobs.

Vote ''yes'' on this bill.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentleman from Colorado [Mr. SKAGGS].

Mr. SKAGGS. Four trillion eight hundred seventy-three billion, four hundred eighty-one million dollars. That is the Federal debt. And we should be doing all we can to keep it from growing. The tax cut we are debating this afternoon will explode the debt by over a hundred billion dollars a year in the year 2005. Enormous tax relief for those who need it least. For hard-working middle class American families earning less than $75,000 a year, a pittance, 35 bucks a month. For a family over 200,000, a thousand dollars a month. Whose sense of equity is not offended by that?

Two months ago we were debating a balanced budget amendment. There were pious and sober speeches about the deficit and its burden on our kids. The same people today are supporting this budget buster. Where has their resolve gone?

Four trillion, eight hundred seventy-three billion, four hundred eighty-one million dollars.

With a debt like that we should not even be considering this bill.

Vote against a repeat of voodoo economics. Vote down this bill.

Four-trillion, eight-hundred seventy-three billion, four-hundred eighty-one million dollars.

That is the size of the United States Federal debt. It's shameful. And we should be doing all we can to keep it from growing. Which is why, as much as I would like to cut taxes, I believe this is the wrong time for any tax cut, and certainly this tax cut.

But the tax cut we are debating today would, over the long term, increase that debt tremendously—by almost $100 billion a year in 2005. And it would do so by giving most of

the tax cuts to the wealthiest people in America. Speaker GINGRICH calls this bill the ''crown jewel'' of his party's so-called Contract With America. I suppose that's an apt label, for this bill surely would finance nice trip to Cartier's for folks who are already in furs.

The bill is, plain and simple, irresponsible. It will give enormous tax relief to those in our society who need it least. It will be paid for, however, at the expense of students and the elderly, and hard-working families for whom critical programs are decimated. And it will be at the expense of generations to come, who'll be burdened with an explosion of the deficit that's reminiscent of the early eighties.

Most Americans, those who are struggling to get by, would get only a pittance in tax breaks, an average of $35 a month to families making under $75,000 a year. Whose sense of equity isn't offended when you compare that to almost $1,000 a month in tax relief for those making over $200,000 a year?

This bill also gives huge tax benefits to big corporations and investors. Not enough attention has been paid to this aspect of the bill, probably because these tax breaks are written in a way that hides their true cost. Over the first 5 years, the big business tax breaks add up to $24 billion. In the next 5 years their cost balloons to $221 billion. Like an iceberg, nine-tenths of the cost hides under the surface of the 5-year budget horizon.

What are these tax breaks? Things like the repeal of the corporate minimum tax. This wasn't an original part of the so-called contract, but was slipped in after a successful lobbying campaign by a coalition of large corporations.

Never mind that the corporate minimum tax was supported by President Ronald Reagan. In 1985, the Reagan Treasury Department said, ''The prospect of high-income corporations paying little or no tax threatens public confidence in the tax system.''

And avoiding taxes they were. Prior to the corporate minimum tax, most of the country's largest and most profitable corporations often paid no Federal income taxes. How can anyone justify increasing the deficit, as this bill does, just to give the biggest corporation a pass on paying any taxes?

You will hear from many people today that this bill is paid for. Do not believe them. It's paid for only over the first 5 years, when the tax breaks are expected to cost $188 billion. What they won't tell you is that this bill was very cleverly written so that the costs are held down over the first 5 years, but nearly triple after that. The Treasury Department estimates that the full 10-year cost of these tax cuts will be $630 billion. That full amount isn't paid for. Any way you count it, this bill add hundreds of billions of dollars to the Federal debt. We can't afford it.

With the huge cost of this bill, and with the lion's share of benefits going to the rich, some of the more moderate members of the Republican party have been hesitant to support it. But there was no opportunity for Democrats to work with them to create a bipartisan, more balanced bill, because their leadership had to have it their way—leadership apparently concerned more with the symbolism and show of the contract than with substance, a leadership that reveals the emptiness of its commitment to deficit reduction.

But the moderate Republicans were right. They remember what happened the last time the Congress embraced an economic policy like this. It was 1981, and it was called ''Reaganomics'' or ''trickle-down'': huge tax cuts to the privileged few, more for defense, and an explosion of the deficit.

It took 12 years for the Congress and the President to correct the horrible mistake. That correction was made in 1993, with the approval of the largest deficit reduction package in history. Because of the measures we took, the Federal budget deficit this year—fiscal year 1995—will be $126 billion less than President Bush predicted it would be under his policies. That's a 40 percent reduction, and the size of the deficit compared to the overall economy has been cut nearly in half, to the lowest percentage since 1979. That's a good start. But there's much more to be done.

A little over 2 months ago, the House of Representatives voted to propose an amendment to the Constitution to require a balanced budget, that Congress and the President balance the budget. Many of the amendments' supporters gave pious speeches filled with concern about the size of the deficit and Federal debt. They spoke eloquently about the importance of ensuring that our children aren't saddled with a mountain of debt.

But today many of these same people will be voting to pass this budget-buster, this giveaway to the rich. Where has their resolve gone? Where is their concern over the mountain of debt that's left over from the 1980's? Why don't they want to fix the deficit problem first and give tax cuts next? And why would they support such an ill-conceived preference for the wealthiest taxpayers?

If this were the time for a tax cut, there would be a better alternative to this trickle-down, contract tax break bill. It's a more modest proposal that's being offered by Congressman GEPHARDT. The benefits are targeted at the people who really need a tax break, working families trying to send their children to school, working families trying to save money for retirement, people making under $100,000 a year. And if I thought we could afford to cut taxes now, this is the type of bill I'd vote for.

But I will vote against that, too. Reluctantly. Because I have a very large number that I can't get out of my head.

Four-trillion, eight-hundred seventy-three billion, four-hundred eighty-one millions dollars.

With a debt like that hanging over our heads, we shouldn't even be considering a tax break for the wealthy. The focus should be on deficit reduction. Vote against trickle-down economics. Vote against a free ride for large corporations. Vote down this bill.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield 2 minutes to the gentlewoman from Kansas [Mrs MEYERS], the chairman of the Committee on Small Business.

(Mrs. MEYERS of Kansas asked and was given permission to revise and extend her remarks.)

Mrs. MEYERS of Kansas. I rise in strong support of this bill.

In the rhetoric about this tax bill opponents claim we are giving tax breaks to the rich. These critics are wrong, and they are not focusing on some issues in the bill that are good for small business. These provisions are not the major sexy prominent ones in this debate, but they are important to hard-working men and women who are creating 75 percent of the new jobs in this country, doing it through small business.

The Committee on Small Business met five times earlier this year to look at specifically those provisions in the contract of most interest to small business. Four of these issues: one, increasing the estate tax exemption from $600,000 to $750,000 and indexing that amount for inflation; two, increasing the expensing allowance for investment in new equipment; three, reducing capital gains taxes; and, four, clarifying the home office deduction are vital to small business. These provisions spur investment in small business and attract life giving capital.

The increase in the estate tax credit will allow more family businesses to pass from one generation to the next rather than be sold to pay the taxes. The home office deduction, restoring the home office deduction, is very important to millions of self-employed individuals in this country. Many of these self-employeds are those who turn the devastation of losing a job by being downsized out of a large company into an opportunity to start their own business and continue to support their families. Increasing the expensing allowance, particularly important to small business because of cash flow, will encourage small businesses to purchase equipment that can increase productivity and increase new jobs.

More persons gainfully employed means more tax revenues generated, fewer people on welfare and a more productive society. If the 6 million small businesses in this country which have more than one employee could each hire just one more person, unemployment in this country would be wiped out.

I urge support of this bill.

Mr. GIBBONS. Mr. Chairman, I yield 4 minutes to the gentleman from Georgia [Mr. LEWIS], a member of the Committee on Ways and Means.

Mr. LEWIS of Georgia. Mr. Chairman, I rise against this ill-conceived, ill-considered, and ill-timed tax proposal.

I have heard Speaker GINGRICH refer to this tax proposal as the crown jewel of the Republican contract. I could not agree more. Like the crown jewels, this bill is for royalty, it is for the truly wealthy among us. If you are middle class, if you are poor, you can look but you better not touch.

Just look at who gets the jewels. The truly wealthy, those 1 percent of Americans with the highest incomes, get over $20,000—$20,000. Many working families do not earn that much in a year.

A middle-class family gets less than $50 a month. The working poor do not even get $10 a month.

Where do the Republicans get the money to pay for their royal jewels? They rob poor Peter to pay Paul. The Republicans cut student loans, school lunches, summer jobs—they cut money for roads, schools, housing, and public

transportation. All to give the truly wealthy a $20,000 tax cut.

Instead of calling this greedy tax bill a crown jewel, we should call it fool's gold—because for 90 percent of America, that is what it is. For the price of wealthy America's tax cut, millions of children could continue to get school lunches. Countless students could receive their student loans. Hundreds of thousands of our elderly poor would continue to receive heating assistance, to keep them from freezing in the winter. And millions of teenagers would still have summer jobs, to keep them off the streets and teach them needed skills.

Why do we not invest in these people—the children, the workers, the students—our future? Because the Republicans want to give wealthy America a tax cut—a tax cut the rest of us cannot afford.

We have been down this dusty road before—George Bush called it voodoo economics. It is a road that led us to the record deficits we still struggle to overcome. It is a road that mortgaged our children's future. It is a road that we should never ever travel down again.

It is time to stand up for what we believe in. I ask my colleagues on the other side of the aisle to look within yourselves to muster the courage, the raw courage, to be true to your beliefs.

This is a bad bill. You know in your heart, in your heart of hearts, it is a bad bill. It takes from those who need, and gives to those who do not. We must stop pandering, we must stop offering tax cuts for political gain. As for me and my house, I will do what is right. I will say no to the false glow of tax cuts.

I say to my colleagues, the time is always right to do right. It is not—it never will be—time to return to the failed policies of the 1980's. To return to growing deficits, joblessness, and hopelessness. We can not go back. We must not go back. We will not go back.

I urge my colleagues to say no to the crown jewel of the Republican contract—to the tired and failed policies of the 1980's. Say no to fool's gold, say yes to America's gold—our children, their education, and our future.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. ENGLISH].

Mr. ENGLISH of Pennsylvania. Mr. Chairman, I have listened with interest today to this debate, and I found it on the other side to be disappointing. We have heard from a number of people on the other side that this is the wrong time to cut taxes, but I can tell you in my district in northwestern Pennsylvania we need tax relief, and we need jobs.

This bill helps small business, it helps manufacturing, and it improves the job prospects of working families. According to the McGraw-Hill study it would create 1.7 million jobs, and that is one of the strongest arguments for passing it today.

It helps with small business expensing. It helps the most dynamic sector of our economy by encouraging investment in equipment. It provides help to cash-starved firms that need to make investments to stay internationally competitive, and it allows workers to achieve a degree of productivity that ultimately will protect their jobs. It repeals the alternative minimum tax which is a relic of tax policy past that kills jobs. It imposes high taxes on firms that are actually losing money, and it hurts cyclical industries like manufacturing, disproportionately. It reduces their competitiveness by kicking them when they are down, penalizing companies that need to invest to recover. This provision is no longer needed in the tax law because we have repealed those provisions in the tax law that previously had created abuses that it was intended to correct. We repealed safe harbor leasing in 1982. We repealed the investment tax credit in 1986, and we have made fundamental changes in accounting and depreciation.

This bill would also make necessary reductions in the capital gains tax to unlock resources for investment. This tax change would free up capital for small business and entrepreneurs, providing the economy with seed corn, with new investment to build the economy of the future.

We need this bill, Mr. Chairman, and when we hear criticisms from the other side let us remember they voted for the largest tax increase in American history, and they support higher taxes today, and they have offered us no alternative.

Mr. GIBBONS. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New York [Mr. RANGEL], a member of the Committee on Ways and Means.

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

Mr. RANGEL. I say to my colleagues, congratulations, your contract obviously is going through. I never thought I would see the day when I would look and the other body would be trying to clean up this garbage that we are sending over there. But God is good. It may happen.

Someone said that we should really support this capital gains because it means jobs, jobs, jobs. Well, welcome to my district. Around this country we got congressional districts with 30, 40, 50, 60 percent unemployed, people without homes, without jobs, without hope. For God's sake, what water are you drinking so that I can come tell them that we are going to find the wealthiest Americans that have no problems and living in the luxury of this country, some of them we are even going to allow, to permit them to renounce their citizenship and pay no taxes, but we are going to allow them to get a 50 percent reduction on capital gains, not for themselves, not to get richer, no. We are doing this for jobs.

But at the same time we are doing this, the poor kids around this country that like to believe that a part of this American dream belongs to them, you are cutting out education, job training and opportunities for them. Indeed if they are minority, and they ever get to become an adult, and are seeking a job that has been locking them out, then we say if there is any chance that any affirmative action will be there for you, we will shatter it. If the kid did get an education, and did get some of the capital gains and wanted to play the capital gains game with you, we would say, ''Well, we don't like it, it's too big a deal, and it's a minority preference, so let's knock out that deal, knock out all preferential dealings with the FCC, unless, of course, we know someone that was involved with one of these deals.''

I say this:

You are having a ball, you are enjoying the fruits of victory, you are having a party. But America is going to wake up with this hangover because you cannot push this fraud on the American people in a hundred days. One day the people are going to wake up and find out that what you have tried to do is to dismantle the so-called New Deal that you hate so much to destroy the opportunity for the Federal Government to provide a safety net for people and to have anytime you're talking about welfare in this Congress that we would know that we are talking about just oil depletion allowance or rapid depreciation or investment tax credit. That kind of welfare continues to go on.

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But the welfare of the American people that says that no child in this country should go without medicine, without food, should be hungry, whether or not the mother is married, these things now will be shuttled off to the Governors. Why? Because for 40 years we did not perfect the system of how we take care of the poor.

No, you are not getting rid of it to reform it; you are getting rid of it because you hate the word ''entitlements.'' You are saying if you are poor, if you are sick, if you are blind, if you are crippled, if you are disabled, that the Federal Government has no responsibility for you.

Those are the days of Roosevelt. Wine and roses. This is the day of capitalism. Give it to the rich. They know better how to create jobs. And if the Governors do not do it right, and they do not have to, if the governors do not allocate the money, and there are no mandates, if the governors run out of money and they cannot tax it, that is no big deal. Government never said you were promised anything. They die. They have poor in other countries. Why not this great Republic? And if the cities and the local governments cannot do it, you are speaking to them

where to go. Send your kids to the orphanage. Get them adopted. Go to Boys Town.

What has happened to the sense of feeling for our people, giving everyone opportunity? Let everyone dream that yes, they can cut coupons, but before they get to that, give them a chance to have a job. Do not be able to say that you are so mean-spirited that you think that just by cutting out people and dealing with the wealthiest of the people here, that you are doing the right thing. Because today we know that with the mistakes that we are making, if that other body does not correct it, we will have gone back 40 and 50 years in this great Republic. Do not let it happen just because you have discipline. Have common sense to go with it.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina [Mr. BALLENGER].

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

Mr. BALLENGER. Mr. Chairman, I rise today in support of H.R. 1215. Today is a good day to be in the House of Representatives. Republicans made a promise to the American people embodied in the Contract With America and today's vote on the Tax Relief and Deficit Reduction Act of 1995 is the culmination of fulfilling that promise. We have the opportunity to vote on tax cuts totaling $189 billion over 5 years—simply put, we can give back money to the very people who earned it in the first place.

Cutting taxes will result in an expanded economy and increased job opportunities. But don't take my word for it. Here are concrete examples from four State Governors who have cut taxes in their states. Gov. William Weld, in a letter to the Speaker, states that Massachusetts has ''cut taxes nine times over the past four years'' resulting in tax revenues growing by over $2.2 billion during that period of time. Gov. John Engler of Michigan says that ''fifteen tax cuts in four years have turbocharged the state's economy to the best performance in a generation. While taxpayers are saving more than $1 billion annually, state revenues have continued to rise.'' Wisconsin Gov. Tommy Thompson cites tax cuts of more than ''1.5 billion over the past eight years'' resulting in an economy that created ''new jobs at nearly double the national rate and more new manufacturing jobs than any other state. The lesson from Wisconsin is clear: tax cuts help create jobs and opportunity for families and individuals.''

Gov. Christine Todd Whitman of New Jersey is working on a 30 percent cut in State income taxes over three years and is well ahead of schedule.

I ask you, what is wrong with letting taxpayers keep more of their money to spend as they see fit, perhaps provide for their children's or grandchildren's college education, pay for a family vacation, invest in an Individual Retirement Account, or just pursuing their own version of the American Dream? Let us do for America what these Governors have done for their states.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. WELDON].

Mr. WELDON of Florida. Mr. Chairman, I rise in support for family tax relief. The rhetoric coming from the other side of the aisle does not match up with the facts.

A case in point: I received a phone call last week from Christine, a constituent in my district. She is a single mom with a 7-year-old son who called to urge my vote in support of the capital gains tax relief. It seems that she is selling a home and that she needs the additional income from our tax relief to help her provide for herself and her son.

Now, Christine is not rich. Yet existing capital gains tax laws severely penalize her. This bill means that Christine will keep more of her money.

In addition to tax relief provided by the capital gains reduction, this bill's child tax credit will let her keep another $500 of her income.

Mr. Chairman, it makes for good rhetoric and heightened class warfore, but his does not add up. Support this bill. This is a good bill.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield 1 minute to the gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, I am so excited that we are reducing part of the taxes, reducing $190 billion of taxes, to help offset the $250 billion tax increase that we had a year and a half ago, and we are doing it in such a way as to expand and encourage jobs in this country.

Let me just briefly show you this chart of how the United States charges our businesses that buy that machinery and equipment.

Our marginal tax rate is 28 percent compared to France, 18 percent; Germany is exempt. We are penalizing our businesses that buy those tools and put the best tools in the hands of our workers. If we give American workers those kinds of tools and those kinds of facilities, we can out produce anybody in the world.

Mr. Chairman, that is what makes jobs. We produce a product that people in this country and all over the world want to buy, and we produce it at a competitive price. To do that, we have got to give our workers the best possible tools.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. COLLINS].

Mr. COLLINS of Georgia. Mr. Chairman, I thank the gentlewoman for yielding.

Mr. Chairman, this tax relief bill will give something like $4.5 billion of tax relief to the people of Georgia, and I am proud to be standing here in support of it. Four and one-half billion dollars of tax relief for Georgians.

For the last several months we have heard opponents claim that the Contract With America is against children. They claim the welfare bill and this tax bill are antifamily and antichild.

Well, Mr. Chairman, our opponents are wrong, and they know it. The truth is that every legislative component of the Contract With America is designed to benefit all Americans, individuals, families, and especially children.

The Contract With America, and specifically this tax relief legislation, is 100 percent proresponsibility, profamily, and prochildren.

This legislation contains a new American dream savings account that reduces tax penalties on those that save money and use those savings for education, medical costs, and home purchases. It is profamily and prochildren.

This legislation reduces the marriage penalty, making it profamily and prochildren. It provides $5,000 tax credit to help thousands of families overcome the financial obstacles of adoption. It is profamily and prochildren. It provides an increase in the exemption allowed for State taxes so that farms and small businesses started by families can be passed from one parent to child without destroying those assets. It is profamily and it is prochildren.

It provides 50-percent capital gains deduction for individuals. This means that the tax penalty on a family's home or property is reduced so an individual or family can afford to sell that home or property without losing so much to the Federal Government, creating more financial security for that family and their children. It is profamily and prochildren.

It gives a $500 tax credit to families with children under the age of 18. It is profamily and prochildren, and I urge its passage.

Mr. GIBBONS. Mr. Chairman, before the gentleman leaves the floor, I yield myself 30 seconds.

Mr. Chairman, if this is so profamily and prochildren, why in the world did the Republicans introduce two bills that give it to all the children, but then finally in this bill they brought to the floor start cutting children in families of under 50,000, and under 25,000 all the way out of this family and correction credit. If it is so profamily, why did they do that?

Mr. Chairman, I yield such time as he may consume to the gentleman from Indiana [Mr. VISCLOSKY].

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

Mr. VISCLOSKY. Mr. Chairman, I rise today in opposition to the Republican tax-cut bill, H.R. 1215, because it would undermine deficit reduction efforts. I have always supported a balanced budget, and the responsibility to achieve this is not one that I take lightly. Over the years, I have frequently taken the political

road less traveled in the name of deficit reduction. Last month, I was one of only six Democrats to support the rescissions bill because I believe we need to start making tough spending decisions now. In January, I supported a constitutional amendment to balance the budget for the first time because I finally lost faith that the President and Congress have the resolve to balance the budget without being required to do so.

The bill we are considering today has confirmed my worst fears. We are cutting the taxes of the American people for the low, low price of $188 billion over 5 years. It is absolute folly to cut taxes for those making $200,000 to increase the deficit for those making $20,000 along with everyone else. The total cost of these tax cuts by the year 2002 will be $630 billion. The Republicans on the Budget Committee are now scrambling to come up with spending cuts—just to pay for the tax cuts. What ever happened to deficit reduction? What ever happened to balancing the budget? Why don't we just focus on eliminating the biggest drain on taxpayer dollars, the interest on the national debt. These proposed tax cuts aren't going give taxpayers a break, they are going to increase their long-term burden.

Nations, like families, have to plan for the future. As a nation, we have failed to plan. We have borrowed to achieve a false sense of security today, leaving the bills for our children to pay tomorrow. In 1994, alone, we spent $203 billion more than we had. This means that $783 was borrowed from every single person in America. Over the past 20 years, the average budget deficit has grown from $36 billion in the 1970's, to $156 billion in the 1980's, to the unprecedented $248 billion hole we have dug for ourselves so far in the 1990's. This irresponsible spending has resulted in a money pit so deep that this year's interest payment—$235 billion—will be larger than this year's deficit—$176 billion.

By providing $188 billion in tax cuts instead of deficit reduction, the Republican Party is charging every American—including every child—$43.51 in interest payments for every year over the rest of their lives.

The Republicans claim that the agreement they quickly slapped together to get enough votes to pass their tax bill will put us on a glide path to a balanced budget by 2002. However, no specific targets are set out in the agreement, and the language does not require the tax cuts to be rescinded if deficit reduction targets are missed. The bill requires only the development of a deficit reduction plan. Without setting enforceable targets, this bill will throw us into the same money pit as Gramm-Rudman I and II. If we pass H.R. 1215, we won't be on a glide path to a balanced budget, we will be on a slippery slope to more exploding debt, higher interest rates, and a shrinking economy for all Americans.

It is disastrous that the Republicans would increase the debt of the average American family in order to benefit creditors, whose special interest lobbyists carry increased clout in the new, reformed Congress. Under current trends, the interest on the national debt is estimated to consume an average of 15 percent of total Federal outlays and more than the 3 percent of the gross domestic product. This year alone, interest payments on the Federal debt will cost almost $940 per person—almost twice the $500 per child tax credit offered in this bill.

I urge opposition to H.R. 1215. If we want to give the American people a break, we should get serious about balancing the budget. A $188 billion package of tax cuts is definitely a step in the wrong direction.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Chairman, would it not be great if the Pollyannas and the supply-side ideologues were correct that the road ahead for America is paved with candy? I like candy as much as the next guy. I like tax cuts. They want to give a $500 tax credit per child? Why not $5,000 per child? Because somebody has got to pay for it, and we went down the candy road with them once before. It was sweet for the politicians that promised all the tax breaks. It was very sweet for the privileged few in this country.

But it turned out to be a toll road. And guess who had to pay the toll? Our children, to the tune of trillions of dollars of national debt because of this supply-side nonsense.

Now we have got a Federal deficit as far as the eye can see in the $200-billion-a-year range. The only way we are ever going to deal with it is by making tough choices, and tax cuts are not tough choices. They are the oldest gimmick in the book. In fact, as Ross Perot has said, they are a way for politicians to buy your votes, using your own money. In this case it is our children's money, and it is wrong.

Mr. ARCHER. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, simply to respond to the gentleman, the gentleman knows this is not supply-side economics. This bill is paid for and more than offset with in excess of $30 billion of deficit reduction by CBO estimates. Remember CBO? That is where the President stood right here on this floor and said they are the accurate estimators. We are going to follow them.

Mr. Chairman, I yield 1 minute to the gentleman from Arizona [Mr. SALMON].

Mr. SALMON. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, before I begin to talk about my strong support of H.R. 1215, I cannot help but respond to a comment that was made about the safety net that supposedly we are cutting out. I might add this safety net is lined with flypaper. It is very, very difficult to get out of. In fact, it is a net, I am not sure it is a safety net.

Mr. Chairman, with the tax provisions in the Contract with America we are going to be passing I believe today, this bill is so important to the American people because it provides tax relief to virtually all Americans. It will create incentives for savings and investment. Not only will passage of this bill provide more tax fairness, but it will also stimulate growth in America's private sector.

I would like to speak specifically about the American Dream Restoration portion of H.R. 1215. I was a sponsor of this part of the bill along with the gentleman from Illinois [Mr. CRANE] and the gentleman from Iowa [Mr. NUSSLE] when it was introduced as part of the contract.

This part of the bill ease the marriage penalty that punishes men and women for getting married by making them pay more in taxes than if they had remained single. It creates a new IRA that will allow Americans to save for the purchase of a home, for education, for medical expenses, and for retirement. It will also provide working families with a $500 child tax credit.

Mr. Chairman, let us move away from the greatest American nightmare and move back to the American dream.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. OLVER].

Mr. OLVER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, under this bill, the rich get richer, and the poor get more numerous. But that is what you would expect from Republican fiscal policies. This bill hides the fact that more than half of all the tax cuts under the legislation goes to two handfuls of our wealthiest Americans, two handfuls in percentages, of course. Under this bill, the benefits do not go to the middle class, which has been the constantly repeated lie along the way.

I just want to talk about one provision. Take one provision. President Reagan signed in 1986 a provision that made the biggest corporations in America pay at least a minimum tax. Now this is going to be repealed, taking $15 billion and giving it to the largest corporations, Anheuser-Busch, Coors, Boeing, du Pont, General Dynamics, PepsiCo and Texaco and Westinghouse and Xerox. That money is being taken from people who will become poorer because of this legislation.

Mr. ARCHER. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. KIM].

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

□ 1630

Mr. KIM. Mr. Chairman, I thank the gentleman for yielding time to me. I rise today in support of this bill.

I am getting tired of listening to this rhetoric about this bill is making rich people richer. Let me tell you about this marriage penalty tax that we passed last year under this omnibus budget bill we passed, which was the largest tax increase in our history.

Under that law many married couples face a larger tax burden than they would if they stay single.

Let me give you some specific examples. Two individuals making $75,000 each will pay an extra $2,000 marriage penalty tax to the IRS, if they get married. Let me give you another example, which is more a horrifying example. Two individuals making $15,000 each

with two kids for combined income of $30,000 would pay an extra $4,000 to the IRS. That is a marriage tax penalty.

That is enough to buy food for the kids for 6 months. In total, listen to this, a married couple would pay an extra $20 billion in penalty taxes to the Government next year. Nobody ever mentioned this.

This is ridiculous. We should be encouraging people to get married, not penalizing them by taxing.

I have a personal concern. I am married 33 years. This bill will fix that, will repeal this horrifying marriage tax penalty.

Mr. Chairman, I rise today to talk about one of the most important aspects of H.R. 1215: Tax relief for families.

Over the last several decades, one of the groups hit hardest by the increasing Federal tax burden has been the American family. The situation for families is grim: At the same time that economic conditions have made it harder and harder for families to make ends meet, the Government has taken a larger and larger bite out of family income.

For example, while the cost of raising children has gone up steadily—it now costs an average of $5,000 per year to raise a child—the tax break the Government gives families has declined rapidly. In fact, over the last 50 years, the value of the dependent exemption has decreased by more than 36 percent. The result is that families are now forced to spend less on their kids and more to support wasteful Government programs.

It is clear, then, that it is time to give a helping hand to American families. And we do not have to have some massive government bureaucracy—some Department of Families—to do it. In fact, the best way to help American families is very simple: Just let families keep more of their own money.

And that is exactly what H.R. 1215 does—it gets the Federal Government off the backs, and out of the pocketbooks—of American families.

The bill does this in four main ways:

First, H.R. 1215 repeals the so-called marriage penalty. Under current law, many married couples face a larger tax burden than they would if they stayed single.

For example, a married couple without kids making a combined income of $150,000 a year would pay an extra $1,912 in taxes due to the marriage penalty. A married couple with two kids making a combined income of $30,000 per year would pay $4,369 extra than if they were single. That's enough to buy food and clothes for their kids for 6 months.

Nationwide, the extra tax burden placed on married couples is substantial: Because of this inequity in the law, married couples will pay a total of $20 billion in extra taxes in 1996.

This situation is ridiculous. We should not penalize people for being married, especially when marriage seems to be becoming a thing of the past.

H.R. 1215 rectifies this situation. The bill makes married couples eligible for a tax rebate if their tax liability goes up as a result of being married. In doing so, this legislation eliminates the marriage penalty and restores tax fairness for married couples.

Second, the bill establishes a $500 tax credit for the home care of a parent, grandparent, or great-grandparent who is ill or infirmed.

I think we all have experienced the emotional and financial strain of caring for our elderly relatives who can no longer care for themselves. And yet, doing so is one of the fundamental obligations of the family.

H.R. 1215 would give families a helping hand in meeting this obligation. The bill would give families who care for elderly relatives at home a $500 tax credit to help offset the cost of that care. In doing so, H.R. 1215 would allow an additional 400,000 families to care for their elders at home—and keep their extended families together longer.

Third, this legislation would allow families to claim a credit of up to $5,000 for the costs of adopting a child. This needed tax relief will help reduce the financial barriers to adoption, the costs of which average between $10,000 and $12,000 per child.

It is estimated that this tax break would benefit more than 65,000 families nationwide—and will help thousands of children become part of healthy, productive families. At a time when it has become nearly impossible to find adoptive parents for thousands of children, I believe that this tax credit is essential. In a sense, this tax credit helps families in the most fundamental way possible: It helps families become families.

Finally, and most importantly, H.R. 1215 establishes a $500 per-child tax credit.

The $500 per-child tax credit will provide substantial tax relief for American families. In fact, this tax credit will reduce taxes on families with children by $105 billion over the next 5 years. This tax relief would be distributed to more than 30 million families across the country.

But let us put it in everyday terms: If H.R. 1215 passes, a family with two children could receive a $1,000 discount on their yearly tax bill. That's enough to buy food for several months, or clothes for a whole year.

Having raised three children myself, I know from firsthand experience how expensive it is to raise children. I can think of no better way to help American families than by giving them more money to spend on their kids.

And let me say a word to my colleagues who claim that, somehow, this tax credit is a giveaway to the rich:

I think that those who make this claim do not truly understand the value and importance of children. A child's worth does not change just because his or her parents make more money. The fact is that the $500 per-child tax credit is about helping children—all children. It is not about engaging in class warfare to score political points.

Even worse, those who engage in this class warfare argument have their facts wrong:

In reality, 75 percent of the tax benefits from the $500 per-child tax credit will go to families making less than $75,000 per year. 90 percent of the benefits go to families making under $100,000 per year. In other words, average, working families will receive nearly all of the benefits from the $500 per-child tax credit.

In sum, the tax relief bill we are debating here today is one of the most pro-family pieces of legislation Congress has seen in years. By eliminating the marriage penalty, helping families absorb the costs of adoption and caring for an elderly relative, and by giving parents more money to care for their children, H.R. 1215 will do much to help families make ends meet.

In a sense, H.R. 1215 is based on a revolutionary idea that hasn't been tried by Congress before: Let families keep more of their own money. In doing so, we can do more to help children and families than we have ever done in the past—without hiring a single new government bureaucrat or establishing a new government program.

So let us vote to give American families a helping hand. I urge my colleagues to support H.R. 1215.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentlewoman from Connecticut [Ms. DELAURO].

(Ms. DELAURO asked and was given permission to revise and extend her remarks.)

Ms. DELAURO. Mr. Chairman, I rise in strong opposition to this tax giveaway to the rich. We do need tax relief, but it should be targeted at middle-class families who have been working harder for less for far too long in this country.

The bill now before us does nothing to help working Americans. Households earning $200,000 are big winners. They receive an average tax cut of $11,266. Corporations are big winners. The alternative minimum tax is eliminated, but households earning under $30,000 would receive a paltry $124. Even this small break for ordinary people would be more than taken away through spending cuts.

Whatever break seniors get, they will pay back with as much as $400 billion in cuts in Medicare. And whatever breaks middle-class families get, they will pay back in higher college education costs because of $13 billion in cuts in student loans.

Do not be fooled. The American public should not be fooled. The rich and the powerful are the only winners in this very bad bill.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Texas, Mr. SAM JOHNSON, a respected member of the committee.

Mr. SAM JOHNSON of Texas. Mr. Chairman, I rise in support of America's families, who are all struggling to make ends meet.

For too long Washington has increased taxes and slowly eroded the ability of families to afford the basic necessities of life. It is absurd that the American families now pay more in taxes for food, clothing, and houses combined. High taxes are for what? Politicians can spend more; that is, for big government.

It is time to end this selfish Washington knows best attitude. This money does not belong to government. It belongs to you, the people.

This bill would provide tax relief to 35 million American families. Congress must realize that the people of America can handle their own money better than any Washington bureaucrat. Republicans know better that lower taxes mean more money in the hands of people who make the economy grow.

This means families have more money to spend, to invest, or save for the future.

Democrats have been raising taxes for so long, they truly do not know any other way to run the government. Some of our Democrat speakers even believe that the tax-and-spend policy has succeeded. But we all know what a failure it was. Taxes are destructive to families, to businesses, and to the economy.

Contrary to liberal belief, taxes do not discriminate by income. They hurt every family in America. It is unbelievable that Democrats still believe that people are not taxed enough. But then again, these are the same Democrats that passed the largest tax increase in history. They want to raise taxes again.

Listen to their rhetoric. It supports big government. It supports big spending. It supports more taxes, and they want your family to pay for their over spending.

Let us take a giant step forward today for our families, our children, and our Nation and vote for this bill and vote for tax relief.

Mr. GIBBONS. Mr. Chairman, I yield myself 30 seconds to respond to the last gentleman.

When I came to Congress, the Eisenhower administration had just left here. And the tax rate at the top was 94 percent. And all through the tax rate was much higher than it is today.

We Democrats, who have controlled the Congress ever since then, have reduced those rates from 94 percent down into the 30 percents. So the gentleman is just dead wrong when he says we did not reduce taxes in the Democratic administration. He does not know what he is talking about.

Mr. Chairman, I yield 3 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY], a member of the Committee on Ways and Means.

Mrs. KENNELLY. Mr. Chairman, I rise in opposition to H.R. 1215. It is he wrong bill at the time, no matter how attractive the various pieces.

We know the macroeconomic reasons for being against this bill today. As Mr. Kiskanen of the Cato Institute has said: ''There's not a single part of this bill that I consider an improvement over the current system.'' He goes on to say that the bill would encourage additional investment in new equipment but does nothing to stimulate additional savings to finance it.

Robert Shapiro, another respected economist, says he doubts the Congress will find the $90 billion to pay for it. Henry Aaron is concerned about the widening gap between the haves and the have nots. Others worry about where the money to pay for the bill will be found. The bill is very specific on cuts in revenue—but oh so vague, about $700 billion, in cuts in discretionary spending.

Although the bill is called the American Dream Restoration Act, it will not be a pleasant dream for some, for instance, the blind. Although the contract includes a provision raising the Social Security earnings test to $30,000 a year for seniors, it breaks the current link in the earnings test between the blind and senior citizens. This link has been successful over the past 18 years in giving blind individuals the opportunity to be more productive members of society, and to support their families.

I had asked the Rules Committee to allow consideration of my amendment to provide the same earnings test for seniors and the blind by the year 2000. This amendment was not controversial. In fact, 161 Members are cosponsors of a complementary resolution that the link be maintained. This amendment would have been paid for with surplus funds on the Social Security pay-go scorecard. Unfortunately, the Rules Committee did not make my amendment in order.

I also want to focus on a little known fact: The contract would significantly reduce State revenues. A recent study of 15 States by the Institute on Taxation and Economic Policy indicates that just two provisions of this bill—depreciation and capital gains—will cost those States over $41 billion over 10 years. Why? Because 37 States use Federal adjusted gross income [AGI] as the starting point for computing State taxes. In other words, Federal AGI is the tax base in these States and as the contract reduces Federal AGI, it also reduces State revenues.

It is possible for States to avoid this loss of revenue by passing laws denying the Federal tax cuts for State tax purposes. This however, would require taxpayers to keep two different sets of books—an administrative nightmare.

My own State of Connecticut stands to see State receipts reduced by $1.64 billion—about $500 for every man, woman, and child in the State. This bill gives $500 per child, but they will get lost at the State and local level.

Mr. Chairman, it is one thing for us to debate how best to raise Federal revenue and how best to spend it. It is quite another for us to make these very fundamental revenue decisions for the State Governors. Especially at a time when we hear so much about the desirability of shifting decision-making back to the States, it seems high-handed, even unreasonable, to arrogate these decisions to ourselves.

Remember, these are just two provisions. How much will the other provisions cost Connecticut or your States? Passing the contract would create budget deficits in 37 States. This is just another unfunded mandate.

Oppose the bill.

Mr. ARCHER. Mr. Chairman, I yield 3 minutes to the gentleman from Kentucky [Mr. BUNNING], the chairman of the Subcommittee on Social Security of the Committee on Ways and Means.

(Mr. BUNNING of Kentucky asked and was given permission to revise and extend his remarks.)

Mr. BUNNING of Kentucky. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in strong support of the tax cut bill that is before the House today.

In the last couple of weeks, there has been a lot of hot air and bluster about this bill. It has been interesting to hear the people on the other side of the aisle rant and rave about the unfairness of this tax bill.

It reminds me of my predecessor, Gene Snyder, who frequently referred to the howling wolves of liberalism. Today they are not howling, they are just whining.

Last night, during special orders, I heard one Member go so far as to call this tax bill, immoral.

Anyone who calls this bill unfair or immoral is not reading the same bill I have been reading.

I will tell you what is immoral and unfair. Immoral is a policy that penalizes senior citizens for saving for their own retirement. This bill fixes that existing policy.

Unfair is a policy that penalizes senior citizens for working. This bill fixes that existing policy.

Unfair is a policy that discourages people from buying insurance to take care of themselves in their later years. This bill fixes that.

This bill fixes all of these misguided policies.

This bill—which includes the Senior Citizens Equity Act which I sponsored—repeals the 1993 Clinton tax increase on Social Security benefits which so unfairly penalized people who managed to save and invest enough during their working years to supplement their retirement incomes.

This bill raises the Social Security earnings limit so that seniors who have to work or choose to work after retirement can make more than $11,280 a year and not be penalized. This bill will allow them to make thirty thousand dollars with no penalty. That is fairness.

This bill makes it easier for people to buy long term health care insurance so they can take care of themselves in their failing years. That is not unfair. It is sound public policy.

This bill makes it easier for people who are terminally ill to cash in their life insurance policies—tax free—to help them pay for their own medical bills. That is compassion and common sense.

This tax cut bill gives families a tax credit to help them take care of elderly parents and grandparents. That is policy that encourages individual responsibility.

This bill gives a tax credit to help defray the costs incurred by families who want to adopt a child. This bill will make it possible for more families to bring children into loving homes. That is compassion.

There is nothing immoral or unfair about any of these things. This is sound public policy. This tax bill encourages individual responsibility. It encourages people to work and save and to pay their own way.

Mr. Chairman, this is a good bill. The unfairness argument does not stick. It is time to do what is right and pass this measure and give the American taxpayer a break.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentlewoman from Georgia [Ms. MCKINNEY].

Ms. MCKINNEY. Mr. Chairman, the voo-doo policies of the 1980's should have taught us something about Reaganomics. Yet, here we go again, Republicans are going to cut taxes for the wealthy and pay for them with cuts to student loans and heating assistance for the elderly poor.

If you make $200,000 a year, Republicans feel your child is worth $500 dollars. But if you make $12,000 a year, your child is worth zero. We suspected this all along, but with this bill the Republicans have brought our worst nightmare to us live and in color. They go too far.

With this bill, the rich are going to make out like bandits, and at the same time, the Republicans are adding another $750 billion to the deficit over the next 10 years. Mr. Chairman, Republicans are so fond of saying that a rising tide lifts all boats. But what they really mean is that a rising tide lifts all yachts, while the working class homes on shore, get washed away.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Nebraska [Mr. CHRISTENSEN], a member of the committee.

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

Mr. CHRISTENSEN. Mr. Chairman, there is one issue that has been neglected in the debate over our tax bill: the issue of how this tax bill helps our nation's seniors.

Remember President Clinton's punitive tax hike on seniors? Remember when the Democrats decided that seniors living on fixed incomes as low as $34,000 were ''wealthy''? Well, our bill injects some sanity back into this debate by repealing the Clinton tax increase on seniors. It lets seniors keep more of their own money rather than forcing them to hand it over to the Federal Government to be squandered by spendthrift bureaucrats.

Our tax bill also helps seniors by reforming the social security earnings limit. Under current law, seniors between the ages of 65 to 69 can only earn $11,280 before the government begins confiscating $1 for every $3 they earn. When you include the FICA withholding tax and the federal income tax, low-income seniors face an effective marginal tax rate of 55.65 percent! That is a tax rate traditionally left to millionaires.

Unlike the Democrats, who once claimed that they wanted to see the earnings limit raised, we are doing what we said we would do by raising the earnings limit to $30,000.

These provisions, plus our long term care incentives, $500 Eldercare Tax Credit and the increase in the estate and gift tax exclusion, show that it is the Republicans that are looking out for the best interests of our nation's seniors.

In my State of Nebraska, over 34,000 seniors will benefit directly from our senior citizen tax reforms.

Not to mention how many thousands of other Nebraska seniors will benefit from our American Dream Savings Accounts, Spousal IRA's and capital gains reductions.

Let us not forget that it was the Democrats who passed the largest tax increase in American history. They oppose H.R. 1215 because they want to raise taxes again.

Here is a bill that helps out our nation's seniors, cuts taxes on all Americans, pays for those cuts and lowers the deficit by 30 billion dollars. Sounds like win-win public policy to me.

□ 1645

Mr. GIBBONS. Mr. Chairman, I yield myself 15 seconds to answer the gentleman's charge about the 15-percent increase on Social Security.

I will remind the gentleman that President Reagan—President Reagan raised the taxes on 50 percent of the income of Social Security recipients, versus 15 that the current President raised.

Mr. Chairman, I yield 1 minute to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK of Florida. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, first of all, I oppose very strongly the Republican fairness and deficit reduction bill. It is an oxymoron, because there is no fairness in this bill. Neither does it reduce the deficit.

The Republican majority's bill, which is said to reduce the deficit, is not doing it. You are just moving old wine around in new bottles, that is what you are doing, taking money from here and putting it over there. It is an old shell game. Each one of us who has been around long enough will know that.

I am a senior citizen. You are helping senior citizens one way and taking it away in another. Look what is happening with health care for senior citizens. No matter how much money we are giving them, if there is no health delivery system, we are still not helping them.

A lot of things they are doing here is made up of smoke and mirrors all put together in a consortium of fooling the American public that they are really doing something for them, when they are really not. What they are doing, we have a spectrum here, where we have on one side the very poor, in the middle we have the middle class, and then we have the upper class.

Do Members know who is getting all the money? The upper class. The poor middle class people in the middle are being left out. These cuts in vital programs are going to fund these tax cuts, things they are taking away from average Americans.

I must say, this 5-year budget plan that is supposed to reduce the deficit is not going to reduce the deficit, so do not go away from here thinking it is going to do that.

Mr. ARCHER. Mr. Chairman, I yield 2¾ minutes to the gentleman from Florida [Mr. SHAW], chairman of the Subcommittee on Human Resources of the Committee on Ways and Means.

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

Mr. Chairman, I rise in support of helping this country's senior citizens continue to live their American dream. And I mean all senior citizens, Mr. Chairman, not just wealthy senior citizens. Since 1993, the Clinton tax hike on Social Security benefits has meant that a senior citizen who lives on a fixed income as low as $34,000 must pay income taxes on 85 percent of his or her benefits. This was a 70-percent income tax hike on Social Security benefits. Today, we are going to repeal this ill-conceived tax hike and reassure our senior citizens that this Congress has not forgotten the hard work they contributed to their country.

We are also not going to forget that many citizens over the age 65 have no intention of settling into retirement, or that others are in the situation where they must continue to work beyond age 65 because their fixed Social Security income does not provide adequate financial security. For these people we are offering to increase the amount senior citizens can earn before being taxed on the benefits they have already earned. The current earnings limit of only $211,280 punishes senior citizens by hitting them with an additional effective tax of 33 percent. This is not fair, and this is why we owe it to our senior citizens to gradually increase the earnings limit to $30,000 per year over a 5-year period.

Finally, Mr. Chairman, I support helping millions of Americans plan now to avoid potential financial hardships, later in life, by encouraging private solutions to long-term health care. One of the biggest fears of senior citizens is that they may lose most of what they own if they are confronted with a long-termillness. This fear will be felt by younger Americans when they reach the age of retirement. By allowing accelerated death benefits to be paid tax-free from life insurance policies, by providing employers with incentives to offer long-term care coverage, and by allowing tax-free withdrawals from IRA's and other pension plans in order to buy long-term care coverage will provide financial security to all Americans who worry about being able to take care of their long-term care needs.

Mr. Chairman, my main concern is for the well-being of this country's senior citizens. The provisions of H.R. 1215 speak of today will help empower

today's senior citizens, as well as tomorrow's. I encourage a vote of ''yes'' for this bill.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. ROEMER].

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

Mr. ROEMER. Mr. Chairman, last week we debated the Personal Responsibility Act. Today we are debating the Tax Irresponsibility Act. This bill is irresponsible for two reasons. First of all, this bill will cost over a 10-year period $700 billion; not million, billion dollars. Now, there is no free lunch, as we learned in the 1980's, and there is no free breakfast, lunch, and dinner. We have to pay for this.

The Republicans have it half right, in that they pay for some of these new tax breaks, but then they respend the money. They do not put it to the deficit.

Second, let us talk about fairness; not class warfare, but tax fairness. This bill repeals the corporate minimum tax. That simply states if you are a profitable company, you should pay some taxes. This bill gets rid of that and says to schoolchildren: ''We are going to take 50 cents from you out of that $1.10 lunch, and you are going to help pay for that tax break for the corporation.''

Let us get back to the days, in a bipartisan way, when the gentleman from Ohio, JOHN KASICH, and Tim Penny worked together to reduce the deficit in a fair manner.

Mr. ARCHER. Mr. Chairman I yield 1 minute to the gentleman from Arkansas [Mr. HUTCHINSON].

Mr. HUTCHINSON. Mr. Chairman, I am glad to rise in support of the tax relief bill. It lowers capital gains, raises the earnings limit on Social Security, provides an adoption tax credit, an elder tax credit, IRA equity, a $500 tax credit for children.

In short, it is a family-friendly tax relief bill. After all, the family is the fundamental unit of society. It is the guardian of our social fabric. It is the means by which our values are conveyed. Yet it is besieged, embattled. It is under attack by its own government. We could not have come up with a more anti-family public policy if we had sat down and devised such a plan.

It is not too much to expect that government be the friend, not the foe, of the family, so one critical step in turning this around is the passage of the $500 per child tax credit. It would shift power and money from Washington bureaucrats and return it to the moms and dads of middle America.

Families do not want more entitlements, they want empowerment. The American family is tired of high-sounding rhetoric and empty speeches about family values while policymakers insult them by saying ''We can't afford it now,'' as if it is our money. We cannot afford not to do it now. Our national security is intertwined with family security. Strong and secure families mean a strong and secure society.

We need to reject the class warfare rhetoric and pass this bill.

Mr. GIBBONS. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. NEAL], a Member of the Committee on Ways and Means.

Mr. NEAL. Mr. Chairman, the Tax Fairness and Deficit Reduction Act is neither, and it is certainly not the right approach for tax cuts. This legislation reduces by $188 billion the Federal Treasury over 5 years. Indeed, Treasury has estimated that the provisions are going to cost $700 billion over 10 years.

The Republicans say this unnecessary legislation will be financed by spending cuts. Discretionary spending cuts total $100 billion, but these cuts are neither specified nor are they guaranteed. It is still unclear which programs will be cut or eliminated. The legislation is not responsible. Our attention should be focused on deficit reduction, and this is not the time to be making tax cuts to the wealthy.

Those earning over $200,000 are not considered the middle class in my congressional district. I am not opposed to tax cuts for the middle class, but they should be targeted and geared toward investments. Several of the tax provisions in the Contract With America are indeed budget gimmicks. These provisions are glitter and sparkle, and there is no real long-term investment.

Let me say, there are some provisions even I could have supported, including the spousal individual retirement account, and expanding the IRA, and would have raised the ceiling on earnings for Social Security recipients, and happen to believe there ought to be some sort of capital gains relief, but I cannot support the larger package that is going to have such a dramatic impact on our deficit.

We should work for a package on both sides of the aisle that could be universally supported. Why could we not today vote on small provisions which are fully paid for? Why is this vote before us today all or nothing?

These tax provisions are not equitable. The wealthy few will receive more of the benefits, and the Treasury Department tells us that only 8 percent of the population realizes capital gains earnings in any given year. Most of the benefits in this proposal go to people who already make up to 6 percent of the wealthiest taxpayers in America.

If we are going to enact tax cuts, we ought to pay for them. It is still unclear which programs will be eliminated, and surely deeper cuts will have to be made in order to pay for these provisions and their cost increases.

We ought to focus on the middle class today. If we look beyond the bluster, we see the flaws in this proposal. Education is the most important investment we can make. In Massachusetts, 137,000 students are going to pay more for their student loans when we get done at the end of this day. This ought not to happen.

The Democratic alternative is sounder. The School Act is a simple, realistic approach. Our legislation provides tax cuts which will help the real middle class and help to pay for higher education. Four proposals make up the School Safety Act. They are deductions for education costs, student loan deductibility, guaranteed education planned savings bonds, and expanded individual retirement accounts. All of these proposals are geared towards education.

None of these tax cuts will be enacted unless we stay on a target toward a balanced budget, but today these Republican cuts are going to end up creating more spending cuts. The public will be cheated in the end.

Mr. Chairman, this legislation is ill-considered and ill-timed.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Nevada [Mr. ENSIGN], a member of the committee.

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

Mr. ENSIGN. Mr. Chairman, we have heard ''How are we going to pay for these tax cuts.'' Let me remind the Members here that the Government does not pay for tax cuts. We allow the American people to keep their own tax dollars that they have earned.

Taxpayers have to pay for government spending, so when we talk about how are we going to pay for tax cuts, we are just going to allow the American people to keep more of what they earned.

In reference to a little while ago, we heard about Ronald Reagan raising taxes up to 50 percent on Social Security recipients back in 1983. Let me remind the Members also of which party was in control of the Committee on Ways and Means and which party was in control of the Congress at that time. It was the Democrats.

I have a lot of seniors in my district. Those seniors have been telling me that they thought that the 1993 raise on their Social Security benefits, tax raise on their Social Security benefits, was unfair. I agree with them. They have earned this money. The tax raise in 1983 went to bail out Social Security.

□ 1700

The tax raise in 1993 did not go to bail out Social Security. What we need to do is we need to be fair to our seniors. We need to raise as this bill does the earnings limit up to $30,000. I had people working for me that would come to me and say, ''You know, I just can't work anymore because I'll go over my earnings limit and that will hurt me as far as my Social Security money is concerned.'' It used to break my heart. These people wanted to be productive and we would not be able to allow that because of the tax system that we have

set up. We need to give working seniors a break and this bill does that.

Lastly, this bill also encourages people to get long-term health care insurance. I am proud to support that. It is something we need in this country.

Mr. GIBBONS. Mr. Chairman, I yield 2 minutes to the gentleman from Mississippi [Mr. TAYLOR].

Mr. TAYLOR of Mississippi. Mr. Chairman, I want to begin by complimenting everyone on the civility that has been shown thus far.

I remind my Republican colleagues that our Nation is over $4 trillion in debt. This Nation this year will borrow over $200 billion just to make ends meet. That money has to be repaid.

In the 2 minutes that I address this body, the American people will spend $1 million just on interest on the national debt. For those of you who have a Visa card or any other charge card, you know what interest is. It is money that is wasted. Sometimes it is a bargain to spend money ahead of time and pay it back later but it is never a bargain for your Nation to borrow money.

Last year on June 6 I happened to stand on the bluffs of Normandy amongst 10,000 crosses, a cross for every person that lives in my hometown almost. Those people, like my colleague SAM GIBBONS, many of them jumped out of airplanes in the dark the night before. Many of them died. They jumped for $90 a month. No one ever asked those people would they do it for a tax break. Do you love your country only if you get a tax break, if you get more back than you gave to it? They did it because they loved their country.

This Nation has done wonderful things and it troubles me when I see my Republican friends belittle the wonderful things this country has done. This country saved the world from Adolf Hitler. This country saved the world from communism. But there is a bill that had to be paid with that. The defense bill of the 1980's that I think was wonderful has to be paid. It was over $300 billion a year.

It makes no sense at all to turn around and say that we just saved a couple of billion dollars last week, so let's give it away. Because you are not giving it away, you are borrowing more money. If you want to threaten the very thing that SAM JOHNSON sat in a POW camp for for 5 years in Vietnam, or the very thing that SAM GIBBONS jumped out of an airplane in the middle of the night for, if you want to threaten the democracy of this great Nation, the world's greatest Nation, don't pay your bills. Let this Nation collapse like Mexico. Let this Nation collapse like Yugoslavia. If you love your country, be willing to pay for it.

Mr. ARCHER. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. THORNBERRY].

Mr. THORNBERRY. Mr. Chairman, one of the reasons I believe that the control of this body changed in the last election is that the American people were fed up with those who talk one way and then come to Washington and vote another. There are those who still try to come across as the protectors of senior citizens and 9 times out of 10 those are the same people who voted to impose new taxes on senior citizens in 1993.

This bill starts to undo some of the damage that has been done to senior citizens in the past. In addition to repealing those new taxes, it goes further and says that senior citizens ought to be able to earn a living, or earn some money, and be productive citizens beyond age 65. The tax incentives for long-term care and also allowing life insurance to come out earlier are important benefits for senior citizens.

I think when seniors look beyond the empty rhetoric and look at the concrete steps that will benefit them and benefit the things that they need to see happen in their later years, they will see this is real happen in their later years, they will see this is real concrete action that will make a big difference in their lives.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. NUSSLE], a member of the Committee on Ways and Means.

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

Mr. NUSSLE. I thank the gentleman, my chairman, for yielding me the time.

Mr. Chairman, I have had an opportunity and I spent most of the afternoon listening to the debate. I must say it has been pretty clear to me there are two philosophies at work here. The one philosophy is the one I believe I brought to Congress and I believe many of my Republican friends brought to Congress. That is, that individuals and families make better decisions about their daily lives than Government can for them. They spend their money better. They make better decisions about their family, about their future, about deciding what their American dream is all about and how they are going to reach it. Yet there is another philosophy here in Congress and here in Washington, and, that is, that bureaucrats and Congressmen make better decisions about people's daily lives than they can for themselves and that the only kind of compassion we can have in this country is one that comes out of a word processor, one that is printed on paper, one that is paid for by a Government check, and that is basically the two competing philosophies.

So, yeah, there's a lot of whining, there's a lot of crying about the future because the future is changing, because Americans are saying, ''We've had enough with Government check compassion. What we want is we want to take back our future.''

If there were $500 sitting right here on this podium and we had to decide in this body here today who would spend that money the most wisely, would it be Government bureaucrats and Congressmen or would it be families. I can tell you what the vote would be. The Republicans would say, ''Please, let families take back their future, let them decide how to best spend that money.''

Yet the vote on the other side would be very clear as well. They would say, ''We don't trust families. We think that it's the Government's money. It's not even the family's money. We're giving the tax cut.''

Who ever heard of giving a tax cut when it is the family's money to begin with? All of us that balance our checkbooks around our kitchen tables, particularly my friends back in Iowa, know who the money belongs to, knows that it is their money that they earned, that they worked for, that they want to make decisions about, whether it is for their farm or their family, their future, a college education. They are the ones that know how to manage that money.

Today we will decide the future of those two philosophies. I know Republicans are going to trust families.

Mr. GIBBONS. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. HEFNER].

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

Mr. HEFNER. Mr. Chairman, I say to the gentleman from Iowa, I would not risk laying $500 on either one of these things here.

Let me put in perspective, if I can, first of all about Social Security. We have heard a lot about Social Security. Democrats have always supported supporting Social Security. Let me just remind folks that are talking about the Reagan administration, the very first budget that was sent to this House under the Reagan administration, under David Stockman, called for eliminating the $123 minimum Social Security for the oldest, most vulnerable citizens in our society.

The folks that have been on the talk shows and been making the debates here today have been talking about where these moneys are coming from. And to the credit of the gentleman from the Committee on Ways and Means, he made no bones about it. These rescission savings and all of these savings that have been counted, that have been cut out of the lunch program and all the other programs, make no bones about it, they are going to be used to pay for this tax cut.

Let's make perfectly clear, and the gentleman makes no bones about it, you are going to use the rescission money and on the domestic side you are going to use the cuts, and they are cuts, in the feeding programs for our children, they are real cuts, and they are going to be used to pay for this tax cut for the super-wealthy.

Senior citizens. I am a senior citizen. I can get a discount in every Shoney's across this country. But let me tell you about senior citizens. I have been seeing the buttons about senior-friendly. Let me tell you what is going to happen to you in May. You are talking

about senior citizens. In May when the chairman of the Committee on the Budget puts together this budget to get toward this balanced budget, they are going to go in and they are going to absolutely do some devastating cuts in Medicare for our senior citizens. Then we are going to see how senior-friendly this whole package is. It has been all the way to take the money from the most vulnerable people in our society and target it to the people that do not need it, that Social Security, and every Member that has spoken in favor of this tax package today is going to get a tax cut. Every single one of them.

This package is like the lady that had the ugly baby that was so ugly, she had to tie a pork chop around its neck to get the dog to play with it. That is how bad this bill is.

Mr. ARCHER. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. SAXTON], the chairman of the Joint Economic Committee.

Mr. SAXTON. I thank the gentleman from Texas for yielding me this time.

Mr. Chairman, one of the things that we hear repeatedly from the opposition side of the aisle is that somehow this Republican tax plan is going to hurt those who are already less well off than others, the poorer folks in the United States. We have heard it over and over again and it did not just start today. It has been going on for some time. I call those of you who use that line revisionists, revising the history of the 1980's just as some people in this country would revise the history of World War II, kind of the same thing.

Let me give an example. A speaker earlier today talked about what happened to the bottom fifth of the wage earners in our country during the 1980's and they said that they were less well off in 1990 than they were in 1980. That is true. But you do not say why. As a matter of fact, in 1979 when our President was not a Republican, the bottom fifth on average earned a level at about $9,800. During the next several years, ending in 1982, that level of income for the bottom fifth of our wage earners plummeted so that by 1982, it was way down here at about $8,400. Then Republican tax policy changes took place in 1981, 1982, and 1983. Look at what happened to the average wage level of the bottom fifth of our wage earners. It went up dramatically. Not quite to $9,800, but almost. It grew rapidly.

Then we go off this chart in 1990, we had a tax increase, and in 1993 we had another tax increase. If this chart were up-to-date, you would see this yellow line shoot back down again because we increased taxes, hurt the economy, and had the most dramatic effect on our low-wage earners.

We are not out to hurt them. We are out to help them with this tax plan.

Mr. GIBBONS. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. WYNN].

Mr. WYNN. I thank the gentleman for yielding me the time.

Mr. Chairman, I appreciate the opportunity to speak on this bill because I am a little confused. As I said earlier this morning, I thought we were in the business of cutting taxes with this bill only to find out that we are actually increasing taxes on 2 million Americans. I am disturbed because those 2 million Americans are Federal employees, FBI agents, cancer researchers, people that help move our Social Security checks, people who work very hard, who have experienced downsizing, and who are now confronted with the notion that in order to get a $500 per child tax deduction, they are going to pay an extra $750 to get that. They are paying that in the form of an increased contribution for their retirement. There is nothing wrong with the Federal retiree system now. It is not overly generous. In the private sector they would not have to pay anything at all. It is not insolvent. We have had research to indicate that it is in fine shape.

Why are they doing this? They are doing it to raise money and they are raising money to give a tax break to the wealthiest citizens in America. This debate does not have anything to do about whether ma and pa ought to get a tax break. The problem with this tax proposal is all the money is going to the very wealthy. The top 1 percent of Americans will get 10 percent of the benefits under this bill. The top 20 percent will get 50 percent of the benefits under this bill. It does not seem right to me.

Mr. ARCHER. Mr. Chairman, if I might, with the indulgence of the gentleman from Florida, yield myself such time as I may consume in order to respond to the gentleman.

Mr. Chairman, I do not know where his figures come from that the top 1 percent gets 10 percent, because what the reality is, with the Joint Committee figures which are the official figures on which we live in the Congress, not the cooked-up Treasury figures, it shows that the top 1 percent pay a bigger portion of the total taxes collected under this bill than they do under current law.

□ 1715

The top 10 percent pay the bigger percent of the taxes collected than under the current law.

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

Mr. GIBBONS. Mr. Chairman, this debate is not over and there is much more to come, but this is the conclusion of the Ways and Means Committee portion of the debate.

Mr. Chairman, I yield 1 minute to my colleague, the gentleman from Tennessee [Mr. FORD].

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

Mr. FORD. Mr. Chairman, I thank my colleague from Florida for yielding me this time.

Mr. Chairman, I rise in strong opposition to the bill.

We know that this tax cut that we have before us today is not going to reduce the deficit at all. We know what the Republicans are doing is trying to really give to the well-to-do of this country a tax break that will not really respond to the evils and to the problems that we are faced with in this country, and I rise in strong opposition to it.

Mr. GIBBONS. Mr. Chairman, I yield myself the balance of our time.

Mr. Chairman, there is much more to come, as you know. I want to sum up what I think is the case against this bill right now.

We Democrats are for tax cuts. But we are for tax cuts at the right time when the economy needs them, not when the national economy is running such a huge deficit as it is today.

Our first priority today should be cutting the deficit.

Why should it be the first priority? Since 1991 we have had a rising employment rate, which yields us the lowest unemployment rate we have had in 5½ years. We are at full employment now.

I know there are some isolated pockets in the country that are not in full employment but the country as a whole is at full employment.

We are at full factory capacity utilization. We are at the highest factory capacity utilization we have had in 15½ years. The Federal Reserve acknowledges that, and that is the reason the Federal Reserve has raised the interest rate seven times in the last 14 months, 7 times in the last 14 months. And if this tax bill goes through, the Federal Reserve will offset it by raising the tax rate again as soon as this bill takes effect.

So, this is just the wrong time to do this. We should be reducing the budget deficit. If we cannot reduce the budget deficit in full employment and full factory capacity utilization, we can never reduce the budget deficit.

There is another reason why we should vote against this bill and that is the equities of the bill. The bill is badly balanced against those people who really could use a tax cut if it were the right time to cut taxes. And the first chart I have here shows what has happened to Americans in the last 20 years. And for those who do not have their glasses on and cannot see real well, the figure on my left is the higher one-fifth of our population. Their family income has increased 29½ percent, almost 30 percent in the last 20 years. But on the other end of the chart, the low end, the lowest fifth of our population, their family income has gone down by almost 15 percent in the last 20 years. And Members can see what has happened to the folks in the middle. In other words, three-fifths of the Americans have not participated in the growth of the American economy at all. In fact, they have lost ground. And two-fifths, mainly the upper fifth have gained ground in all of this.

Not all of that is tax policy driven, but a large percentage of it is tax policy driven.

The next chart is showing how difficult it is going to be to balance the budget and, very briefly, to balance the budget with the contract will require tax cuts of a trillion or require spending cuts of $5.8 trillion. That is not paid for in this bill. Anybody that says it is paid for in this bill is not on the same planet with the rest of us.

The next chart I would like to show Members is how the revenue losses explode under this bill. Much ado has been made about how this is all paid for. But in the first 5 years, which is all my colleagues on the Republican side conveniently want to talk about, even though the Senate looks at all of this over a 10-year period, the losses are not very great, but in the second 5-year period they just explode. This whole chart is practically red after the second 5 years and that is 700 billion dollars' worth of revenue loss.

The next chart I want to show is the middle class are shortchanged by the Republican tax bill. The middle-class people, which are all of these people down here in these income ranges, from under $30,000 to $100,000, they get these low figures in all of this. I want my Republican colleagues to see this because this is real important to them. This is what the middle class get. But this is what the upper income people get. The upper income people get 51½ percent of the tax cut in this bill.

Those are not my figures. Those are figures from the Department of the Treasury. I do not believe the Joint Tax Committee, and I see the staff director here on the floor and former staff director of the Joint Tax Committee who will dispute those, so the equities of this bill are wrong.

The timing of it is wrong. It is time to send this bill back to committee, and tell us to do it right.

The CHAIRMAN. The time of the gentleman from Florida [Mr. GIBBONS] has expired. The gentleman from Texas [Mr. ARCHER] has 5 minutes remaining.

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

(Mrs. ROUKEMA asked and was given permission to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Chairman, I rise in strong support of the bill. It puts critical incentives back into our economy to create those good jobs and save and invest in America.

Mr. Chairman, I rise in support of H.R. 1215, the legislation before the House of Representatives today, for three reasons: it cuts taxes for hard-working American families; it cuts government spending; and it puts some critically needed tax incentives into the law so that we can begin to implement a ''Save and Invest in America Plan'', which our country desperately needs in order to maintain our role as a world leader in the 21st Century.

While I am pleased to see that several items that I have long advocated as part of my save and invest in America plan are included in this package—including expanded Individual Retirement Accounts, a 50 percent exclusion on capital gains, indexing capital gains for inflation, increased ability of small businesses to deduct up to $35,000 in capital equipment investments—I had hoped that we would consider this important legislation under a more open procedure than the rule that governs debate on H.R. 1215 today.

Specifically, I had hoped that the House could consider an amendment that would allow the $500 tax credit for children to be limited to families with adjusted gross incomes up to $95,000 a year, instead of the $200,000 limit currently in H.R. 1215.

In addition to the fact that this amendment would more precisely target the tax relief in this bill toward middle-class families across our Nation, it would have also meant that H.R. 1215 would have provided for an additional $7 billion in additional deficit reductions over 5 years.

The second item I just mentioned is important because I happen to believe that the single most pressing problem facing the 104th Congress is our broken Federal budget.

In the current budget year, the Federal Government expects to collect a total of $1.3 trillion or revenue. Regrettably, that isn't enough money to fund the Federal Government's activities under the Clinton administration's current fiscal policies, because they expect to spend $1.5 trillion this year, leaving behind a $200 billion budget deficit!

At the same time, the Federal Government will spend $235 billion for interest payments on the $4.6 trillion debt! These interest payments don't help defend our country, provide health care to the elderly or impoverished, or fund environmental or educational programs.

If we fail to balance the budget, and this trend continues, in 2 short years we'll be spending more on interest on the debt—$270 billion—than we will on our national defense—$260 billion.

In this regard, the so-called deficit reduction glidepath agreement incorporated into H.R. 1215 by the rule is clearly insufficient. It takes a tentative step in the right direction—by requiring the Federal budget to be balanced in order for tax cuts to be effective—but it contains no enforcement mechanism that insures the deficit will be eliminated in the next 7 years.

Worse yet is that current projections for the loss in Federal revenues from the tax provisions in H.R. 1215 increase sharply in the future.

In fact, the Treasury Department is estimating that the tax provisions in this bill will lose about $190 billion in revenues in its first 5 years. However, the Treasury estimates that the tax provisions of this bill will lose an additional $440 billion in revenues over the subsequent 5 years.

Such a dramatic reduction in revenues will place extraordinary pressure on the Congress and President to offset this loss by cutting Federal spending even deeper.

For far too long in the past, the Congress and President have been simply unwilling to make the tough choices about budgetary priorities that the American people expect us to make, and as a direct result, we have faced $250 billion deficits for years and years, with no end in sight, a the same time that our debt has escalated from $1 trillion to more that $4 trillion.

Simply put: we must rise to this challenge and fix our budget.

The time has come for this unconscionable practice to end. And, this Congress should not let a historic opportunity to pass a better America on to future generations slip through our fingers.

For the last several years, I have spent a lot of time talking to the people of northern New Jersey that I represent about changing the unacceptable status quo by offering solid, responsible blueprints for our Nation's future—or, what I refer to as a save and invest in America plan.

Saving and investing in America will return money to the pockets of working Americans and encourage U.S. business to invest in new plants and equipment to become more competitive in the ongoing global economic wars. Saving and investing in America is about improving our economy, creating good jobs at good wages, and strengthening the American family.

While the fact of the matter is that the legislation before us today incorporates some of these ideas, I had hoped that this package could have reduced the budget deficit even further than it does.

I anticipate when the Senate acts on a tax bill, the Senate-passed legislation will address my concerns about the dramatic loss of Federal revenue after 2002, such that when the final version of this legislation comes before Congress, the new Republican majority in the House can proudly claim that it has done right by America and really, truly put the Federal Government on the road to a balanced budget by 2002. If so, I look forward to enthusiastically supporting passage and enactment of just that kind of legislation.

There are several other items included in H.R. 1215 that I support as well, including: its 5-year phase-out of President Clinton's Social Security tax increase, a credit for married couples that eliminates the tax code's so-called marriage penalty, tax incentives for the purchase of long-term health insurance and deductions for long-term care premiums, and a phased-in, 5-year increase in the Social Security earnings limit to $30,000 for senior citizens.

In conclusion, I support House passage of this legislation, and urge my colleagues in the House of Representatives to do likewise.

Mr. ARCHER. Mr. Chairman, I yield such time as he may consume to the gentleman from Nebraska [Mr. BARRETT].

(Mr. BARRETT of Nebraska asked and was given permission to revise and extend his remarks.)

Mr. BARRETT of Nebraska. Mr. Chairman, I rise in support of H.R. 1215.

For 92 days Congress has undergone tremendous transformation; from body of delay to one of action. Today we begin the climb for the summit of restoring tax fairness for families, businesses, farmers, and senior citizens; and we do so by making real cuts in spending.

I rise to call particular attention to provisions of H.R. 1215 that will help keep the family farm and the family business ''in the family'' by raising the estate tax credit from $600,000 to $750,000 and adjusting it annually for inflation.

Roughly half of the Nation's 2 million farmers are age 55 or older, and as the next generation of producers begin to take their place, these provisions will be instrumental in the all important effort of retaining the institution of family farming.

The estate tax provisions are but one of many good provisions of this sweeping package of tax cuts and spending reductions. I will support H.R. 1215 onfinal passage; it's far too important we move this last item in our contract forward. It is unfortunate, however, that we won't have the opportunity to make H.R. 1215 that much better.

Yes, I was 1 of the 100 or so Republicans that signed that letter. And I rise today to say that I am concerned about the provisions of this bill applying the $500 per child tax credit to those earning up to $200,000 annually. I commend my colleagues who had the courage and energy to take the lead on this issue.

We did promise the American people a tax cut. We also promised them deficit reduction. And certainly we could have worked for a better balance in this bill. By better targeting the $500 tax credit to families earning up to $95,000 annually, we would be cutting taxes and providing $12 to $14 billion more toward deficit reduction.

Lately, I and many others have been advised by our friends and colleagues that we shouldn't ''buy'' into the ''class warfare'' argument that is being waged by the other side, and that we should stick to what was in the Contract With America.

When I signed the Contract With America, I promised my constituents that I would support fair and open debate on items in the contract. I didn't promise to hand over my voting card and go home. They expect me to carefully weigh the pros and cons of the legislation and make improvements where I can.

That is certainly what I wished could have happened in this case. Instead, we're being told to eat our spinach and be happy. I never liked spinach when I was growing up, and I certainly don't like it now.

Nevertheless, on the side of deficit reduction, this bill is still serious business. It locks into place $124 billion in spending cuts.

The committee report accompanying the bill suggests how to achieve these savings, and I would not be representing my congressional district, if I did not raise objections to some of those proposals.

For example, recommended is another hit on rural health care and rural schools. The actual cuts to be made will be determined in the coming months by the appropriators and authorizing committees. I will be fighting to keep our share of the pie in rural America.

My constituents understand that fiscal responsibility and our goal of a balanced Federal budget will require sacrifice. And they are willing to do their share, but shutting down rural America will not be to anyone's benefit in the end. Someone has to put the food in our urban grocery stores.

This bill is the good news—tax cuts. This bill is also the reality—there is bitter medicine to swallow in the months and year ahead if we are to restore the government to fiscal health.

Mr. Chairman, I urge my colleagues to support H.R. 1215. it is not perfect and certainly is not painless, but it is necessary.

Mr. ARCHER. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, it is very interesting when the Democrats present charts and numbers. Again, statistics as I have said earlier, do not lie, but. Their numbers almost exclusively are based on the Treasury Department's analysis, and the Treasury Department is an arm of you know who. The Treasury Department's analysis of distribution tables has been thoroughly discredited. The Joint Committee no longer uses that formula. They abandoned it prior to the time that we Republicans ever took over the control of this House. They abandoned the fictitious imputation of income to everyone who owns their own home as if it were being rented. They abandoned the arbitrary assignment of unreported and under-reported income because the Treasury thinks they know that each of us is not accurate in what we report. Therefore, that has got to be added on.

This system of distribution tables in the hearings before the Committee on Ways and Means was thoroughly discredited. But that is the basis of all of their comments. And yet the Joint Committee, which is the commercial nonpartisan arm of the House and the Senate of this Congress, has issued their burden table which shows that under this tax bill the top 1 percent and the top 10 percent will pay more as a percentage of total taxes collected than the middle income or the lower classes will pay compared to current law.

That is what the people of this country should understand.

When we get to the deficit numbers, I have not seen before this Congress anything that has been proposed by the Democrats that will reduce the deficit. They talk about reducing the deficit, but it is words only. When it got to welfare reform, what did their proposal do? It increased welfare spending by $2 billion. Ours reduced welfare spending by $66 billion. There is a direct comparison. The Democrats are full of promises that if we only spend more money up front, somewhere down the line we are going to get a dividend, but it just does not happen that way.

I think the American people are well aware that the party that stands for letting people keep more of their money, downsizing the Federal Government is the Republican Party.

I once had a Democrat colleague on the Committee on Ways and means whom I respected a great deal, a liberal Democrat, genuine, honest, sincere, followed his conscience, and he said to me one day, ''Bill, I agree with you, we should have a balanced budget constitutional amendment.'' And I was rather surprised. But then he continued, ''The only difference is you think the budget should be balanced at 15 percent of the GDP; I think it should be balanced at 50 percent of the GDP.''

We want to get taxes down now equal to 2 percent of what the spending will be over the next 5 years so that when we get to a balanced budget we will have a Federal Government that will be 2 percent smaller and taking less out of the GDP. That is the Republican position. And we are determined to balance this budget.

On capital gains, it is very interesting to note the Democrats say this is really for the rich only, and yet 75 percent of all of the capital gains filings were for families that had under $75,000 of income.

My friend, the ranking Democrat on the Committee on Ways and Means said, oh well, it is like the lottery, only 7 percent or 8 percent of the people ever have a capital gain. He should look at the Joint Committee study here which was done in 1990, which covers only 5 years, from 1979 to 1993, and 15 million Americans had capital gains. That was 16 percent of the taxpayers who filed during that 5-year period. That is only 5 years. If you look at a lifetime, I will guarantee that the percentage of Americans that will have some type of capital gain will be a very, very large one.

Yes, some people start their business early in life and do not show a capital gain until later when they sell their business. It may be many years. The Treasury figures show them as accruing giant gains each year, and of course when they do finally sell in a one time in a lifetime sale, they are declared to be rich.

This bill is fair, and it gets the deficit down and it should be adopted.

The CHAIRMAN. All time for the Committee on Ways and Means' portion of general debate has expired.

During this portion of the debate, the gentleman from Ohio [Mr. KASICH] will be recognized for 30 minutes, and the gentleman from Minnesota [Mr. SABO] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New Hampshire [Mr. BASS].

Mr. BASS. Mr. Chairman, I rise in support of the pending legislation, and I do so as a member of the House Budget Committee. I am proud to be a member of this committee for the first time that came up with 180 billion real dollars in spending reduction.

□ 1730

And not only that, under the guidance of our chairman, it has come up with a plan which is incorporated into the rule which was passed today that will tie the tax relief to the passage of a balanced budget resolution which will be produced by this committee sometime in the next 2 months. We will not have a tax relief unless we have a balanced budget. I think that is responsible of this Congress, and for those who are concerned about tax cuts versus spending reductions, be assured that we will have a balanced budget by the year 2002, and we will have tax relief as well.

Mr. SABO. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. COYNE], a distinguished

member of the Committee on the Budget.

Mr. COYNE. Mr. Chairman, I rise today in strong opposition to the Republican tax bill. This tax giveaway to the wealthiest individuals in the U.S. is made possible only by taking a meat axe to programs serving children, seniors, and the poor.

Speaker GINGRICH has called this Republican tax cut for Americans with incomes up to $200,000 the crown jewel of the Contract on America. The tragic fact is, however, that this crown jewel is being paid for by cutting programs like school lunches, infant nutrition programs, disabled children, LIHEAP, and student loans? The only good thing to say about this proposal is that at least the Republican majority is being clear about its priorities.

This Republican tax bill is not a middle-class tax relief bill. The vast majority of tax cuts in this bill go to the richest individuals in our society. Households earning $200,000 would receive an average tax cut of $11,266. By contrast, more than 44 million American households with incomes below $30,000 would receive only $124. The vast majority of middle-class Americans will receive a meager portion of the Republican majority's tax giveaway. They will, however, be the ones to pay for this tax cut through cuts in funding for education, children's programs, job training, crime prevention, cancer research, and a host of other essential domestic programs.

While middle-class Americans get peanuts under this bill, the capital gains reductions in this bill will benefit overwhelmingly upper income individuals. Over three-quarters of the tax benefits from the Republican capital gains proposal will go to individuals with incomes of $100,000 or more. This is no ''Mom and Pop'' small business investment incentive. Over half the taxpayers who realize capital gains each year have incomes over $200,000. This select group of the wealthiest individuals in our society—those with incomes above $200,000—would receive a $7,800 capital gains tax cut in 1996.

The Republican tax bill also reopens a tax loophole for the biggest corporations in the United States by repealing the Alternative Minimum Tax [AMT]. The AMT was enacted in 1986 when Congress became aware of how U.S. corporations with millions in profits could avoid paying any taxes. Reopening this tax loophole was not in the Contract With America but it was added in the House Ways and Means Committee to benefit the biggest corporations in America. The Republican message to corporate America is ''Let the good times roll.''

While giving the lion's share of tax cuts to the top 3 percent in America, this bill denies millions of hard working Americans an ability to benefit fully from the $500 per child tax credit in this bill. In the original contract, a young couple with one child and a family income of $15,000 would receive a child tax credit of $500. Under the Republican tax bill being considered today, that family of three would receive a tax credit of only $90. The Republican majority leadership rejected attempts to restore the full family tax credit to moderate-income Americans by phasing out this provision for Americans with incomes above $95,000. Instead, Americans with incomes up to $200,000 will benefit fully under this child tax credit provision while millions of middle-class Americans will never receive a full $500 per child tax credit.

It is also an outrage that Federal workers across America have been singled out for a tax increase to pay for this tax giveaway. A Federal worker in Pittsburgh earning $20,000 will pay $500 more a year in pension taxes under the Republican bill. The people we depend on to run our prisons, enforce our laws, and serve the needs of all Americans have been hit with a tax increase under the Republican tax bill.

Finally, the Republican majority's talk about ensuring that this tax cut does not add to the Federal deficit is a sham. Instead of making tax cuts contingent on deficit reduction, the Republican bill only requires an annual report to Congress on progress toward reducing the deficit. Instead of voting on specific cuts to pay for this bill, we have a promise of an additional $100 billion in unspecified spending cuts to be made sometime in the future. The Federal deficit will grow even larger if the Republican majority fails to enact their $17 billion cut in school lunches, child nutrition, LIHEAP and seniors programs that are targeted to pay for this tax giveaway.

The key to deficit reduction is to stop this tax giveaway. When you are in a hole, the first rule is stop digging. How can we expect to control growth in the Federal debt being passed on to future generations of Americans when the Republican tax bill adds billions more to the Federal deficit? The Republican response is to cut taxes today and we can pay for our giveaway tomorrow. That is the same message Republicans sold the country in the early 1980's and the result was a Federal debt that grew from less than $900 billion in 1980 to more than $4.8 trillion in 1995.

Mr. Chairman, the Republican tax bill is no American Dream Restoration Act. This bill can only be paid for by taking billions away from programs serving middle-class Americans in exchange for a few pennies in tax reductions. At the same time, the wealthiest in our society will have their pockets filled with this Republican tax giveaway. I urge my colleagues to defeat this tax bill.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. HOEKSTRA], a member of the Committee on the Budget.

Mr. HOEKSTRA. Mr. Chairman, I think it is time for us to reflect back on where we have been for the last 2 years and also then to look forward to where we are going to be at the end of this Congress.

Over the last 2 years, back in 1993, we had a real what we thought was a genuine effort to reduce the budget, passed the largest tax increase in American history. Two years later the President has come back after that large tax increase and has taken a walk on getting us to a balanced budget, continuing and perpetuating $200 billion deficits for the next 5 years, taking us to an accumulated debt of over $6 trillion.

I encourage everyone to take a look at where the Republicans will be after we finish our 2 years with this opportunity to set America in a new direction.

We have taken a first step where we have passed a rescission package where we actually pay for emergency spending. This is the second step in that process. Today we are going to be delivering over $190 billion in tax reform, tax relief. We are going to be delivering another $30 billion in deficit reduction.

Within the next 2 months we will also for the first time in this House of Representatives deliver a plan to get us to zero, a balanced budget within the year 2002.

So what we have done is we have paid for emergency spending, we are providing tax relief, and we are going to continue to slow the growth of Federal spending so that we actually do get to a balanced budget. That is a record that we will be proud of. That is a record of accomplishment. And that will be a record of equity, fair distribution between the American people and slowing the growth of the Federal Government.

Mr. SABO. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Chairman, I rise in opposition to the bill.

Mr. Chairman, this vote is not about tax cuts. It is about priorities. It is about intergenerational equity. It is about whether we, as a nation, can in good conscience reward ourselves with tax cuts today, while laying upon our children the burden of massive, bloated deficits stretching as far as the eye can see. That is not right, Mr. Chairman.

While I commend my colleagues, Representatives CASTLE, UPTON, and MARTINI, for their concerted efforts to link tax cuts to deficit reduction, I do not believe that the commitment they have secured goes far enough. No commitment, however well intentioned, can ensure that Congress will meet its deficit reduction goals. Recent budget agreements have certainly taught us that. Yet we know that the pressure to maintain these very expensive tax cuts will only increase with time, regardless of whether or not we are on the deficit reduction glidepath specified in this agreement. That is a very, very slippery slope to embark upon, Mr. Chairman.

I, too, support many of the individual tax provisions contained within this package, but the rule does not permit us to consider these tax provisions individually. On the contrary, we are being asked to cast one vote on a massive tax bill whose price tag—nearly $700 billion in the next decade—is staggering. As a result, in this case, the whole is less than the sum of its parts.

Finally, Mr. Chairman, I would like to voice my strong objections to the leadership's unwillingness to permit amendments that would direct the child tax credit to middle-income families, rather than to those earning up to $250,000. The lack of a reasonable cap on the child credit is particularly troubling considering that this legislation actually raises taxes on over 2 million Federal employees to finance everyone else's tax cut, an egregious

inequity that I have already discussed on this floor several times today.

I urge my colleagues to keep their contract with future generations and to put deficit reduction, tax fairness, and equity for our Nation's civil servants first. Vote against this package.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the very distinguished gentleman from New York [Mr. LAZIO], a member of the Committee on the Budget.

Mr. LAZIO of New York. Mr. Chairman, I rise today in support of H.R. 1215, The Tax Fairness and Deficit Reduction Act of 1995.

As the father of two young daughters, I am well aware that families desperately need tax relief. My constituents on Long Island are shouldered with some of the highest taxes in the Nation, which are literally robbing middle-income taxpayers of the ability to take care of their families.

The National Taxpayers Union estimates that in 1991 a family of four that makes $53,000 paid 50 percent of their earnings in Federal, State, local and other indirect taxes. So, the Government takes home a larger share than the worker. Disturbingly, parents now spend about 20 percent less time with their kids today than 40 years ago. Why? Because the tax exemption for children has eroded due to inflation. In 1948 the child exemption amounted to 42 percent of an average family's income. Today it is only worth only about 12 percent. Consequently, both parents today usually have to work just to make ends meet.

The $500-dollar-per-child tax credit contained in the bill will help ease that burden. Every dollar workers do not have to send to Washington can instead be used to raise their families. Overall, Long Island families will save nearly $65 million from this tax credit. Importantly, 75 percent of it will go to families with incomes of less than $75,000.

Additionally, H.R. 1215 recognizes the particular financial burdens placed on seniors and would allow them to keep more of their earned Social Security benefits without being penalized for working. It also repeals President Clinton's tax increase on Social Security benefits and, provides tax incentives to encourage people to purchase long-term care coverage. In all, seniors in New York would reap over $2 billion in tax savings from this bill.

Forty-two million families and 5 million seniors will see their taxes cut under this bill, and New Yorkers will save nearly $16 billion over the next 5 years. Best of all, these tax cuts will be matched by spending cuts.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Chairman, I rise today in strong support of deficit reduction and in opposition to a bill that will add at least $700 billion to the deficit. The legislation before us today will give millions of dollars to the wealthiest in our society at the expense of our children, senior citizens, the disabled and working American families. The arguments we have heard to day in support of H.R. 1215, are all to familiar. It was only 15 years ago when the Reagan revolution came here to Washington to ask for deep tax cuts of the wealth, and for corporations.

In the early 1980's our debt stood at $1 trillion, by the end of that same decade the debt was close to $4 trillion. We have all listened to the Republican criticism of the President's fiscal year 1996 budget concerning deficit reduction. However, it should be pointed out that if the President did not have to finance the 1980 debt ''gift'', his budget would have been balanced. That's better than a glide path. The same misguided policies and economics that allowed our debt to triple in less than 10 years, are driving this huge tax give away.

We have heard that this hugh massive irresponsible tax give away, will spur economic growth. I think my colleagues on the other side of the aisle need a refresher course. Fifteen months after the 1981 tax cuts, the unemployment rate soared to 10.8 percent, it highest point since the end of the great depression.

I would question the wisdom of turning our backs on deficit reduction. As a member of the House Budget Committee, I have heard testimony from numerous economists who have cautioned us in proceeding down a dangerous path. Even the Chairman of the Federal Reserve, a vocal proponent of a capital gains tax cut, recommended caution and reminded us that the most important thing we could do for long-term economic growth is to reduce the deficit. Adding an additional $700 billion would do little to reduce the deficit and reduce long-term interest rates which directly impact short term investments.

We do have a choice before us today. We can support real relief for working families without jeopardizing deficit reduction or we can support relief for multinational corporations and wealthy citizens. The Democratic substitute includes necessary triggers to prevent any tax relief from adding to the deficit, unlike the Republican bill which simply calls on CBO to tell us that the deficit targets were not met and that automatic cuts in entitlements and discretionary accounts are necessary. It does not force the cuts nor does it give any specific cuts. The Democratic alternative repeals the tax relief provisions in the event that the deficit climbs above established targets.

Included in the Democratic alternative are real investments in our future economic strength while ensuring that all of the benefits are targeted to taxpayers with adjusted gross income and less than $100,000.

The substitute provides for a deduction for educational expenses of up to $10,000; a restoration of the deduction for student loan interest; an expansion of the current IRA Program to make more Americans eligible and to allow for penalty-free withdrawals for education and an enhancement of the Savings Bond Program to increase the rate of return to help families save for education without suffering any tax penalty. The Democrats are investing in our children and our economic future. What kind of country will we become when education opportunities only exist for the very wealthy? When students graduating from college cannot afford to purchase a home or a car because of staggering college loan payments? We are forcing today's college students into major debt before they turn 25. For our generation a mortgage represented a family's major debt, today it is a college education. What impact does this have on our economy and our ability to compete in global economy. If we do only one thing to help families and improve economic opportunities for all Americans, it would be investing in education.

The Democratic substitute ensures fiscal responsibility while providing necessary relief to working families. What price are we willing to pay to help major corporations and the top 10 percent of earners. Are we willing to cut school lunches? Cut student loans and Pell Grants? Cut Medicare and long-term care for the disabled and senior citizens? Eliminating or drastically reducing COLA's for Federal and military retirees? Are we willing to allow major cuts in breast cancer research. If you answer no to any of these choices, you must defeat H.R. 1215. included in this legislation is a call to cut $100 billion over 5 years from domestic and military spending.

I ask my colleagues to seriously consider the ramifications of today's dangerous vote. Do not be fooled by the rhetoric of yesterday. We have a choice—we can vote for the Democratic alternative and vote for families and economic stability or we can vote for the Republican bill and send the deficit through the roof. We simply cannot justify this type of reckless borrowing to give tax breaks to the wealthy at the expense of real working families and the most vulnerable in our society.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Chairman, one of my favorite Jack London stories is about the young Eskimo hunter who was highly successful. When they found out his secret, all were amazed, because his secret was to wrap tightly coiled shards of steel into frozen meat, and as the polar bears would devour the meat and thus would begin to digest it in the polar bear's stomach, the shards of steel would strike forward and literally tear the guts out of the polar bear, leaving a remarkably successful hunt for the young Eskimo hunter.

The tax bill before us is constructed not unlike that little hunting trick. It offers a $200 billion deficit impact in the first 5-year measurement window for this bill. The House only considers the first 5-year cost of the proposal.

Some in the majority side think we can afford the $200 billion. I happen not to agree.

But no one is talking about the full cost of this bill, the 10-year cost of this bill, and that is vital to consider in light of what happens once we get past this bill's measurement window.

You can see here in this chart that once we get past the 5-years, the cost of this measure explodes, and like the

trick used by our young Eskimo friend, this tears the guts not out of a polar bear but out of the Federal Treasury when the full costs of the tax proposal before us are experienced to this Treasury. It will devastate our ability to reach a balanced budget.

It will devastate programs vital to kids, vital to students, vital to seniors. It is very, very bad policy, and I urge its rejection.

Mr. KASICH. Mr. Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. WALKER], the very distinguished chairman of the Committee on Science and a member of the Committee on the Budget.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding. I would like to thank him for his leadership on this bill.

I certainly rise in support of the Kasich amendment and applaud the hard work done by the Speaker of the House, by the chairman of the Committee on the Budget, by Chairmen ARCHER and BLILEY to put together this historic measure. Included in this bill is a measure that the gentleman from Minnesota has mentioned on a couple of occasions which I believe is a rather historic provision and is something the American people have found very, very much in line with their beliefs of how we ought to begin this process of balancing the budget, namely, to get them involved, and this particular provision is called the Taxpayer Debt Buydown Act.

This is an effective, innovative plan to cut the runaway Federal budget deficit and reduce the $3.6 trillion in public debt. It is a bold way of bringing the American taxpayer directly into the budget process. It is a plan that will give the taxpayers the power they need to participate in controlling Federal spending, a referendum every April 15 on Federal expenditures.

The proposal would amend the IRS code to allow taxpayers the opportunity to voluntarily designate up to 10 percent of their income tax liability for the purpose of debt reduction. All moneys designated would be placed in a public debt reduction trust fund established by the Department of the Treasury and used to retire the public debt other than obligations held by the Social Security trust fund, the civil service and the military retirement funds.

On October 1 the Treasury Department would be required to estimate the amount designated through the checkoff. Congress would then have until September 30 of the next year to make the necessary cuts in spending. To coordinate this measure, in the efforts to balance the budget, the checkoff would count only if the amount is greater than the cuts Congress has already implemented. For example, if Congress passes a reconciliation bill this year and designates cuts of $50 billion in 1998 and the checkoff in 1998 totals $40 billion, well then, we will have met our obligation, and there would be no designation of additional money needed. However, if the American people wanted us to cut $60 billion and we only designated 50, we would, in fact, under this have to find another $10 billion in cuts. Therefore, it works in conjunction with and compliments the push for a balanced budget.

It is also a backup. If Congress fails to enact the balanced budget, the 10 percent will be the only option for cutting spending. If Congress failed to enact spending reductions to meet the amount designated by the taxpayers, an across-the-board sequester would occur on all accounts except Social Security retirement benefits, interest on the debt, deposit insurance accounts, and contractual obligations of the Federal Government. If Congress enacted only half of the necessary cuts, a sequester would ensure the other half.

All spending cuts would be permanent. The cuts would be permanently reducing the spending baseline.

Although nothing in the legislation would prohibit Congress from increasing taxes, tax increases could not be used as a substitute for spending reductions that would be designated by the taxpayers.

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OMB and CBO both say this idea works. It would balance the budget in 7 years and zero out the debt by fiscal year 2010 if everybody participated. If the public debt is not reduced in the same time period, projections show it will increase to over $9.5 trillion. So this is a very real way of beginning to deal with the problem.

Some recent criticisms have centered on one issue. The gentleman from Minnesota suggested that this would create a plutocracy where the rich would control the U.S. budget. Well, those with incomes over $100,000 would pay 39.2 percent of all individual income tax, or the top 1 percent of income taxpayers pay 27 percent of all income tax. You cannot have it both ways. You cannot on the one hand say we are going to tax people because of their wealth and then suggest when there is opportunity to have them participate in some of the things to begin reducing the deficit, that they cannot participate equal to what they are contributing to the entire problem. So that is what this does. No one is treated unequally. Anybody who pays taxes gets a chance to have their say in whether or not the debt and deficit should come down. I think this is a highly positive kind of approach, and people are finding it is a highly positive kind of approach. I congratulate. I congratulate the gentleman from Ohio [Mr. KASICH] for including it in this proposal, and I look forward to voting for the bill and seeing to it that it passes.

Mr. SABO. Mr. Chairman, I yield myself 15 seconds.

The gentleman describes a provision inserted in the bill with no hearings, no consideration. It changes fundamentally our government from a representative democracy to a system of government where $1 equal 1 vote, $1 million equals a million votes.

Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. I thank the gentleman for yielding this time to me.

Mr. Chairman, we are hearing a lot of inside-the-beltway talk in this debate, and it must be confusing to the American people.

In beltway language, this is a bill to eliminate the alternative minimum tax by reducing discretionary spending caps in violation of the Budget Enforcement Act.

But let me tell you what this bill is really all about. It means that NEWT's Republicans are creating tax loopholes for special interests, and paying for it by taking food out of the mouths of children, taking money out of the pockets of middle-income college students, and taking homes away from low-income seniors.

In Budget Committee, when these painful cuts were being thrust upon us, I offered an amendment to protect child nutrition. But, marching in lock step, the Republicans said ''no.'' NEWT's Republicans sent a clear message to America's children: We are willing to take away your school lunch so we can give lobbyists and special interests a free lunch.

But, Mr. Chairman, young children are not the only ones who will pay for these tax loopholes. We will also be taking money out of the pockets of middle-class college students and their families. At two schools in my district alone, almost one-thousand students will lose their campus-based aid so that special interests can stuff their wallets.

Unfortunately, there is another victim in this plot to prop up the special interests—our seniors. While kids are being kicked out of schools, seniors are in danger of losing their housing. More than 200 seniors in Santa Rosa and Marin are already in danger of being thrown out in the street.

Like school lunches and student loans, affordable housing will become an impossibility for many of America's seniors.

Mr. Chairman, NEWT's Republicans are going too far, and they are going too fast. The people of this country don't want this partisanship, they want real solutions—solutions that will improve their lives, not take away their opportunities.

I beg my colleagues on the other side of the aisle, in the interest of our children, our seniors, and middle-class America, let us slow down and think about who we are hurting before we pass this tragic legislation.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the distinguished chairman of the Committee on Government Reform and Oversight, the gentleman from Pennsylvania [Mr. CLINGER].

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

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

Mr. Chairman, I rise in support of H.R. 1215, the Tax Fairness and Deficit Reduction Act of 1995.

This bill keeps the promise made in the Contract With America to put us on a path toward fiscal responsibility with reduced spending to the tune of $90.7 billion over 5 years—that is a whopping $90.7 billion in deficit reduction—accomplished by imposing sorely needed restraints on discretionary spending.

A very difficult part of getting our fiscal house in order is going to involve reforming our Federal retirement system. I have heard some Members argue that there is nothing wrong with the current system. But let me state emphatically—our Federal retirement system is broken and in dire need of repair. We currently have an unfunded liability of $540 billion and that bill is long long overdue.

On top of that, we have a system where the retirement benefits paid out every year far exceed the cash coming in to pay for those benefits. And who do we look to pay the difference? Obviously the American taxpayer. Last year, $26.5 billion had to be drawn from the Treasury to help pay the pension benefits for Federal retirees. If we do not do something now, that number is going to continue to grow larger and larger.

A very short history: The Federal Retirement System was originally set up so that employee and employer contributions were equal, and those payments were projected to cover the cost of the system. When Congress increased benefits, Congress also increased employee contributions to cover these costs. The last adjustment to employee contributions, however, was made in 1969—26 years ago.

Since then, salaries and benefits have continued to increase for Federal workers and retirees, but without, without any corresponding mechanism to pay for them. The result is that the Federal Government—the American taxpayer, in effect—has shouldered an ever-increasing share of the cost of Federal retirement. That share is now about 70 percent of the cost of the retirement system.

So it is time past due to address the inequities of the system and put our Federal retirement program on a sound fiscal footing.

The increased contribution from Federal employees—amounting to about $2 billion a year—will go directly into the Federal Retirement System to maintain the system's benefit structure. And because additional employee contributions reduce the need for Federal borrowing to pay current benefits, the deficit also is reduced.

The Budget Committee has taken a difficult step in addressing the inequities in cost between Federal employer and employees. But just as important, the legislation addressed the inequities between pensions here in the legislative branch and those in the executive branch. H.R. 1215 would bring congressional accrual rates for Members and staff in line with regular Civil Service accrual rates.

Mr. Chairman, in closing, I want to say I strongly support the package of Federal retirement reforms in this legislation and urge my colleagues to do the same. These particular provisions represent a giant step in facing reality that the present dysfunctional system is a significant contributor to the overall budget deficit.

I commend the chairman of the Budget Committee, the gentleman from Ohio [Mr. KASICH], for his efforts in this area, and again urge my colleagues to pass this legislation.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Utah [Mr. ORTON].

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

Mr. ORTON. I thank the chairman for yielding.

Mr. Chairman, I came here today prepared to give a speech to you outlining the good parts and the bad parts of this bill and to tell you why I am in opposition to it. But I would like to submit my statement for the record and talk to my colleagues for just a minute about what is really important.

Mr. Chairman, a week ago my life changed forever as my wife gave birth to our first-born son, and today I just came from the doctor's office where we took him for his one-week checkup. While there, they had to take a blood test from his blood; they stuck his ankle and also had to give him an immunization. As he laid there crying and looking up at me through tears in his eyes, I would have done anything in the world to take that pain from him. But I could not take his blood test for him, and I could not take that immunization. It made me think as I came here to the floor today what are we going to say to my son 20 years from now or your sons and daughters or grandchildren if we fail to get our fiscal house in order? If we pass onto those children and future generations of this country the deficit, the debt that we have piled upon them, it will impact their lives forever.

But there is something we can do about that. What I am going to do about that today is to vote against this bill because this bill does not balance the budget. This bill says before we start even climbing out of the $5 trillion hole we are, we are going to dig $700 billion deeper. That does not make sense.

So I would urge my colleagues let us balance the budget first, let us not dig deeper into the hole before we try to climb out. Let us be able to look our children and grandchildren in the eye in the future and tell them we did do what we could do for this country.

I urge my colleagues to vote ''no.''

Mr. Chairman, I rise in opposition to the so-called ''Tax Fairness and Deficit Reduction Act of 1995.''

I believe the American public has sent us a clear message: Cut spending first. In order to balance the budget over the next seven years, we will have to make over $1 trillion in spending cuts. This will be extremely painful and difficult to achieve. To dig ourselves another $630 billion in debt before we even start to climb out of the deficit hole makes absolutely no sense.

I am certainly not alone in this analysis. The chairmen of the Senate Budget and Finance Committees both agree that we should not be cutting taxes at this point. The Senate Budget Committee's preliminary plan to balance the budget includes not a single tax cut included in this tax bill we are debating today in the House.

So why is this vote taking place. The answer is politics, pure and simple. The tax bill is in the grand old political tradition, a Christmas tree, with something for everyone. As members struggle to justify why they are voting for final passage, their only line of defense seems to be ''It's in the Contract.'' Many supporters of those who will vote for this bill are privately conceding that we should not be cutting taxes by $630 billion over 10 years, and are counting on the Senate to bail us out.

This is not the responsible thing to do. The clear danger here is that we will commit the same mistakes of the 1980's that lead us to ruinous budget deficits and a national debt approaching $5 trillion. In 1981, we passed tax cuts first, with the promise of future spending cuts. Those cuts never materialized. We cannot make this same mistake again. The spending cuts should come first. Then, if we can find additional spending cuts, we can then cut taxes.

For that reason, I have worked with Representatives BROWDER, CASTLE, UPTON, and MARTINI over the last few weeks to develop and offer a bipartisan amendment to make all of the tax cuts in the bill dependant on spending cuts necessary to both balance the budget and pay for the tax cuts. Specifically, our amendment would have delayed the effective date of the tax cuts in the bill until Congress passed and the President signed into law legislation which cuts spending enough to balance the budget by 2002, and also pay for the tax cuts. As an enforcement mechanism, the tax cuts in the bill would later be revoked if we failed to meet interim deficit targets leading to a balanced budget by the year 2002.

This amendment is completely consistent with what the House leadership has announced it would do—to both balance the budget and pay for tax cuts. Now, I am pleased to see that leadership has retained a portion of the provision in our amendment which delays implementation of the tax cuts until there is a certification that the reconciliation bill containing the tax cuts both balances the budget by 2002 and pays for the tax cut. I take this to be an ironclad commitment that the House leadership will not bring a reconciliation vote to the floor this summer containing tax cuts unless such a certification is made. And, I strongly urge every member of the House to vote against any future reconciliation bill which violates this commitment.

However, I am concerned that leadership watered down the Browder/Castle/Orton/

Upton/Martini amendment with respect to enforcement of annual glidepath targets. In my opinion, leadership's failure to retain this provision calls into question their commitment to making deficit reduction our top fiscal priority. And it makes it harder to vote for a bill which cuts taxes at the expense of deficit reduction.

Mr. Chairman, the issue is simple. With over $200 billion deficits as far as the eye can see, it is irresponsible to start off with tax cuts when we should be starting off with spending cuts. The issue is not whether these tax cuts are paid for with spending cuts. The issue is whether we are going to cut spending in a amount necessary to both balance the budget and pay for any tax cuts we might approve. Put simply, the issue is whether we are going to cut spending first.

I recognize that families with children could use tax relief at this time. However, I would appeal to every family in my home state of Utah and in the nation to ask themselves what is best for their children. Do we want to leave a legacy to our children of a staggering debt, high interest rates, and a declining standard of living? Do we want to continue a path of consuming today at a huge cost tomorrow? Is that really a family-friendly thing to do?

We know the answer is no. Every parent recognizes the need to save for their children's higher education and for their own retirement. We should be equally responsible with our federal finances. It is fun to cut taxes? The answer is clearly yes. Is is responsible to cut taxes before we cut spending, exacerbating our $200 billion a year federal deficits? The answer is clearly no. Let's put the nation's interest above political interest. Vote no on the rule and vote no on final passage.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. MILLER], a member of the Committee on Appropriations, and a distinguished member of the Committee on the Budget.

Mr. MILLER of Florida. I thank the gentleman for yielding this time to me.

Mr. Chairman, the gentleman from Utah who just spoke said there are 182,000 children in the gentleman's district who would benefit from this tax cut and that would amount to $91 million in tax savings for the gentleman's constituents.

Mr. Chairman, I am proud to be here today in support of the Tax Fairness and Deficit Reduction Act. Not only does this legislation provide necessary tax relief for the hard-working families of America, it pays for those tax cuts and reduces the deficit by $30 billion.

In our quest to remove the burden of bloated government from the backs of our kids and our grandkids, all I hear from the other side of the aisle is empty rhetoric about class warfare.

The fact is we started with ourselves: for the first time in 40 years, we have a deficit reduction package that cuts benefits for Members of Congress. This legislation reforms the overly generous pension benefits given to Members of Congress by the overly-taxed American people.

Never in the past 40 years did the Democrats reduce their benefits and actually give the money back to the hard-working, tax-paying citizens of this country.

Republican leadership is different. We are leading by example. I urge my colleagues to support this legislation.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from South Carolina [Mr. SPRATT].

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

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

Mr. Chairman, I have listened to Members from across the aisle insist the tax cuts in tax bill are paid for. In truth, they are not paid for. That is why this tax bill is so reckless. I have time to talk about just one reason why the revenue losses entailed by this bill are not replenished or offset by spending cuts. That is that the lower spending cap, $100 billion, for reduction in discretionary spending, is spurious, just more smoke and mirrors.

Now, I know that the chairman of the Budget Committee sent us an illustrative list of spending cuts that total $100 billion. None of these cuts has been voted on yet. It would be miraculous, in my opinion, if even half of them were ever approved. And if we take this tax list sent to us by the chairman at its face value we ought to know that there is one peculiar discrepancy to it. That is that it is silent, altogether silent on defense spending, which constitutes half of all discretionary spending.

The chairman also said lately that he would like to freeze defense spending at the current level of outlays, which is $270 billion.

Now, let us bring defense, the other half of discretionary spending into the picture and see what happens. I have a chart here that is not about class warfare, it is about budget reality, which deals with that particular half of spending.

If we take the lower caps, $100 billion reduction in the spending caps called for by this bill with constant defense outlays of $270 billion, that is an outlay freeze on defense, we see from this tax chart that we will have to cut $41 billion out of budget authority from nondefense programs for fiscal 1996, which is next month. As you can see from those charts, those cuts in nondefense budget authority will rise to $66 billion in fiscal year 1998, a 23.5-percent reduction off current levels of spending for those programs. That is 23.5 percent off of NASA, Drug Enforcement Agency, programs for the elderly, you name it, everything in discretionary spending. Altogether, over 5 fiscal years the cuts in nondefense spending will add up to $187 billion, which is $87 billion more than the chairman of the Budget Committee has laid out in his illustrative list.

Now, there are lots of things in this tax bill I would like to vote for and support. This would deal a death blow to deficit reduction, and that is why I am voting against it and urge others to do the same.

□ 1800

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Chairman, I thank the gentleman from Ohio [Mr. KASICH], the chairman of the Committee on the Budget, for yielding this time to me.

Let me just say that there are two things that this economic program that the contract embodies are trying to carry out. One is to slow the growth of outlays that the Federal Government does on an annual basis. This chart shows where we have come in terms of outlays over the years from a low of total Government spending in 1930 of 12 percent to the 1990 level of spending of 42 percent, and it is the chairman of the Committee on the Budget and his committee members who are going to be responsible for bringing down this rate of growth under our plan.

The second part of our plan is to create more revenue, to get revenues growing so that, as we bring down the rate of growth and spending, the revenue line will catch up with that level of spending that is necessary, and in so doing eliminate the budget deficits and, eventually, the debt.

In order to do that, John Kennedy told us in 1963 that, if we do good, smart tax policy, it will create an economic expansion, we will have more people working, earning more money and hence paying more taxes, and that is what today's debate is essentially about.

Now we know that there are some folks on the other side of the aisle who do not want lower taxes because it means we have to spend less because we will have a smaller government, and so they try to come up with some red herrings to scare some of the Members who might be hesitant to vote for it.

The next chart shows what one of those arguments is about. They say that the capital gains tax reduction that we are proposing to put in place does big favors for the rich people when in fact 38.4 percent of the people who pay capital gains tax have an income of under $50,000, and, as a matter of fact, the next 22 percent have income over $100,000, and so in fact the large majority of the capital gains that are paid are paid by low income and middle income people.

The other thing that the opposition would like us to believe is that the $500 per child tax credit somehow favors rich people when in fact 87 percent of the people who will benefit from this program earn less than $75,000 a year. As a matter of fact, the last speaker, the gentleman from South Carolina [Mr. SPRATT], has 123,000 children in his district which are middle income people, and has district, if we do not pass this plan, will therefore lose $307 million to the families and his middle class taxpayers.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentlewoman from Hawaii [Mrs. MINK].

(Mrs. MINK of Hawaii asked and was given permission to revise and extend her remarks.)

Mrs. MINK of Hawaii. Mr. Chairman, I thank the gentleman, and I appreciate the time to offer my thoughts about what we are about to do.

Two weeks ago we had some very dramatic debate in this House concerning the welfare program. At the end of that we saw major cuts being made on some of the most substantial programs that help needy families throughout America, and the cost of the program in terms of reductions made against the poor in America came to something over $60 billion. I say to my colleagues, you study this tax cut program today, you'll see that the $60 billion that we took away from poor needy families is going to pay for the tax cuts for the super rich in this country.

I stand here today, not as an expert on the tax cuts and the implications that are going to fall upon this Nation in 5 or 10 years, but I stand here today and ask the question, Is it ever fair for the Congress of the United States to pass tax cuts for the super rich and to pay for it out of the needs, and wants and feelings of the poorest in this country? We cut school lunches. We are going to cut the student aid programs in our colleges. We took away some of the WIC Program. We took away the base of guarantee of the welfare structure by taking away the entitlements. On and on, Mr. Chairman, the sacrifices that are being called upon to pay for this tax cut are coming from the average citizens of this country.

Now there are some good things in here, and I suppose many people are going to be tempted to vote for this bill because of these various good items in it, some of it having to do with the senior citizens. But I ask the senior citizens: In the end we're going to have to pay for these tax cuts of $189 billion, and watch out, senior citizens. It is going to come from your programs, your benefits, and your Medicare Program. I guarantee you that.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Delaware [Mr. CASTLE], the former Governor of the State.

Mr. CASTLE. Mr. Chairman, I believe the premise of this bill is correct: The American people should be able to keep more of the money they have earned. It is just not right for the Federal Government to take an ever increasing share of the incomes of working Americans. Do the American people want a tax cut? Yes, they certainly do. But their top priority—and many of my constituents in Delaware have told me this—is for Congress to cut spending and balance the budget first, and then cut taxes. The bill now contains this very important safeguard.

I am pleased to say that the Republican leadership, Chairman ARCHER and Chairman KASICH agreed to an amendment offered by Mr. UPTON, Mr. MARTINI, and myself that requires that the tax cuts can only become law when Congress has approved budget legislation that will put the Government on course to a balanced budget by the year 2002.

This will hold Congress' feet to the fire to ensure that the budget legislation passed this year will make all of the necessary spending cuts and program changes to reduce the deficit every year for the next 7 years so that the deficit will be zero in 2002.

It provides a strong incentive to put a tough budget plan in place now, so that the tax cuts can begin as scheduled next year.

In subsequent years, if the budget committees and CBO report that we are no longer on course to a balanced budget, Congress must then consider a budget resolution that will put us back on course.

In addition, the legislation will also require the President to submit a balanced budget each year. As my colleagues know, President Clinton has submitted a budget that will produce $200 billion deficits for each of the next 5 years, adding almost a trillion dollars to the national debt. This amendment will require the President to submit a balanced budget or offer one as an alternative plan if he chooses to propose continued deficit spending.

Mr. Chairman, I strongly believe that no tax cuts should go into effect until this Congress faces up to the challenge of reducing Government spending. This amendment ensures that this will happen. Many of us have tried to work on a bipartisan basis on this issue and we will work with Chairman KASICH as we move on to the deficit reduction legislation that must pass before the tax cuts can take effect. We want to cut taxes—let us make sure the spending cuts happen first.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas [Mr. STENHOLM].

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

Mr. STENHOLM. Mr. Chairman, one of my colleagues was quoted in this morning's paper saying, ''How can anyone today vote against cutting taxes?''

It should be very easy for all of us when we are doing it with borrowed money.

Another colleague stood in the well too long ago and said, ''Imagine $500 laying on this table. Shall we have a family spend it, or shall we have the government spend it?'' Obviously the family, with one small problem. It has already been spent, and to spend that 500 again they have got to borrow it again.

We all know the quote about those who refuse to study history being doomed to repeat its mistakes. Well, I not only studied the congressional history of the early 1980's—I helped to make it. I did it in good faith. I did it with the encouragement of my constituents. But I am determined not to repeat its mistakes again in 1995.

Contrary to my usual optimism, it is hard for me not to agree with the quote:

''What experience and history teach in this—that people and governments never have learned anything from history, or acted on principles deduced from it.''

Think what we are doing, friends. We have a debt which will break $5 trillion by the end of the year. We have annual deficits which are scheduled to continue rising in the foreseeable future. We have a Medicare program which will be insolvent just around the corner, and a Social Security program which will go from having a surplus to running deficits within the next generation.

Our dollar hit a new low today; how can we even be thinking about cutting taxes right now?

I feel particularly sick about seeing history repeat itself in terms of backloaded costs, disingenuous baselines, and a ''spend now/pay later'' attitude which is in the current resolution which is before us today, and I also get very upset and disturbed by the frequent comment on the floor that Democrats have not put a serious deficit reduction plan up for a vote. I have noted that every Member that has stood up and made that comment today who was here last year when we had the opportunity voted against the entitlement cap when we put it on the floor and had a serious effort, every single one that criticized that were here in the last Congress.

Vote ''no.'' Let us stop making the hole deeper.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New York [Mr. FORBES].

Mr. FORBES. Mr. Chairman, I might point out that my distinguished colleague who has preceded me, there are 114,000 children in the gentleman's district whose parents are eligible for the $500 per child tax credit. This bill would allow middle class families in his district to keep a total of $57 million of their hard-earned money.

Mr. Chairman, we are responding to the will of the American people in enacting the tax fairness and deficit reduction bill. The Clinton administration and their defenders raise taxes on the elderly, they raise taxes on families, they raise taxes on small business men and women, the Main Street merchant, the hard-working Americans, and my folks on Long Island, already carrying a heavy enough burden, they asked for this relief.

It is unfortunate that the mouthpiece for the Clinton administration at the Small Business Administration's Office of Advocacy has come out against this measure of relief for small business men and women while the NFIB, the Chambers of Commerce and all small business groups favor the enactment of this tax fairness and deficit reduction measure. I urge its passage.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Chairman, let me start by saying how many thousands there are that would benefit from the tax credit in my district; 85 percent of them would still benefit from it if for the 105 Members on the Republican side who signed the letter saying that we ought to change that tax cut had had the courage to stand by their convictions, but we do not have that choice today. We only have the choice presented of extending a tax break to those in the $200,000 range, and this bill, as the gentleman from Texas [Mr. STENHOLM] said, really is about borrowing from all the children in our district in order to pay for this politically motivated tax cut. It is not the American Dream Restoration Act. Its real title is ''Stealing Our Children's Future Act.''

This bill makes the deficit greater in the year 2000 than if we did not do anything. Put another way, if this Congress would just shut the doors and go home, we would be a lot better off as far as the deficit is concerned.

The American people know that this deficit reduction program is not satisfied in this bill, that in fact what we have is a deficit-mushrooming bill, and, when they have been asked, whether it is in the field hearings of the Budget Committee around the country or in the polls like the one the Wall Street Journal recently conducted, well over half of them have said, ''Use the money to pay off the debt.'' Less than a fourth have spoken up in favor of tax reduction.

There has been plenty of talk today about the misuse of statistics. Well, let us take the Republican numbers. They tell us that this tax cut will only cost a mere $189 billion over 5 years. Well, if we had that $189 billion, we would have that much less deficit, but of course it is not $189 billion. It is $630 billion over the next 10 years that we are going to be adding to this deficit, and the claim that it is being paid for is as frivolous as this letter that has been circulated by the chairman of the Committee on the Budget. Surely there is great competition in this Congress for the silliest Dear Colleague letter, but this one that suggests we will pay for it with $100 billion by eliminating duplication and waste of $24 billion is right up at the top. There is not any line item in the budget for eliminating duplication and waste.

It includes things like eliminating the school-to-work program.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the very distinguished gentleman from the State of Michigan [Mr. UPTON].

□ 1815

Mr. UPTON. Mr. Chairman, I thank the gentleman from the Buckeye State.

Mr. Chairman, deficits do matter They really do. Before I was in the Congress, I worked for a President by the name of Ronald Reagan. I watched a Congress then that promised that they would make $2 or $3 in spending cuts for every dollar that they cut in taxes. And you know what? It never happened. It did not happen. It was a promise that was not delivered on.

In fact, the deficit ballooned by $4 trillion during those years. In 1990, as a Member of Congress, I was asked to go down to the White House to spend a little time with President Bush and talk about his 1990 tax/budget bill. I told him then that I could not support it. I could not support it because his advisers where taking him to the cleaners. In fact, as I reviewed the numbers this last weekend, his budget predicted a surplus of $63 billion in the year 1995. They were $300 billion off.

Mr. Chairman, the Castle-Upton-Martini language that was adopted on this House floor on the last vote recognized three very important principles: No. 1, none of the tax cuts would kick in unless we passed reconciliation later this year that in fact will lead to a balanced budget by the year 2002. The second point was that each and every year if we get off that track, we will have a mechanism to put us back on the track, so that in fact we can achieve a balanced budget by the year 2002, and not end up with something that happened with the Bush budget back in 1990. And, No. 3, that the President will submit a budget that will balance the budget by the year 2002.

The Castle-Upton-Martini language acts as an insurance policy. It insists that we here are going to eat our vegetables even if they are Brussels sprouts before we have our dessert. This legislation passed will in essence make sure that we do not repeat the mistakes of the past.

Mr. Chairman, I urge my colleagues to support this bill.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. TUCKER].

Mr. TUCKER. Mr. Chairman, I thank the distinguished gentleman from Minnesota for yielding.

Mr. Chairman, so what is wrong with a $19 billion tax cut for individuals and for businesses? Well, on the surface, nothing. Except two crucial questions: Who and what? Who benefits from these tax cuts, and what will be the cost of these cuts?

First, the wealthiest 1 percent will get 20 percent of the benefits. The wealthiest 5 percent will get 36 percent of the benefits. And the wealthiest 10 percent will get almost half of the benefits, 47 percent. Taxpayers making up to $200,000 will get $11,000, while those making less than $30,000 will receive a paltry $124.

This bill pays for these tax cuts to the rich and corporations by cutting discretionary spending by $100 billion, which has already been cut significantly. We are talking about housing, and we are talking about applying cuts already made in programs like school lunches. The cost of this tax cut over 10 years is $700 billion. This hurts deficit reduction.

This bill should be changed to target families making up to $100,000, the real middle-class. The tax breaks should be for higher education, expenses, and interest on student loans and expanding the number of taxpayers who can deduct contributions to IRA's. The most important thing is all tax cuts should be delayed until OMB certifies that legislation has been enacted that will provide that the budget will be balanced in fiscal year 2002, and that this bill should automatically be repealed if specific targets are not reached each year.

Mr. Chairman, this bill should not be supported, and I urge my colleagues on both sides of the aisle to do what the bill proposes to do, and that is to give tax fairness.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Virginia [Mr. MORAN].

Mr. MORAN. Mr. Chairman, my friend from Michigan mentioned that he worked for the Reagan administration during the 1980's. I worked for the Nixon administration for quite some time. But during the 1980's I was a stockbroker. I sold tax shelters, tax shelters because they paid the highest commission. And most people that came into the office, whatever they invested, we could show them how to avoid paying any Federal income taxes.

I have some familiarity with the way tax shelters work, and I am not particularly proud of the fact that we financed so many see-through buildings, so many investments that had no real economic value, but the people did not care, the investors did not care, because they were not investing for the substantive value of the asset; they were investing because of the tax benefits.

Mr. Chairman, if this bill passes, we will never have enacted tax shelters that are more open to abuse in the history of this Congress. There are two tax shelter areas here that will yield billions of dollars in tax savings and yield no economic value to our economy. The neutral cost recovery system, for example, if you are going to borrow money in the first place to purchase an asset, put it in use for less than 10 years, you will get back your value, because you will depreciate it, plus it will be indexed, plus you are going to get 3.5 percent annual increment.

Now, Mr. Chairman, what happens is we do not index interest costs for inflation, so no one in their right mind will put actual cash down. They will borrow. But there will be a built-in tax credit, a built-in tax shelter.

It is too complex to be able to describe it in a way that anyone in the audience is going to fully understand. I just have to tell you, Mr. Chairman, that we will rue the day that we pass these kind of tax shelters.

The other problem is in the tax capital gains area. I did not even get into the tax shelter and capital gains.

Mr. Chairman, we have to learn from the past. We are going to repeat what happened in the 1981 Tax Act if we are not careful here. I wish Members would read the entire tax bill before us.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Colorado [Mr. ALLARD].

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

Mr. ALLARD. Mr. Chairman, I thank the gentleman for yielding time.

Mr. Chairman, I would just comment, if this bill would pass, the average Colorado family would pay $1,534 in fewer taxes.

Mr. Chairman, I join in strong support of the Contract With America tax relief package. It is time to give American families back some of their hard earned money. Two years ago, President Clinton raised our taxes, today the Republicans fulfill their contract and cut taxes. We are keeping our word.

The American people want lower taxes, and less government spending. This package delivers. Every nickel of this tax cut is paid for with spending cuts, and an additional $90 billion in spending cuts are applied to deficit reduction. In May, we will return with a budget resolution that builds on this legislation and puts the government on a glide-path to a balanced budget by 2002. This will necessitate us capping the rate of growth in spending at 2 percent a year. The difference is that now the Federal Government grows at over 5 percent a year.

I would like to take the time to comment on one provisions in this tax bill that I am particularly pleased with. That is the home office tax deduction.

In the last Congress I introduced home office deduction legislation which was cosponsored by 79 colleagues. This Congress I have introduced H.R. 40, which has been cosponsored by 82 of our colleagues. This legislation is designed to restore the home office tax deduction, which was narrowed a great deal by a 1993 Supreme Court decision.

With April 15, fast approaching the last thing most Americans want to think about is taxes. In fact, the average American must now work the first 125 days of the year to pay all Federal, State, and local taxes.

The bulk of the family tax bill consists of income taxes, payroll taxes, and property taxes. However, one factor which adds to the growing tax bill of many self-employed and small business owners are the new rules governing the home office tax deduction.

Increasingly, it is the little guy who gets squeezed by the tax system. While large corporations can rent space and deduct office and virtually all other expenses, many taxpayers who work out of their home are no longer able to deduct their office expenses.

Traditionally, the tax code has permitted individuals who operate businesses within their homes to deduct a portion of the expenses related to that home. However, over the past 20 years Congress, the courts, and the IRS have reduced the scope and usefulness of the deduction.

The most serious blow came 2 years ago when a Supreme Court decision and subsequent IRS action eliminated the home office deduction for many. Under the Supreme Court's new interpretation of principal place of business a taxpayer who maintains a home office, but also performs important business related work outside the home is not likely to pass IRS scrutiny.

This change effectively denies the deduction to taxpayers who work out of their home but also spend time on the road. Those impacted include sales representatives, caterers, teachers, computer repairers, doctors, veterinarians, house painters, consultants, personal trainers and many more. Even though these taxpayers may have no office other than their home, the work they perform will often deny them a deduction.

According to the IRS, 1.6 million taxpayers claimed a home office tax deduction in 1991. While not all of these taxpayers were affected by the change, many will. Clearly, any taxpayers who operate a business out of their home must review their tax situation.

There are many reasons why a broad home office tax deduction is important. The deduction is pro-family. It helps taxpayers pursue careers that enable them to spend more time with their children. The deduction helps cut down on commuting and saves energy. The deduction recognizes the advances of technology—computer and telecommunication advances mean that more and more individuals will be able to work for themselves and maintain a home office.

The deduction is a boost to women and minorities who are increasingly starting their own businesses. In fact, over 32 percent of all proprietorships are now owned by women entrepreneurs, and Commerce Department data reveals that 55 percent of these women business owners operate their firms from home. Minorities are making similar advances. There are now well over 1 million minority-owned small businesses and a good number of these are operated out of the home.

Finally, the home office tax deduction helps our economy. It benefits small businesses and entrepreneurs who develop new ideas, and create jobs. Many of America's most important businesses originated out of a home office.

Small business is increasingly the engine which drives our economy. With large firms downsizing, entrepreneurs must pick up the slack. The importance of this trend is demonstrated by the job shift that occurred during the slow recovery from the most recent recession. During the period of October 1991 to September 1992 large businesses cut 400,000 jobs while small business created 178,000 new jobs. During the boom years of the 1980s, the vast majority of the 20 million new jobs created were in the small business sector.

It is critical that recent assaults on the home office tax deduction be reversed. That is why I introduced legislation to fully restore the deduction. I was pleased when similar language was included in the Contract With America, and now in this tax bill. With passage of this bill today, we move one giant step closer to restoring the home office tax deduction.

Mr. KASICH. Mr. Chairman, I yield 1½ minutes to the very distinguished gentleman from Arizona [Mr. SHADEGG], a member of the Committee on the Budget.

Mr. SHADEGG. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I might begin by noting my predecessor on the opposite side of the aisle who expressed his opposition to this legislation decided to vote 2 years ago to raise taxes on his constituents by $1 billion, and now opposes a $500 tax credit that would go right to the parents of the 100,000 children in his district. That is the kind of rhetoric which characterizes this debate

Mr. Chairman, I rise in support of this bill. I also listened to my colleague, the gentleman from Utah [Mr. ORTON] a few minutes ago who recently had a son and said it would change his life forever. He asked how would we explain this bill to children. I explain it to children because we are giving their parents a tax credit. His decision to vote against this bill is wrong. It is dead wrong.

As I mentioned, 2 years ago my colleagues on the other side voted to raise taxes. Now they said they cannot cut taxes. It is a consistent pattern on the other side. They believe in raising taxes over and over again.

If we care about children, we must balance the budget, and this bill begins that process. It enacts $100 billion in spending cuts. Not phony spending cuts from a baseline going way up, but real dollar spending cuts. If you care about children, we have got to also cut spending, because the tax burden on America's families today drives spouses into the workplace. Spouses who should be at home and who would like to be at home taking care of their children are forced to go to work. If you listen to their message, it is because of the profligate spending of my colleagues on the opposite side who have controlled this Congress for 40 years and who built a $4.3 trillion deficit, who say we overspent then, so we cannot cut taxes now. Well, I say baloney. It is time to give the American people a break. It is not our money, it is their money. I urge Members to support this bill

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Maryland [Mr. MFUME].

Mr. MFUME. Mr. Chairman, Ringling Brothers and Barnum & Bailey came to town today with an elaborate show of elephants and clowns on the Capitol Grounds.

But that does not come close to the high wire act being performed today on the floor of the House by daredevils and acrobats who are attempting, through sleight of hand, blue smoke and mirrors, to pull a rabbit out of their hats while dangling the American taxpayer in mid-air and calling this tax bill deficit reduction.

Federal workers in particular know that this is the new ''greatest show on earth.''

When a Federal employee accepts a position with the U.S. Government, he or she is, in many respects, agreeing to a contract. The employee agrees to provide their knowledge, time, energy,

and a good part of their life, to the Nation we all love.

The Government, in return, agrees to compensate them for their time and provide for them in their retirement.

What we are effectively doing to current Federal workers is changing the rules in the middle of the game. We are telling the 2 million of them that we still expect the same quality and quantity of work, but for less compensation.

We are telling them that despite the fact that they have helped to keep this Nation going, we are not fulfilling our part of the bargain.

It is generally accepted that this legislation is unfair to Federal employees; Members on both sides of the aisle have said as much.

Yet the Republican Party has circumvented the committee system and included the Federal employee pension provision in this legislation. What a dangerous, shameful and dastardly deed.

For the average Federal employee earning $40,000 a year this proposal will impose an additional $1,000 in taxes, disguised as an increase in the contribution to their pension.

More than half of the benefits from the tax package before us will go to families with incomes between $100,000 and $200,000 a year. Two hundred thousand dollars, is that middle-class?

And please do not tell me that the money Federal employees are losing will go towards deficit reduction; because the fact of the matter is that this legislation actually adds to the deficit.

If it becomes law, Congress will be forced to find $1.6 trillion in extra budget cuts or revenue increases over the next 7 years in order to balance the budget.

Federal employees are not extravagant millionaires. They are the hard working men and women.

The 2 million Federal employees, who have worked hard for years, deserve better treatment than this.

They deserve our thanks. They deserve the cost of living increases which are usually denied or delayed. They deserve to be free from unwarranted furloughs, and they deserve to know that they can go to sleep at night without worrying about what Congress or the Republican party will do next to renege on their promises to them.

Mr. Chairman, while Federal employees are the biggest losers under this bill, I don't want to belittle for a minute the negative impact this bill will have on our nation and its deficit.

This legislation will increase the deficit. It rewards the wealthy and punishes the middle-class and working Americans who will feel the brunt of the spending cuts. And, it demoralizes the Federal employees who are necessary to make this Government run.

In the end the difference between last year's Republicans and this year's Republicans is Tweedle Dee and Tweedle Dum. The party that gave us Voodoo economics is now about to give us Robin Hood in reverse. So listen closely my friends, that giant sucking sound that you will hear in a couple of months will have nothing to do with NAFTA, but everything to do with AFTA [Angry, Forgotten, Taxed Americans] who will say to the architects of the Contract on America ''Et Tu, Brutus,'' I can't believe what you say because I see what you do.

Vote no on this misguided piece of legislation and end the charade against the truth, perpetrated in the name of deficit reduction.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the very distinguished gentleman from Oklahoma [Mr. LARGENT], a member of the Committee on the Budget.

Mr. LARGENT. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, in this war of words and charts and ideas, we have heard a lot about the tax consequences and the tax burden on the average family. I would just like to begin by saying that those families that are represented by hard-working parents trying to make ends meet for their children are anything but average. They are exceptional. In fact, they are outstanding, and that is why we need to pass this tax reduction and this spending reduction bill today.

The $500 tax credit is all about allowing those families, those parents, to keep their hard-earned money to make the ends meet for their children. Studies reveal that in 1960 families, parents, spent an average of 30 hours a week in personal time with their children. In 1990, 30 years later, those same parents spent an average of 17 hours in personal time with their children.

I think those numbers correlate with the decline in the moral values that we see in our youth culture today. Parents are not spending the same amount of time with their children. Why, you might ask and should ask? In 1950 the average family gave 2 percent of their hard-earned money to the Federal Government; in 1993, that figure was 24.5 percent. Why are parents not able to spend as much time with their children passing on those values? Because they are having to work to send their money to Washington, DC. That is wrong.

Mr. Chairman, this tax bill that gives relief to hard working parents to help raise their children is the right thing to do.

□ 1830

Mr. SABO. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Minnesota [Mr. VENTO].

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

Mr. VENTO. Mr. Chairman, our colleague just aptly mentioned, we had the circus on the grounds here, and I thought probably a lot of the Republicans are going to run away with the circus because of everything they want: Clowns, elephants, and they could play they could play their pea and shall game in which they are shifting taxes.

Why are we talking about families? They are not receiving it, because they are not getting the family tax cut. It is not this bill. Forty-five percent of the benefits in the tax cuts in this bill go to corporations in 10 years. The fact is, the remaining part that goes to individuals, the lion's share of that, goes to the wealthy.

You are not doing what you said you were going to do. It is the same story through and through in this bill. You deny you are proposing the policy, deny you are passing the policy, and deny the policy after it is enacted.

Mr. Chairman, it does not take any courage to stand up here and vote for tax giveaways and then put the burden on someone else to do the cutting. Taking away kids lunches, doing things of this nature. That does not take courage.

It took guts 2 years ago to stand here and say, we have to pay if we are going to deal with the deficit. It is tough work. But you are not willing to do that. You just want to go down the easy road in terms of this and pass this tax cut and leave the mess for the American people.

I think this bill ought to be defeated, Mr. Chairman.

Mr. Chairman, today we had the Ringling Brothers Circus on the Capitol Grounds. I would have thought that some of our Republican colleagues, would have run away and joined the circus; it has everything they like: elephants, clowns, and they could have been hired to do their bait and switch trick on middle-income family tax cuts; the old pea and shell game, in which middle-income families get peanuts and in 10 years 45 percent—over $300 billion—of the tax benefits go to corporate America—big business continuing to shift the tax burden onto individuals and families.

Middle-income America gets the shaft when the wealthy families receive over 53 percent of the individual tax breaks—the lion's share—the Republican tax measure. This might get applause as a trick, but this pea and shell, Republican shift and shaft of middle-income families merits a no vote in the Congress today and tomorrow!

Mr. Chairman, I want to join with many of my colleagues in opposing this ill-conceived, poorly timed legislation. For big business and the very rich this bill may very well be the crown jewel of the Republican political agenda, but for the working families who I represent this Republican legislation is a rhinestone, a phony gemstone. This is a tax shift bill, placing, over the next 10 years, more burden on individuals and less on the big business corporations. In fact corporations receive nearly 50 percent of the total tax cuts and today the corporations and big business pay half as much as they did in 1965. This tax shafts the middle-income families who are promised tax breaks. This Republican bill gives those breaks to the affluent—the top income 12 percent get 52 percent of this GOP bill tax breaks. The Republican bill is simply a tax shift and a tax shaft for American working families. The rich get richer and working families get Republican tax cut rhetoric.

There are clear winners and losers under the Republican bill: Family households earning over $200,000 will receive an average tax cut of $11,266 per year while working families earning between $30,000 and $50,000 will receive an average annual cut of $569. Touted as a family friendly bill, the centerpiece of this legislation, the $500 child tax credit, does not help those families with 34 percent of our children. Over 24 million children are denied this tax credit, since their families' income would not be high enough for the credit to apply. While many children will not benefit from this tax bill, these children will pay the price—today and tomorrow—the loss of school lunches, reductions in college loans and a 10 year, $630 billion reduction in revenues to add to the Federal deficit. Welcome to the Republican idea of fairness, the shift and shaft tax Contract on America.

Many of my Republican colleagues talk about this legislation as the reflection of the people's voice in November. I do agree that the American people are angry. But they weren't angry about the rich not paying their fair share. The American people weren't angry that the inheritance exemption is only $600,000. The American people certainly are not mad because corporations now must pay an alternative minimum tax.

But the American people will be yet more angry when they read the fine print of this Republican contract. They will be angry when they learn that the American family rhetoric has been the vehicle to deliver tax breaks that primarily benefit the top 10 percent of Americans. Their anger will be compounded when they understand that the price of their $500 tax credit will be megatax breaks for big business including a major loophole that will allow some corporate giants to get off without paying one cent in taxes, while the middle class gets the bill for the Republicans reneging on their children's education from school lunches to college grants and loans.

Mr. Chairman, the advocates point to the $189 billion in tax breaks over the first 5 years, but this measure is back loaded because in 10 years revenue is reduced $630 billion.

The majority G.O.P. haven't put forth many of the cuts and reductions to achieve such savings and to offset and pay for this revenue loss, those limited cuts that have been advanced are grossly unfair, unworkable, mean-spirited—but none the less most of the Republican cuts are masked in budget ceilings not specific and certainly not achieved.

The Republicans said they would cut spending first but they have reneged on that today.

Mr. Chairman, it doesn't take much talent and certainly little courage to pass massive tax cuts spreading around the tax giveaways to every special interest group on the map. No it doesn't take much thought to give away the store Republican style and that is what this tax bill does: provides instant gratification and a long-term economic bellyache.

The anti-Federal Government rhetoric has led to a tax cut policy that will disable the Federal Government, render the national government unable to responsibly respond to the needs of our Nation. This tax policy path coupled with even the limited reductions in spending advanced this session demonstrate a retreat and abandonment of our responsibilities and the people we represent. Our Nation that has achieved unparalleled economic and social status—not without problems or difficulty but certainly not following an easy Republican policy path.

The hundred days are ending and I want to welcome the American people to the virtual reality of the Republican NEWT Congress. It's a world where you deny your proposing the policy, deny your passing the policy, and deny the policy after it's enacted. The facts are they will: Take the kid's lunch and education; make American workers' jobs pay less at a greater risk to their health and safety; cut the retirement and Medicare benefits for seniors who started the so-called ''class warfare''—well the GOP claimed that this tax measure was a middle income tax benefit—what has been pointed out repeatedly is that this measure tax breaks go to big corporations and the affluent families.

I urge my colleagues to reject this unfair policy and to just say no to the Republican tax shift and shaft policy of more tax breaks for the rich and special interests at the expense of the middle class. This is one main course entree too many in the force fed Republican political hundred day march.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the very distinguished gentleman from Michigan [Mr. SMITH].

(Mr. SMITH of Michigan asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Michigan. Mr. Chairman, this bill does two things. It cuts spending and it cuts taxes. I think we need to ask ourselves the question, what is going to make our communities in this country a better place to live and work and raise our kids?

No. 1, it is to leave some of that hard-earned money in the pockets of the people that made it rather than give it to the Federal Government. A lot of discussion about who gets the advantages. If you happen to be a family that makes less than $25,000, you get a 100 percent tax break. You pay zero. If you are making $30,000, you get 48 percent of your taxes reduced. You see the declining balance? If you make over $200,000, you only get a 2-percent reduction in your taxes.

The other thing is spending cuts. We have built over the last 40 years a $5 trillion debt that we are passing onto our kids and our grandkids. This starts to cut spending.

I know some of those programs are good. So it is easy for the other side to say, do not cut this program, do not cut this program. Well, if we care about spending, if we care about our future, if we care about the $339 billion interest that we are going to be paying this year, one quarter of all revenues coming into the government, we have got to cut spending.

This bill does it.

Mr. SABO. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Pennsylvania [Mr. FATTAH].

Mr. FATTAH. Mr. Chairman, I thank the distinguished ranking member for yielding time to me.

I think it was Franklin Delano Roosevelt who said that paying taxes, after all, was the price we pay for living in a civilized society.

Some on the other side are trying to convince the American people that they can have a free lunch, that we can educate our children, provide for our seniors, deal with the critical needs facing our nation, but we do not have to pay for it.

The reality is that we do have to pay and we will pay one way or the other. The choices that we make provide for us the opportunity to reap the reward, if we make the right choice, or to suffer the consequences, if we make the wrong choice.

They are trying to appeal to the what they, I guess, consider the selfish greed of Americans who want to hold onto their dollars. It is as if dad would come home and say, rather than paying for tuition and books for my children, I will keep a few dollars in my wallet. Rather than to provide for my parents who have made life possible for me, I will keep a few more dollars in my pockets. Rather than to feed the children in the household, I will keep some more dollars in my pocket.

This group of cowboys that are here now, this wagon train of theirs is one that disposes of the young and the old and the disabled in hopes that somehow they can have a more fruitful and more purposeful life. That is not true, and we are going to find out again that we cannot have a free lunch in this country.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the very distinguished gentleman from California [Mr. BAKER].

(Mr. BAKER of California asked and was given permission to revise and extend his remarks.)

Mr. BAKER of California. Mr. Chairman, the previous speaker has 85,000 children in his district, just to keep count. And he will get, if this bill passes, to keep $42 million in his district of their hard-earned money.

You have seen enough numbers and enough charts. Let us cut to the chase. The reason we need capital gains tax relief, the reason we need alternative minimum tax relief, the reason we need the IRA tax relief is because you do not have the courage to cut $213 billion from this budget.

Last year we had a 1-percent cut in the budget. The Democratic side of the aisle cheered when it was defeated by 1 percent by seven votes. You cheered when the Penny-Kasich bipartisan cut was defeated.

This year we had a $17 billion rescission program. That is 8 percent of the budget deficit this year. You could not make the trip. You gave us the rhetoric about the children and hurting the elderly and the same argument you are hearing today.

I will tell you why we are doing it. Because we are going to grow the economy. The only way to balance this budget is to increase the economy as well as hold down the growth rate in Government spending. We are going to do them both. This is the first step in the road of 1,000 miles to save our grandchildren.

That child that was born here today in 1995 will spend $187,000 on interest on the national debt during his lifetime. Please vote aye and save America.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. TORKILDSEN].

Mr. TORKILDSEN. Mr. Chairman, I thank the distinguished chairman of the Committee on the Budget for yielding time to me.

Mr. Chairman, I rise today in support of real deficit reduction and long-overdue tax relief for American families.

Last week I was one of those members with genuine concerns about this package of tax cuts. One of the primary reasons I came to Washington in 1992 was to help reign in the budget deficit which has crippled our economy and threatens our children's economic future.

I was one of 23 members to support linking these much-needed tax cuts with a specific plan to eliminate the deficit in 7 years. This package contains language to guarantee deficit reduction and deficit elimination, and I strongly support its passage.

In 1993, I opposed the Clinton tax increase which unfairly targeted small business and our senior citizens. As chairman of the Small Business Subcommittee on Government Programs, I applaud language in this bill that will reinstate the home office deduction for those who operate their business from their home.

This Tax Relief Act also rolls back the Clinton tax increase on Social Security benefits and raises the senior citizen earning limit.

The problem with government is not that it taxes people too little, the problem is still that the government taxes and spends too much.

This bill will hold this and future Congress' accountable on deficit reduction. For deficit reduction, for a balanced budget and for tax relief, I urge my colleagues to vote yes on this bill.

Mr. SABO. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Minnesota [Mr. SABO] is recognized for 4 minutes.

Mr. SABO. Mr. Chairman, we have heard lots of predictions today. Just let me remind Members that in August 1993, the now Speaker, Mr. GINGRICH, had this to say when we passed the President's economic program.

''I believe this will lead to a recession next year.'' NEWT GINGRICH, August 1993.

What has happened? Employment is up. Unemployment is down. Inflation is low. Growth is strong. Productivity is improving. Factories are operating at high rates. Investment is booming.

The Members who bring this bill to us today were dead wrong in August of 1993 in foreseeing the future. And what they bring to us today is deeply flawed.

I am sure you will hear how this bill is amazing. Well, I find it amazing also.

We hear the new speaker, Speaker GINGRICH, talk of renewing American civilization. Members, if this is renewing American civilization and the values impressed in this bill, I get nervous about this country. Because the values in this bill represent not the best of American ideals but some of the worst.

It is, indeed, a unique Robinhood bill that takes from the poorest to give primarily tax benefits to the rich. Over half the benefits go to people with incomes over $100,000.

We hear a great deal about the children's tax credit. By 2005, that is less than 25 percent of this bill. All the other things for the most affluent in this country explode in cost. And who pays? The poor, children, reduced nutrition programs, women, reduced health programs, poor seniors, low-income housing cut back, low-income fuel assistance cut back, all to pay for this tax cut for the most affluent in our society, at the same time that we are digging the deficit hole deeper.

It is true this bill is paid for over a five-year period of time. But by the year 2000, it increases the deficit by $12 billion. It does not reduce it. It increases it in the year 2001, the year 2002. So all the speeches you hear about deficit reduction and this bill, it has nothing to do with deficit reduction. It just simply digs a hole deeper and makes the job more difficult, requiring more draconian cuts, I am sure targeted at the same people who have been targeted already.

So, Members, we have a real choice today. To some degree it is about numbers, about a deficit that goes up under this bill, about dollars that flow to the most affluent in our society who profited the most from our economy over the last 20, 25 years. But it is ultimately about values, about how we want to structure government, how we want to pay for it, who we want to reward in our tax system.

Clearly, this is a bill that takes from the most vulnerable to help the most affluent.

I urge a ''no'' vote.

The CHAIRMAN. The gentleman from Ohio [Mr. KASICH] is recognized for 4½ minutes.

Mr. KASICH. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, first thing I want to say is that I am not angered at all. I am just, frankly, shocked at some of the rhetoric that has come from the other side—I am not referring necessarily to the rhetoric of the gentleman from Minnesota—bragging about the economic plan that passed in 1993.

We had $250 billion worth of tax increases and higher spending. And do you know what, aside from all that, aside from our opinion and our charts and our numbers, we had a referendum, we had a referendum on the president's program.

The American people last November had a chance to go to the polls and cast a vote on what they thought about President Clinton's economic plan.

Remember, he promised he would be a new Democrat. He would reinvent government. He was not going to raise taxes on us. That is what he promised. And he took power, and he got bought off by the special interests who run this town, who love the status quo, who love big government, who love big Washington, who love bureaucracy and who hate change.

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Guess what? The American people had their say last November. They said no, no, a thousand times no. For the first time in 40 years they put the Republicans in charge of the House. For the first time in 40 years, they rejected that plan of the status quo.

What are Republicans talking about? Let us talk about some of our Federal programs and how Republicans want to downsize.

We have 163 job training programs in the Federal Government. I put this together in about five minutes. This is just a short list. There are 23 separate programs to prevent child abuse, eight separate programs on child care, 42 separate programs for health professions education, 300 separate economic development programs, nine agencies promoting trade, 71 departments and agencies duplicating the functions of Commerce.

Guess what, Mr. Speaker? Our taxpayers who work hard every day are paying for this duplication. Do Members know why it goes on? Because it is the people's money, not their own. It is time for it to be stopped.

Let me suggest what we also have done in the area of our social program: welfare reform. Do Members know what people in America say about welfare reform? The say it does not work, it creates dependency, fosters so many of the wrong things. They want to help people who need help. That is the old American Judeo-Christian principle: help those who are in need. However, let me also suggest that it is wrong to help those who do not need to be helped.

The Republicans have finally passed a welfare program through this House that the American people have been calling for for 25 years. Let me suggest, in the area of cash welfare, what does the Republican plan do? It increases spending over the next 5 years. Child care goes up. Child protection goes up. School nutrition goes up. Family nutrition goes up. SSI goes up. Food stamps go up.

What is the total? We go from $81 billion to $100 billion in spending to help the poor under the Republican plan. And what the liberals in this Congress say is, ''It just still isn't enough, and we have to take more from taxpayers.''

Forget it. We are reinventing the system, we are imposing discipline, and we are responding to what the American people want in this country.

Mr. Chairman, let us talk about this President's budget and what we have out here today. We have $190 billion

worth of tax relief. For who? If you have children, you are going to get a $500 tax credit. Why? Because you can spend the money better on your kids than the bureaucrats can who are camped in all these buildings across this town. That is part of what we want to do.

Secondly, if you are poor, we want to give risk incentives for people to invest and create jobs so your kids can go to school, they can have a better life, and they can become president of the bank or President of the United States, any man or woman. What we do is we have deficit reduction to the tune of $27 billion.

The President's budget that he sent this year, shame on what he sent us, increases the deficit by $31 billion. What have Republicans done? We have cut taxes. We have provided relief. We have made a down payment on the deficit. And Members have seen nothing yet, because in May we are going to complete the number two job, which is basically this: balance the Federal budget. Just wait. The American people are on our side.

The CHAIRMAN. All time has expired under the control of the Committee on the Budget.

Under the rule, 1 hour of general debate remains, to be controlled by the Committee on Commerce.

The gentleman from Virginia [Mr. BLILEY] will control 30 minutes, and the gentleman from Michigan [Mr. DINGELL] will control 30 minutes.

The Chair recognizes the gentleman from Virginia, [Mr. BLILEY].

Mr. BLILEY. Mr. Chairman, I yield myself 2 minutes.

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

Mr. BLILEY. Mr. Chairman, this is a good bill. We all should support it.

In my home town of Richmond, I have seen how hard it is for young families, almost impossible for them to own their own homes. They are working two jobs, and they are still living from paycheck to paycheck. Things like a new car, a new appliance, a short vacation with the kids are out of reach. It is almost impossible for them to get together the down payment for a first home.

The culprit is not that they are irresponsible. The culprit is the Federal Government that was soaking up their money like a sponge.

In my own district, there are 127,941 children whose families will be eligible for this tax cut. Altogether, it will bring almost $64 million into our community every single year.

Let us put an end to this class warfare demagoguery. Fully 75 percent of this money will go to families with combined incomes, that is mother and father combined, of $75,000 or less. Yes, 75 percent will go to families with $75,000 or less income.

Another provision in this bill removes, or at least raises the cap, on earnings for senior citizens who are retired from the current $11,000 to $30,000 over 5 years. Many of our seniors put away some money for their retirement, only to find inflation has made it so that they must work. They want to work, they are physically able to work, but we put this penalty on if they work and earn more than $11,000.

This is a good bill. Let us get on the bandwagon and let us support it.

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

Mr. DINGELL. Mr. Chairman, I yield such time as he may consume to the gentleman from Oregon [Mr. DEFAZIO].

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

Mr. DEFAZIO. Mr. Chairman, I stand in opposition to this Republican tax giveaway.

Mr. Chairman, the legislation before us will not provide meaningful tax relief for the middle class, but instead is merely a giveaway for corporate American and the Nation's wealthiest taxpayers. Most importantly, the Republicans have not come up with enough revenue to pay for the more than $600 billion shortfall over the next ten years. Our first responsibility is to get the deficit under control, not hand out politically popular goodies for multibillion dollar corporations and families that make more than $200,000 a year.

Our country now owes more than $4.6 trillion, and that figure is growing fast. The interest payment on this debt will exceed $200 billion this year. Worst of all, we're adding to that debt at the rate of $4 billion every single week. Our first priority should be to reduce the deficit, not engage in politics-as-usual.

I must admit, the Republicans have made some attempts to pay for their tax giveaway. Tax cuts would be paid for by cutting $110 billion out of a number of domestic programs, including WIC, food stamps and other Federal nutrition programs, Medicare, and welfare for legal immigrants in the United States. In addition, Federal employees would be required to increase their pension fund contributions. The increase is expected to cost a Federal employee earning $30,000 a year an additional $750 in taxes each year.

And what does the Republican's tax plan pay for? Not relief for the average families. The Republican majority tax cut proposals would give only a nod toward tax relief for middle income families. In the Republican plan, a family would receive the so-called family tax breaks if they earn between $20,000 and $250,000—those who earn less than $20,000 would receive nothing.

When you take the other tax breaks into account, the average family doesn't do much better, but the rich would see a windfall. Families making more than $200,000 would see more than $11,000. Let me put that into perspective. Average families may see enough of a tax break to pay for a tank of gas each month. However, if you make more than $200,000, your tax break would be enough to buy a new BMW. That is right, the rich will get enough of a tax rebate for the monthly payments on a new luxury car.

I am particularly outraged over the Republican proposal to do away with the alternative minimum tax for profitable corporations. There was a huge public outcry during the early 1980's when many were very large and profitable corporations paid little or no income tax. Some of these corporations even received refundable tax credits. For example, AT&T made $24.9 billion in profits from 1982–1985. However, their team of tax lawyers wrangled a rebate of $636 million from the U.S. Treasury. The alternative minimum tax was established to stop large corporations from abusing the tax code. A repeal of this system would represent a government subsidy of the Nation's largest corporations and cost the Treasury $17 billion. I can't support that.

This Nation does need tax relief for working Americans and small businesses. I examine tax proposals to see whether working Americans would benefit. First, does it address the inequities of the last two decades when middle income people paid the largest share of increases? Second, if the proposal includes a revenue decrease, does it also include a corresponding revenue increase to ensure that it doesn't increase the federal debt? For example, I would support cutting taxes for working Americans, while also increasing the share of taxes paid by foreign multinational corporations, which enjoyed substantial windfalls in the 1980's.

One of my colleagues tried to put forward legislation this week to end special tax breaks for multinational corporations and foreign investors. Unfortunately, the Republicans did not allow us to vote on the language by Representative EVANS. We will have no opportunity to save $24 billion in revenue by closing loopholes and special tax breaks for these foreign investors.

I agree, we have got to encourage savings and investment in this country. I would support an equitable capital gains tax cut that really encouraged long-term, productive investment and job creation in the United States. That's not the case with the Republican proposal, which established no limits on the types of investments, nor provided adequate incentives for longer term investment. Only about 25 percent of this multibillion dollar tax break would go to families earning less than $150,000 a year—the same families who were hit hard by the tax changes of the 1980's. Most families would get no benefit at all.

The proposed capital gains tax cut would not distinguish between the rapidly growing world of high stakes gambling in derivatives, and other speculative investments, versus productive investment. When I think of how such a tax cut could truly benefit working Americans, I think of the Oregon family who realized the fruits of 35 years investment in a tree farm. Shouldn't the tax codes encourage this type of investment as opposed to derivative speculation on Wall Street? Unfortunately, the Republican proposal does not discriminate between productive investment and speculation.

So at the end of the Republican majority's first hundred days. Here's the heart of the Republican agenda. Take from the middle class and the needy, and give to the rich. It is trickle down economics all over again, and we know how well that worked in the 1980's.

Mr. DINGELL. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Missouri [Ms. MCCARTHY].

(Ms. MCCARTHY asked and was given permission to revise and extend her remarks.

Ms. MCCARTHY. Mr. Chairman, I rise in opposition to H.R. 1215, the Contract With America Tax Relief Act of 1995. However, before I enumerate the concerns I have with the bill, let me make a few general remarks about tax legislation and the process that brought this bill to the floor for consideration.

As the former chairperson of the Ways and Means Committee in the Missouri House of Representatives, I take great interest in the tax legislation before the House today and bring considerable knowledge and experience in crafting bipartisan tax legislation. However, if I have one lament about moving from the state legislature to the national body, especially as we enter the denouement of the contract period, it is the intense level of partisanship that exists in this body when it comes to formulating policy. Here was a prime opportunity, that has now been lost, for Democrats and Republicans to work together on important tax reform issues. Because Republicans insisted on keeping to a political schedule instead of working to craft sound tax policy, they lost the opportunity to work with me and other Democrats who favor tax reform.

This is not to say that I opposed all the provisions in this tax bill. In fact, there are a good many provisions in the bill that I favor. The provisions on IRA's, capital gains and other tax reforms notwithstanding, I believe this legislation is fatally flawed because it turns its back on the most compelling issue facing this Congress, which is the need for deficit reduction. The Republican attitude regarding deficit reduction ignores the message elicited at the town hall meetings that were held throughout the country earlier this year by Mr. Kasich and the Budget Committee, where people overwhelmingly expressed their support for deficit reduction over tax cuts. Adding an additional $660 billion over 10 years to the deficit, when we currently face annual budget deficits of $200 billion, is not in line with the commitment I made to balance the budget, nor in line with the wishes of the people in my district.

Any change to the tax code produces winners and losers. What is troubling and what has been made clear throughout this debate on the items in the Republican contract is who the majority has elected to help and who they have elected to disregard. As I have stated, I am not opposed to certain tax reforms. I have, however, serious problems with the way the tax cuts in this bill are structured and who the majority relies on to pay for their tax cuts. For example, the Republican majority decided to cut child nutrition programs, loans for college students and programs for the elderly, as well as increase taxes on Federal employees, to pay for tax cuts that mainly accrue to the top wage earners in this country.

It is worth noting that many conscientious Republicans (106) also made clear their opposition to the way the tax bill was structured when they signed a letter to the Republican leadership stating that providing tax credits to families earning up to $250,000 was not advisable. In addition, it is estimated that 70 percent of the tax savings from the capital gains cut will go to those making $100,000 or more.

Another concern is the impact this legislation will have on State revenues. Because of linkages between the Federal and State tax systems, the State of Missouri is estimated to lose $1.2 billion in revenue over the next 10 years. This potential revenue lose could leave an enormous budget hole for Missouri. This body recently passed legislation to shift enormous Federal responsibilities back to the States. We are now telling the States in this legislation that you will have even fewer dollars to carry out those obligations.

For these, and many other reasons, I cannot and will not support this legislation. Put simply, the Republican tax measure is not sound tax or fiscal policy.

Mr. DINGELL. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, it is all very simple. This is a Robin Hood in reverse tax proposal. It is part of a package which is geared to help the rich and to hurt the poor. If we look, we will find that better than 50 percent of the tax reductions are going to go to those who earn more than $100,000 a year, the top 1 percent of the population of the country.

Beyond that, it is going to cut programs which are important to people. It is going to cut the school lunch program. It is a bill which will cut the Women, Infants, and Children program. It is going to eliminate one of the most successful nutrition programs in the history of this country.

It is a package that is going to cut school loans, college loans, college scholarships, and summer jobs. When we read this against the rest of the Contract on America, we will find out why this proposal should be rejected.

Mr. Chairman, I urge my colleagues to reject this tax cut. It is unfair. I urge my colleagues to wait and to support the Democratic alternative, which will be a better package, fairer to everyone. It is going to strike, among other things in this package, the retirement taxes and the benefit cuts that Civil Service employees have worked for for a lifetime, that increase their costs solely to benefit the well-to-do.

Mr. Chairman, the Medicare, Energy, and Telecommunications provisions of this bill reported by the Commerce Committee exemplify the tangled and deceptive nature of the measure before the House.

This bill's title falsely advertises tax fairness and deficit reduction. The bill accomplishes neither. Nothing in the title of the bill advertises the fact that it imposes $10 billion in new costs on Medicare beneficiaries, providers, and employers. Nor does it mention a hastily drawn sale of a government asset, the Uranium Enrichment Corporation.

In a most curious piece of theater, the Commerce Committee was summoned to a markup a few weeks ago to consider this assortment of unrelated health, energy and communications measures.

In a Congress filled with surprises and irregular procedures, were we getting a jump on reconciliation and beginning the process of deficit reduction? My hopes were dashed. In the markup, Republicans made clear that we were not meeting for deficit reduction, when every Republican voted against our amendments to devote the savings from almost $10 billion in Medicare cuts, from extended auctions of spectrum licenses and from the sale of the uranium enrichment corporation exclusively to deficit reduction.

In Medicare, the Republicans here propose raising premiums as much as $120 per year, shifting costs onto employers, and reducing payments to providers. Let us be straight with the elderly about what would happen under this bill. You will pay more in health insurance premiums to finance this tax cut.

With respect to the extension of competitive bidding authority for radio licenses, Commerce Committee Democrats objected to the fact that the legislation was approved without a hearing or any attempt to determine whether, in fact, competitive bidding authority ought to be extended. For example, during the markup both Republican and Democratic Members expressed concern about the manner in which the Commission was utilizing this authority with respect to licenses in the Specialized Mobile Radio Service [SMR]. These concerns should have been vented during an oversight hearing and not raised for the first time at a markup.

Ironically, during the same week that H.R. 1218 was introduced and approved by the Committee, a court issued a stay to prevent the Commission from using its competitive bidding authority to issue licenses for one group of licenses for broadband PCS. These are blocks of frequencies reserved for ''Designated Entities'', including small businesses, firms owned by minorities and women, and small telephone companies.

Many of our colleagues support the ''Designated Entity'' approach adopted by the Commission. No matter what our position, however, it is irresponsible to approve H.R. 1218, thereby blessing the Commission's ''Designated Entity'' policies, without conducting the necessary oversight so as to determine whether the underlying statute ought to be modified or in some way clarified.

Similarly, many of us want to privatize the U.S. Uranium Enrichment Corporation. We made privatization part of the 1992 energy strategy legislation. However, in the majority's rush to generate revenues to finance tax cuts, the committee allowed itself to be swept up in a hasty and imprudent process. As a result, the committee and the Congress are largely in the dark as to whether the American taxpayer will realize a fair return from the sale of the Corporation.

No hearing was held on the underlying bill. In fact, Chairman SCHAEFER's questions following a February 24 oversight hearing on the Corporation have not been answered. These outstanding matters include applications of the antitrust laws, rights to sensitive technology, and disposition of recycled Soviet weapons materials under a contract the Corporation entered into in 1994, including the difficult issue of matched sales.

My colleagues on the other side have restored to an odd rhetorical gesture to justify some of these cuts: the cuts, they argue, are in President Clinton's budget. We should all note the irony of Republicans taking such comfort in the recommendations of a President they have so pilloried. The President, to his credit, has laid down a comprehensive budget proposal. Republicans have not. The President has expressed opposition to putting further burdens on the elderly. Republicans seem to welcome the opportunity to impose them.

This legislation is poorly conceived and hastily drawn. I urge its defeat.

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

Mr. BLILEY. Mr. Chairman, I yield 3 minutes to the gentleman from Tampa, FL [Mr. BILIRAKIS], chairman of the Subcommittee on Health and Environment of the Committee on Commerce.

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

Mr. BILIRAKIS. Mr. Chairman, I would like to use my time to address three of the provisions of this legislation that are of particular importance to my constituents: the increase in the Social Security earnings test, the repeal of the Clinton administration's tax increases on Social Security benefits, and tax incentives for private long-term care insurance.

In 1980, Florida had in excess of 1½ million individuals aged 65 or older. In 2000, more than 3 million Florida residents will be 65 or older.

Florida is first in the Nation in percentage of the population 65 years and older—and by this measure, my district is one of the oldest in the country. Thus, the three provisions of this bill that I am emphasizing today are very important to my constituents.

First, as a long-time supporter of eliminating—not just increasing, but eliminating—the earnings test; as a cosponsor of H.R. 300, the Older Americans Freedom to Work Act, in the previous Congress and as a signatory of the Contract With America, I am delighted that we are finally taking action on these matters today.

I simply do not understand why—through the current Social Security law—we want to penalize retired individuals willing to work by forcing them to lose a portion of their Social Security benefits if they have income above a certain level.

The current earnings test amounts to an additional 33 percent marginal tax rate—on top of existing income taxes—and punishes seniors who choose to remain productive beyond age 64. This makes no sense. We should be encouraging rather than penalizing productive, experienced people who want to work.

In fact, our work force benefits greatly from the expertise of older workers—and our young workers can gain much from the experience of their older counterparts.

Second, this legislation provides further tax relief to middle-income seniors by repealing the tax increase on Social Security benefits enacted by the previous Congress.

I just do not believe that this type of tax burden should be borne by our older Americans, and by reducing the taxable portion of benefits from 85 percent back to just 50 percent—the level prior to enactment of the 1993 Clinton tax law—we can make a bold statement in affirmation of this belief.

Finally, let me touch briefly on one final component of this bill, tax incentives for private long-term care insurance and for families caring for a dependent elderly parent or grandparent in the home. As the author of bipartisan consensus health reform and other legislation in the previous Congress that sought to establish similar incentives, I am particularly proud of these provisions.

Everyone is concerned with the high cost of long-term care insurance, and with more than 7 million elderly Americans in need of long-term care today, these incentives certainly belong in this package.

Mr. Chairman, I strongly encourage all of my colleagues in the House to reach out to America's seniors today by voting for and passing this legislation.

Mr. DINGELL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Chairman, I want to address my remarks to the aspect of this legislation that deals with the U.S. Enrichment Corp. I am opposed to the use of the funds for the sale of the U.S. Enrichment Corp. for the tax cut plan.

The U.S. Enrichment Corp. took over the Department of Energy's uranium enrichment program in July 1993. Under the Energy Policy Act of 1992, the Enrichment Corp. is required to prepare a strategic plan by July 1 of this year on prospects for privatization.

That plan is to consider alternative means of transferring ownership to the private sector and identify the preferred method of privatization. The 1992 act also provides that the corporation may not implement the plan without Presidential approval, and cannot privatize less than 60 days after notifying Congress of its intent to implement the plan.

Mr. Chairman, none of these things have happened. I would suggest that what we are doing today is premature. In fact, when we had a hearing of our Subcommittee on Energy and Power on February 28 this year, a lot of questions were raised about the proposed privatization.

A letter, in fact, was sent by the chairman of our subcommittee, the gentleman from Colorado [Mr. SCHAEFER], asking various agencies for input on the terms of privatization.

We do not have any answers to the letter from the chairman. We don't ever know what the proceeds will be from the sale of the corporation.

Mr. Chairman, my criticism has nothing to do with the overall merits of the tax cut plan. It simply should not include potential proceeds from the sale of the U.S. Enrichment Corp.

Mr. BLILEY. Mr. Chairman, it is a pleasure to yield 2 minutes to the gentleman from New York [Mr. PAXON], chairman of the Republican Congressional Committee.

□ 1900

Mr. PAXON. Mr. Chairman, over the past 90 days and certainly today we have heard two different visions of America enunciated here on the House floor. The Democrats view is America is a Nation of class warfare. They believe that to climb the ladder of opportunity you must pull someone else down.

In the Democrats' America, bureaucrats should make key decisions for families, the government will grow and taxpayers will pay more and more. Our vision of America is different. Our key goal is to empower families, not bureaucrats. To do this we cut spending and let taxpayers keep more of their hard-earned tax dollars. In so doing together, all Americans can renew the American dream of hope and opportunity.

Now, for the past 40 years, Democrats have fulfilled their vision of this country. In 1950 Washington took 5 percent of family income. Today government takes a full 40 percent. As a matter of fact, the 40 percent the government takes in taxes is more than the family budgets for food, clothing, and shelter in this Nation combined. Tonight we scale back Washington's share and we increase the share the American family keeps.

How do we do it? For example, the $500 per child tax credit puts a quarter of a billion dollars back in the pockets of families in the nine counties I represent in the Buffalo, Rochester, Finger Lakes area. That is 447,000 children who will each receive, their families will receive $500 tax credit. In my region 15,000 couples are married annually. They will keep money when we scale back the marriage penalty, and 28,000 seniors in my region will keep more when we repeal the marriage tax penalty.

The bottom line is kids, families, seniors benefit. It is good for this country, it will help renew the American dream. Tonight, finally a tax bill American people will like to receive from the government.

Mr. DINGELL. Mr. Chairman, I yield 2 minutes to the gentlewoman from Oregon [Ms. FURSE].

Ms. FURSE. Mr. Chairman, plain and simple, the answer on this bill is we cannot afford it. We cannot afford to give tax breaks to people who do not need them, even if they are our friends, and we cannot afford to cut school loans, housing assistance, school lunches, nutrition for the elderly because that will hurt our future. Now we can afford to cut some other programs, but if we cut programs, we need to put that saving to the deficit, not to tax cuts for corporations.

We hear a lot today about this $500 child credit, but I would like to tell you who gets the credit. One-third of the children of America will not get any credit, and yet they will be the ones who most need it because they will be the children, the one-third who are in the lower tax bracket. They will not get the break, but, Mr. Chairman, they will get the debt. You have to have enough money to file an income tax return to get this $500, but those one-third of American children will not have that money.

Now what about this tax break? OK. If your income is between $30,000 and $75,000, where most of us are, you will get $760 in return, but you will also get higher interest rates. But if your income is over $200,000, you will get $11,000 in a tax break. That is a great deal. Except that 41 million households are in that first category getting $760, and only 2.8 million will get the $11,000. Same old story, once again the rich are getting richer.

Now, some of our biggest corporations under this bill will not pay any taxes. Now, we all love to give large expensive gifts to our friends, but if it hurts our children and our elders, we just cannot afford it. We cannot afford this bill.

Mr. BLILEY. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I note for the record that the Member who just spoke cast the deciding vote 2 years ago to raise the taxes on constituents of her district by $808 million and now opposes a $500 tax credit that would go right to the parents. There are 127,000 children in her district. In fact, the bill she opposes would allow the middle-class families of her own district to keep a total of $63 million of their own hard-earned money.

Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. OXLEY].

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

Mr. OXLEY. Mr. Chairman, during the first 100 days of the Contract With America, I have repeatedly received three words of advice from my constituents in Ohio's Fourth Congressional District: ''Keep it up.'' The people I have talked with in my district are pleased that we are carving the lard out of an obese bureaucracy that micromanages our lives. They feel more secure knowing that we have passed a real crime bill this time, and they think it is about time that we revived the principle that the route to prosperity is through work, not welfare. They support our approval of the balanced budget amendment and respect us for facing up to the hard decisions needed to reduce the deficit.

They have consistently told me one other thing. We are overtaxed and we need relief. I have been struck by one remarkable statistic. The average American family spends about half of its budget on Federal, State, and local taxes. Hardworking families just cannot afford to raise children and feed a hungry bureaucracy as well.

H.R. 1215 represents a long overdue down payment on tax fairness. It provides relief for families and senior citizens, establishes critically needed savings, and encourages private sector investment that will promote economic growth and create thousands of jobs. The average taxpayer in my State of Ohio will save about $1,400. That is $1,400 for an individual family to spend rather than spent by a faceless Federal bureaucrat.

Importantly, this $189 billion tax cut is fully paid for by responsible budget cuts and savings. To cite just one example that I have had a personal interest in, it is estimated that $2 billion, that is $2 billion in savings, will be realized through the extension of the Federal Communications Commission's spectrum auction authority. I sponsored the legislation that originally paved the way for these auctions which have already raised over $9 billion for the U.S. Treasury. Read that, the taxpayers.

H.R. 1215 is a bill that all of us should support. The taxpayers have earned it, they deserve to keep it.

Mr. Chairman, I ask for a strong support of this legislation.

Mr. DINGELL. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from California [Ms. ESHOO].

Ms. ESHOO. Mr. Chairman, millions of middle-class Americans make sacrifices for their children every day.

How many times have we known parents to put off buying a new car to pay for their childrens' education? How many times have we seen parents postpone their vacation to save for their kids' tuition?

Yet today, we are considering giving huge tax cuts to the privileged few instead of investing in our children's education and our country's future.

Is this what the American people really want? I don't think so. I represent one of the wealthiest districts in the country they want deficit reduction and they recognize that education is an investment.

Middle-class Americans do need relief—they need relief from the ever climbing costs of education—the seed corn which allows our Nation to harvest a trained work force.

They want deficit reduction—not a Republican deficit buster which doesn't invest in our future or address the fundamental issues which face our country.

I urge my colleagues to reject this so-called crown jewel of the contract. It's costume jewelry. Education produces the true crown jewels in our families, our communities, and in our country.

Mr. BLILEY. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, America's tax system stifles growth, kills commerce, slows investment, and destroys jobs. Our tax code must be changed, it must be energized, it must be incentivized. That is why I rise to support this bill. The Republican plan does cut taxes on families, American families. The plan does cut taxes on business, American companies. It does cut taxes on senior citizens, your parents and grandparents as well as all other Americans. These are tax cuts for your constituents and my constituents and they make sense, and I think it is time to stop the class warfare around here. If people with money do not invest their money in America, poor people will only have welfare and never get a job in this great country.

It is time to utilize the Tax Code to leverage the private sector, where jobs are created, where American workers get a paycheck, not a handout, and they pay taxes and keep this train coming down the track. Now, I would like to see the ceiling for that child tax credit dropped down to $90,000 and hopefully that will happen, and I would like to see us repeal section 903, change section 956 of the code. We give too many foreign tax loopholes in there. I would like to see tax credits for investment in America, tax credits for the purchase of American-made goods. Every study says it is a tax break, and in fact it raises revenue. I could not get the party here to look at it.

H.R. 389, 391 and 392 should have a hearing. But, Mr. Chairman, let me say this, America needs capital punishment, but we do not need it in our tax code. Capital gains deserves a change at this modified realistic level. You know, grandma and grandpa and our farmers are not exactly Daddy Warbucks around here.

But I would like to remind my Democrat colleagues of one thing. I will support the Democrat substitute. I like the language that deals with education. But let me say this: There are a lot of Ph.D.'s in New York driving cabs. It is time to incentivize the tax code. Our current system is anti-family, anti-business, anti-parents, anti-investment, anti-jobs, and it is anti-smart.

One other thing. The Republicans do not necessarily have a patent on tax cuts. John Kennedy cut taxes for much of the same reason the Republican party is addressing this issue, and I am not going to put him down for that. But it is time to get away from it. The tax code basically divided America, old against young, worker against company, rich against poor, and I come from as poor a family as anybody in the Congress, and my dad never worked for a poor person, never.

If we are going to create jobs, we are certainly not going to do it with the tax code that we have. I keep hearing about all this great economy. My God, of the top 50 banks in the world, the top American bank was listed at 29. We are still bailing out the savings and loans. Most pension plans are underfunded. Jobs are still being shipped overseas. We have got a record trade deficit. Right now America is buying back American dollars with borrowed American dollars from Japan and Germany to save the endangered American dollar.

Beam me up here if things are so great. Let us change the tax code. I support this bill, and it is time to put this class warfare aside.

Mr. DINGELL. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. Mr. Chairman, over the past few weeks I have been coming to this floor to talk about what I call

the Republican version of the AFDC, not Aid to Families with Dependent Children, but aid for dependent corporations. Over this 100 days we have seen the Republicans repeatedly reward the privileged and special interests while trying to do cuts in veterans programs, student financial aid, and law enforcement, and in this bill there is a $5 billion cut for law enforcement.

This tax bill is another example of those misguided priorities. The Republican tax plan essentially repeals the corporate income tax by phasing out, among other things, the corporate alternative minimum tax, a provision of the tax code that was put in in 1986 to ensure that profitable corporations pay a fair share of income taxes. This alternative minimum tax repeal was not included in the original Contract on America, but was inserted at the last minute following pressure by corporate lobbyists and special interest groups.

I offered an amendment before the Committee on Rules to delete the phase-out, but that was not made in order by the Republican leadership.

What does the alternative minimum tax mean for average working Americans? It means that corporations cannot use attorneys and tax loopholes to avoid paying a minimum level of taxes. Every year thousands of parents make room in their household budget to buy school supplies for their kids. Like this 99 cent bottle of glue. Most of you do not know that in 1981 virtually every parent who purchased a bottle of glue like this paid taxes, more than the company that produced it.

According to the watchdog group Citizens for Tax Justice, in 1981 the producer Borden Company, makers of the glue, despite a profit of over $200 million, paid no income taxes.

□ 1915

In fact, they got back $14.9 million in income tax credits. This is the very thing which the corporate minimum tax was designed to stop and to end. Even President Ronald Reagan supports the alternative minimum tax.

Mr. Chairman, this is a bad bill, it is going to stick it to big corporations and we must not allow big corporations to take advantage of another tax loophole brought forth by the GOP.

Mr. BLILEY. Mr. Chairman, I yield myself 3 minutes and I will take this time to engage in a colloquy with the chairman of the Committee on Ways and Means.

Mr. ARCHER. Mr. Chairman, will the gentleman yield?

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

Mr. ARCHER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, in title III of this bill, H.R. 1215, the Tax Fairness and Deficit Reduction Act of 1995, a tax provision was originally included in language providing for the privatization of the United States Enrichment Corporation. As the gentleman knows, Federal tax provisions are within the jurisdiction of the Committee on Ways and Means. As a consequence, I requested that the Commerce Committee chairman ask the Rules Committee to remove this specific provision from the language providing for the privatization of the U–S–E–C, with the understanding that the issues surrounding the tax treatment of the privatization will be fully addressed in conference.

Mr. BLILEY. Reclaiming my time, Mr. Chairman, the distinguished chairman of the Ways and Means Committee correctly states that a provision was include in the bill providing for the privatization of the U–S–E–C that would ensure that the first step in the privatization of the U–S–E–C would be a nontaxable event. It is my understanding that this is how the Internal Revenue Service should treat the event in question; given the immense size of this transaction, the Commerce Committee simply wanted to be certain that there would be no ambiguity in the tax consequences of this aspect of the privatization. I would tell my good friend that after his concerns were brought to my attention, I concurred that the provision falls within the jurisdiction of the Ways and Means Committee, and agreed to ask the Rules Committee to remove the specific tax language from the bill with the understanding that we would deal with this issue at a later time, after we have had an opportunity to confer on the best way to ensure the sound and effective privatization of the U–S–E–C. Our two committees have exchanged correspondence detailing this situation, and I would request that these letters be incorporated into the RECORD at the appropriate point.

I think both of us agree on the intent of the provision, and I look forward to working with my good friend, the chairman of the Ways and Means Committee, to accomplish a responsible tax provision in conference, and I thank him for his cooperation today.

Mr. ARCHER. The gentlemen is correct, and I will work with him to include appropriate tax provisions in conference.

Mr. Chairman, the letters referred to are as follows:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, DC, April 3, 1995.

Hon. THOMAS J. BLILEY, Jr.,
Chairman, Committee on Commerce, House of Representatives, Washington, DC.

DEAR CHAIRMAN BLILEY: On March 28, 1995, the Chairman of the Committee on the Budget, Mr. Kasich, introduced the bill H.R. 1327, the ''Tax Fairness and Deficit Reduction Act of 1995'', which incorporated the text of H.R. 1215, the ''Contract with America Tax Relief Act of 1995'', along with other necessary offsetting spending reduction provisions. I understand that the text of H.R. 1327 is to be considered as the base text for floor consideration of H.R. 1215 this week.

H.R. 1327 includes the provisions of H.R. 1216, a bill to provide for the privatization of the United States Enrichment Corporation (USEC), reported by the Committee on Commerce on March 23, 1995.

Section 3006 of H.R. 1327 includes a provision regarding the tax treatment of the USEC privatization. This matter lies within the jurisdiction of the Committee on Ways and Means, and was reported contrary to Rule XXI, clause 5(b), which provides that no bill carrying a tax measure may be reported by any committee not having jurisdiction to report tax measures.

On that basis, I would respectfully request that you write to the Chairman of the Committee on Rules and ask that the rule for floor consideration of H.R. 1215, as amended, delete the tax treatment provision in Section 3006. This action would be done with the understanding that the provision would be treated without prejudice as to its merits when considered, as appropriate, by the Committee on Ways and Means during the course of its legislative agenda later this year.

Your cooperation in this matter is greatly appreciated.

Sincerely,

BILL ARCHER,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, DC, April 3, 1995.

Hon. GERALD B.H. SOLOMON,
Chairman, Committee on Rules, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: On March 27, 1995, I wrote to you requesting a rule for floor consideration of H.R. 1215, the ''Contract with America Tax Relief Act of 1995'', which would make in order a consolidated bill (since introduced as H.R. 1327, the ''Tax Fairness and Deficit Reduction Act of 1995'') incorporating other offsetting spending reduction provisions as the base text for the purposes of amendment.

H.R. 1327 includes the text of H.R. 1216, a bill to provide for the privatization of the United States Enrichment Corporation (USEC), reported by the Committee on Commerce on March 23, 1995.

Since the date of my original letter to you, it has come to my attention that Section 3006 of H.R. 1216 includes a provision regarding the tax treatment of the USEC privatization. This provision lies within the jurisdiction of the Committee on Ways and Means, and was reported contrary to Rule XXI, clause 5(b), which provides that no bill carrying a tax measure may be reported by any committee not having jurisdiction to report tax measures.

On this basis, I respectfully request that the rule for floor consideration of H.R. 1215, as amended, strike this provision.

Your cooperation and that of the Committee on Rules in this matter is greatly appreciated.

Sincerely,

BILL ARCHER,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, DC, April 4, 1995.

Hon. THOMAS J. BLILEY, Jr.,
Chairman, House Committee on Commerce, 2125 Rayburn HOB, Washington, DC.

DEAR CHAIRMAN BLILEY: As you know, H.R. 1216 (the ''USEC Privatization Act'') as reported by the Commerce Committee contains a tax provision. That provision is intended to allow the United States Enrichment Corporation to transfer its assets without Federal income tax consequences to a state chartered corporation, pursuant to a privatization plan. The provisions of H.R. 1216 were included in H.R. 1327, the ''Tax Fairness and Deficit Reduction Act of 1995'', and the text of H.R. 1327 is expected to be adopted as a substitute to the text of H.R. 1215.

As you know, Federal tax provisions are solely within the jurisdiction of the Committee on Ways and Means. Accordingly, I appreciate your agreeing to delete the provision from the legislation intended to replace the text of H.R. 1215.

I want to affirm my commitment to work with you in conference to provide appropriate tax provisions to facilitate privatization of the USEC. In particular, I understand that the transfer from a federal to a state charter should be a non-taxable event. I will work in conference to provide statutory language making clear that the transfer from a federal to state charter is a non-taxable event. The fact that such a provision will not be included in the House bill will not prejudice consideration of such a provision in the conference. With respect to such tax provisions, I intend to consult with you to ensure the most effective privatization of the USEC.

Sincerely,

BILL ARCHER,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON COMMERCE,
Washington, DC, April 4, 1995.

Hon. BILL ARCHER,
Chairman, Committee on Ways and Means, Washington, DC.

DEAR CHAIRMAN ARCHER: Thank you for your letters of April 3, 1995, and April 4, 1995, regarding certain provisions in H.R. 1216, the USEC Privatization Act, which would affect the tax treatment of the privatization of the United States Enrichment Corporation. As you know, the text of H.R. 1216 has been incorporated into H.R. 1327, the Tax Fairness and Deficit Reduction Act of 1995, which is to be considered on the floor later this week.

The Commerce Committee acknowledges the jurisdiction of the Ways and Means Committee on Federal tax provisions and agrees to delete the tax provisions in H.R. 1327 which pertain to the privatization of the USEC. This agreement is predicated on an understanding, as set forth in your letter of April 4, 1995, that the Ways and Means Committee will work with this Committee in conference to include appropriate tax provisions that facilitate privatization of the USEC.

As you know, my interest has been in providing a framework for the sound and effective privatization of the USEC. I appreciate your assurance that you agree that the transfer of the USEC from a Federal to a state charter should be a non-taxable event. I also appreciate your commitment to work with me to provide statutory language making clear that the transfer from a Federal to a state charter is a non-taxable event. The assurances provided in your April 4th letter give me sufficient confidence that you agree with the importance of such protections, and that this matter will be addressed properly in conference. Accordingly, I have communicated to the Rules Committee my request that the language found in section 1503(a)(5) of H.R. 1216 be deleted from the text of H.R. 1327.

Thank you for your cooperation in this matter.

Sincerely,

THOMAS J. BLILEY, JR.,
Chairman.

Mr. DINGELL. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from Illinois [Mrs. COLLINS], the ranking minority member of the Committee on Government Reform and Oversight.

(Mrs. COLLINS of Illinois asked and was given permission to revise and extend her remarks.)

Mrs. COLLINS of Illinois. Mr. Chairman, today we are voting on the final item in the Republican's Contract on America, the so-called crown jewel of the 100 day take-money-from-schoolkids-and-give-it-to-the-rich extravaganza.

Well, in case we weren't able to figure out the point of this whole Contract With America, H.R. 1215, the Republican tax bill, makes it all crystal clear.

H.R. 1215 is a reckless, deficit-exploding, who-cares-about-the-poor bill full of goodies and bonuses by the wealthy and the rich. What a fitting finale, Mr. Chairman!

My Republican colleagues have abandoned this commitment to deficit reduction in their Contract With America in favor of this blatant payoff to the rich.

Let's take a look at who exactly this bill benefits. For starters, corporations are big winners under H.R. 1215. Back in the 1980's, Congress realized that many of our richest, biggest companies weren't paying a single dime in taxes by taking advantage of all the tax write-offs available. As a result, the alternative minimum tax was established to ensure that corporations make at least a nominal contribution to the National Treasury.

Well, our friends on the other side of the aisle clearly think that its OK if some of the Fortune 500 corporations leave everyone else to pick up the bill on April 15th because H.R. 1215 completely repeals the alternative minimum tax. This is expected to reduce revenues to the U.S. Treasury by $35.6 billion over the next 10 years that will have to be made up through deficit spending or more cuts in programs that help to ease the financial burdens of the guy who needs a helping hand.

America's wealthiest individuals and families also come out way ahead under H.R. 1215 with the capital gains tax cut and other goodies that ensure that the well-off become even better off. A U.S. Treasury Department analysis of the impact of this legislation reveals that more than half of the benefits in H.R. 1215 go to the top 10 percent of American families with incomes of more than $100,000 a year and nearly 30 percent of the bill's benefits go to the top 2 percent of families making over $200,000 year. These families will receive an average tax break of $938 a month! That's a gift from the Republicans of $12,256 a year.

And who is going to be paying for this? The American Federal employees, these people who have worked for Federal Government are going to have to make vast contributions from their own Federal retirement system in order to pay for these tax cuts.

I want to talk about these Federal employees who only earn $30,000 or so a year. On average they are going to be forced to pay $750 more toward their pension every year under this doggone bill, so the top 2 percent we just talked about who have incomes over $200,000 a year are going to be enriched further.

Somebody mentioned a few minutes ago about welfare, somebody else called it corporate welfare. What else can it be called? It is also welfare to those Americans who are quite wealthy, over $200,000 a year. They are going to get a $500 tax credit for each one of their kids, and yet the poor guy making $30,000 a year is going to have to work forever just to have $4,500 over 5 years in order get about $900 in benefits on his retirement check.

Something is wrong here, Mr. Chairman. It seems to me we are way out of line on this. It seems to me if we wanted to give a real tax break, give it to the guy who really needs it, not the guy who earns $200,000 a year. It just does not make sense to do so.

Now, since we know who wins under this bill, let's look at who loses. Unless you're in the highest income bracket in the United States, you're just plain out of luck. The Republicans promised to lower your taxes, right? Well, if you are a working family with an income under $75,000 a year, you can expect to receive a tax break of a whopping $36 a month. This will barely buy a pair of sneakers. And families earning between $40,000 and $50,000 a year can expect to pocket an average capital gains tax break of $32 a year. This might cover one trip to McDonalds if your family isn't too big or too hungry.

Not only do average working families gain nothing from H.R. 1215 but they will have to pay for the big shots' tax cuts through the exploding deficit and spending cuts.

Its important to note, too, that the vast majority of tax benefits in H.R. 1215 are specifically designed not to apply to low-income Americans. For example, the $500 per child tax refund available to families with incomes up to $250,000 is only available to families with tax liability. In other words, the lowest-income families would receive no benefit under this credit. Low-income families would also receive no benefit whatsoever from this bill's marriage penalty tax credit or the $5,000 tax credit for adoption.

To make matters worse, these same low-income families who aren't eligible for any of H.R. 1215's tax goodies are forced to fund this corporate giveaway. H.R. 1215 is paid for through cuts in programs such as the Low Income Housing Energy Assistance [LIHEAP] Program that helps 2 million senior citizens pay for their heating bills, Healthy Start, which provides prenatal care to expectant moms, and other programs that remove lead-based paint from public housing, provide summer jobs to our teenagers, and so forth.

Senior citizens and Federal employees are also singled out to pay for this tax break bonanza. Medicare will be cut dramatically and Federal employees will be taxed through significantly higher contributions to their retirement plans in order to receive lower benefits.

This is the Republican crown jewel that passes out caviar to the rich and leaves the rest of America starving. I oppose this shameful bill and urge my colleagues to do the same.

Mr. BLILEY. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. HASTERT], the chief deputy whip, and a member of the Committee on Commerce.

Mr. HASTERT. Mr. Chairman, My good friend, the gentlewoman from Illinois [Mrs. COLLINS] just spoke, but you know I think I remember just 2 years ago that my good friend from Illinois just raised the tax on her constituents that would cost $711 milion and now opposes a $500 tax credit to go right to the parents of the 89,000 children that are in her district. The fact is she opposes the bill that would allow middle-class families in her district to keep a total of $44 million of their own hard-earned money.

Mr. Chairman, I also rise in support of the Tax Fairness and Deficit Reduction Act we are considering today. I am especially pleased to support the Senior Citizens Equity Act portion of this legislation.

We heard a great deal in recent weeks about Republicans being mean spirited. I contend that what some Democrats have done to our senior citizens has been mean spirited.

Ever since I first came to Congress I have been fighting against the unfair Social Security earnings limit, and this earnings limit taxes seniors at a rate twice as high as millionaires have to pay if they choose to work.

This tax hurts productivity, it robs the country of needed experience, and penalizes people who we should be trying to help. Despite the obvious unfairness of this earnings limit, the Democrat leadership refused to bring legislation to correct this situation to the floor.

I call that mean spirited.

Today, in this bill, the Republican majority finally brings a long needed solution to this problem to the floor. I call that fairness.

In 1993 President Clinton's budget, passed over the unanimous objections of House Republicans, included a hefty tax increase on Social Security recipients. I call that mean spirited.

Today in this bill, we repeal that tax increase. I call that fairness.

Mr. Chairman, today in the Senior Citizens Equity Act, we reverse these mean spirited taxes on our senior citizens, we repeal the President's Social Security benefits tax, and I ask for my colleagues' yes vote on passage.

Mr. DINGELL. Mr. Chairman, for purposes of correcting the RECORD, I yield 30 seconds to the distinguished gentlewoman from Oregon [Ms. FURSE].

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

Mr. Chairman, there seems to be a concerted attack on those of us who voted for the President's 1993 budget. I just want to point out that many poor and middle-income families received substantial tax returns from the earned income tax credit. In fact, 16,000 families in the First District of Oregon received an earned income tax credit as a result of the 1993 budget.

Mr. DINGELL. Mr. Chairman, in view of an imbalance in time, I think we should yield some time over here and, therefore, I yield 4 minutes to the distinguished gentleman from Maryland [Mr. HOYER].

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

Mr. Chairman, I came to this House at a time of another Republican described revolution. It was the Reagan revolution, instituting the Kemp-Roth supply side economic proposal for feel good, no sweat, no pain Federal fiscal policy. When it passed in August of 1981, President Reagan proclaimed the budget would be in balance by October 1, 1983.

When that revolution began, the debt confronting our Nation was $932 billion. At its conclusion in January of 1993, it was $4.1 trillion. During that 12 years, not a red cent was spent on America that either President Reagan or President Bush did not sign off on.

Today we are in the throes of another Republican led and named revolution, and according to Speaker GINGRICH we today consider the crown jewel of the 1990s version of trickle-down economics. It is a synthetic, virtually worthless stone. I will oppose it. Neither our country nor our children can afford it.

It is, quite frankly, a time for us as a people, as a Congress, and as a great Nation to demonstrate the discipline and the resolve necessary to put our financial house in order and show that America and Americans continue to have the courage to face tough problems without shrinking into policy more expected from nations falling into fiscal chaos and national weakness. That has been the history of the all of great nations: a focus on the immediate, the temporary, the politically popular quick fix.

Mr. Chairman, there can be a time for a reduction of taxes, and when we succeed in eliminating our annual operating deficits, then will be the time to cut taxes.

Then we will be able to say to our children we are paying for what we buy, and we are not passing those expenses on to you. That is why I voted for the balanced budget amendment.

We will convey to you a great Nation, we can tell our children, which has the wisdom to discipline itself and not squander your inheritance, a Nation proud of its history and committed to its future, a Nation prepared to invest prudently in its people, a nation unwilling to slide self-satisfied and self-absorbed into second-rate status.

Over 100 or our Republican colleagues, over 100 of our Republican colleagues urged their party to support such a path. They were rejected.

I urge this House to stand for what it knows to be the correct course for today, for tomorrow and for generations to come; for our senior citizens, for our students, for our families, for our children, and most of all, for our country. Vote, ladies and gentlemen of this House, for fiscal health and responsibility. Our children and grandchildren should expect no less of us. Vote ''no.''

Mr. BLILEY. Mr. Chairman, how much time is remaining?

The CHAIRMAN pro tempore (Mr. FOLEY). The gentleman from Virginia [Mr. BLILEY] has 13 minutes remaining, and the gentleman from Michigan [Mr. DINGELL] has 14 minutes remaining.

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Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. BILBRAY], a new member of our committee, the Committee on Commerce.

Mr. BILBRAY. Mr. Chairman, 2 years ago as a member of the public I watched these proceedings, and I watched my colleague from Maryland support the largest tax increase in the United States.

Mr. HOYER. Will the gentleman yield? Would the gentleman like to know what he is doing to my constituents in this tax bill?

Mr. BLILEY. Regular order, Mr. Chairman.

Mr. BILBRAY. Mr. Chairman, that vote cost his constituents $539 million.

Mr. HOYER. Does the gentleman know how much this bill is costing my constituents?

Mr. BILBRAY. Regular order, Mr. Chairman.

The CHAIRMAN pro tempore (Mr. FOLEY). The gentleman will suspend. The gentleman from California [Mr. BILBRAY] has command of the time.

Mr. BILBRAY. Mr. Chairman, I am not trying to be confrontational. I am trying to just communicate what a citizen sees in these proceedings.

You know, we are talking about 137,000 children in his district that parents that could have access to this. Now, that is fine, and we can make those judgments.

But do you realize that 2 years ago when this vote was, the tax increase was put in, my dear colleagues on the other side of the aisle, there was a commitment made that once the tax increase went in, you will see tough, tough budget cuts; you will see us reduce it; trust us. What happened this year with the President's budget?

Will you agree that the credibility of the political process was destroyed when the President of the United States proposed a budget that had none of the cuts that were proposed 2 years ago when the tax increase goes in? And as a citizen, I ran for Congress because the credibility was being destroyed by making promises on one side to raise taxes and never coming across the other way.

Mr. Chairman, I represent a diverse district along the Pacific coast, but I grew up and I live in a working-class neighborhood, and when I hear all the battle about the rich getting some benefit, I would wish my colleagues on the other side would be half as worried about the middle class getting their fair share of tax cuts rather than always worrying about something might happen that may benefit somebody who has been a little more prosperous.

My neighbors do not want to be sacrificed on the altar of work there, and I close with this, please, go outside and ask the security guards if they are rich that work in this Chamber. They make enough money to make that tax write-off.

Mr. Chairman, it is time to stop the class warfare.

Mr. HOYER. Mr. Chairman, would my friend, the gentleman from Virginia, yield for just 1 second? I would like to ask him a question about talking to the security guards outside.

The CHAIRMAN pro tempore. The gentleman will suspend. The gentleman from Michigan has not yielded time.

Mr. HOYER. The gentleman did not yield me time?

Mr. DINGELL. No.

Mr. HOYER. I apologize, Mr. Chairman.

Mr. DINGELL. Mr. Chairman, I yield 3 minutes to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Chairman, I have always been told that it is more important to watch what one does rather than what one says. The Republicans say that this tax is not for the wealthy, but what do they do? More than 100 of their own Members signed a letter urging their leaders to reduce coverage of the tax cut from those earning from $200,000 to that of $95,000.

They say that this tax cut is not about making sure that the wealthy at the expense of low and middle income, but what do they do? Mr. Chairman, yesterday the gentleman from Ohio [Mr. KASICH] passed around this letter. Clearly in that letter it showed the spending cuts coming from the low-income and middle-income people will be for what, to pay for the tax cut.

They say this bill is the Contract With America, relief of 1995, but what will they do? Who do they give relief to? They give relief to the privileged few and little relief to the rest of America.

They say this bill is senior-friendly. But what do they do? Nearly three-fourths of the senior tax relief will go to the seniors who make $75,000 or more. To which seniors are they willing to be friendly?

They say this bill is a fair bill. In fact, they call this bill the tax fairness of 1995. But what do they do? They unfairly and unequally distribute the benefits and the burdens.

Guess what, they give the benefits to those who have a lot of money and give the burdens to those who have very little or minimal income.

Three-fourths of the capital gains tax relief in the bill goes to those who earn more than $100,000 a year. If you make more than $200,000 a year, you will get $11,000 tax relief. But if you make $30,000 a year, you may get a couple of hundred dollars.

They say this tax bill will stimulate the economy. But what do they do? They ignore the last tax bill, tax cut, that they gave in the 1980's, which pushed this Nation in a deficit and a sluggish economy, in fact, a deep recession that we have yet to recover.

They say this is a Contract With America. But America certainly is more than about billionaires and big business. America is college students, minimum-wage workers, infants, senior citizens, schoolchildren, pregnant women, and middle-income workers.

I urge Americans to listen carefully to what they say they are going to do. But I urge them to listen more closely to what they do. I urge my colleagues to vote against this unfair tax bill.

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Connecticut [Mr. FRANKS], a member of the committee.

Mr. FRANKS of Connecticut. Mr. Chairman, failed tax-and-spend policies as demonstrated in a proficient manner by a Congress controlled by the Democrats for 40 years, versus less taxation and less spending by Republicans in 1995: America, you voiced your opinion loudly this past November.

Making more money available to private citizens and private industry will inevitably result in more money going into our economy to produce economic growth and, yes, ladies and gentlemen, more tax revenues.

The method to improve our cities is not through new and fancy social spending programs. The first way is to help strengthen our families. Encouraging marriage, adoptions, savings by families, long-term health care, and senior citizens' equity are steps in the right direction.

Second, this and future tax incentives properly directed will allow us to improve the economic condition of our cities. We as Republicans, and I believe many moderate-to-conservative Democrats, would agree that we must help employers to employ more employees, and we must encourage more entrepreneurs of all hues.

Let us remember that with strong families, less taxation, less spending, and less government, we will be able to turn our society around for the better.

Mr. DINGELL. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from North Carolina [Mr. HEFNER].

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

Mr. HEFNER. I find it interesting; it disturbs me when Member after Member from this side of the aisle comes and talks about the failures we have had over the past 40 years.

This is the greatest country on the face of the Earth. We do not have to worry about keeping people in here. We do not have to worry. We have to worry about people wanting to come here.

I have seen programs over the last 40 years. We have had some failures. We have had some abuses. But we have had some great successes. Thanks to programs, people are able to go to school that would not have been able to go to school before, that can get a loan to buy a house that would never have been able to have a home; they got a little loan to send their kids to our colleges in North Carolina and all over this country, to take part in this great experiment called democracy.

I take offense when people say how bad this country is. If you want to leave, exercise your right to renounce your citizenship and do not pay taxes and leave this country. But this is the greatest country on the face of the Earth.

The reason I oppose this is the reason that 100 Members of this side of the aisle wrote the letter and wanted us to lower the caps, because it just plain ain't fair. This package is not fair, and that couple that is working in that textile mill back home in North Carolina, they are not going to get anything out of this tax package. They are not going to receive anything for their children.

But I can tell you who is: everybody that has come to either one of these podiums today, everybody that has spoken in favor of this tax package is going to get a benefit from it. Everybody here that has got a kid going to school that is a Member of Congress is going to benefit from it whether they have got two or three kids or four kids, because we are in that bracket.

But it just plain ain't fair to Middle America, and people that work every day to try to support their families and educate their kids. It just plain ain't fair.

Mr. DINGELL. Mr. Chairman, I yield 1½ minutes to the gentleman from Wisconsin [Mr. KLUG].

Mr. KLUG. Mr. Chairman, Paul Tsongas said it years ago, let me repeat it tonight. I am not Santa Claus. I wish I was.

I wish I could vote for this tax package and tuck a $1,000 refund check in all of the stockings hung with care from the mantle.

For that matter, I wish I were the Easter Bunny tonight and could hide baskets of goodies in the backyard bushes, but I cannot, folks, because it is my job tonight to play the role of grinch and remind everybody in this Chamber that we are flat-out broke.

Now, there are a lot of my colleagues on the other side of the aisle tonight who suddenly have found religion in deficit reduction, and we will see just where they are come May, because we know where they have been in the past.

I will be delighted to vote for the budget package and help the chairman, the gentleman from Ohio [Mr. KASICH], and do everything I can in my will to pass this tough deficit-reduction plan.

I understand, as John Kennedy did, that capital gains breaks help grow the economy and help small businessmen and farmers back in Wisconsin, and IRA's will help average families save more for retirement.

And if that is all this bill was about tonight, I would be glad to lead the charge up San Juan Hill. Instead, what I hear tonight is not necessarily an assault on the deficit. I am afraid it is a retreat from deficit reduction.

The cuts are not specified. The tax cuts are too generous. The timing in a robust economy, I believe, is all wrong. Maybe it will all make sense and add up later this summer when this bill gets through conference. As for me, I am putting Rudolph back in the stable tonight and telling the elves to put up their feet and relax, because, in my mind, it is not Christmastime tonight.

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. ANDREWS].

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

Mr. ANDREWS. Mr. Chairman, I rise in favor of this tax reduction bill here tonight. I do so thinking about the American families and the families in my district who sit around the kitchen table on a Friday night, and they take out their checkbook, and after they write their check for their mortgage and their property taxes and their credit card bill and their health insurance and their utility bill and all the other bills they have to pay to meet their family budget, for many of them there is nothing left, and for some of them there is an insufficient amount to pay even those bills.

In my opinion the question of this bill here tonight is this: Does this legislation help or not help that family? I think this legislation helps that family.

It is my conclusion that $500 per child in their hand is better spent by them. It is my conviction that that $500 belongs to them. They earned it. It is a necessity for their way of life, and by voting for this bill tonight, I think we can let them keep more of what they earned.

I rise in support of the legislation.

Mr. DINGELL. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE. Mr. Chairman, I rise to state that I am going to vote for a tax cut today. I am going to vote for the Gephardt plan. Today we had a full-blown circus played out on the steps of the United States Capitol, and to the American people, I really mean it, elephants and clowns. Pure fantasy which is what the Republican tax bill is.

But I am going to another fantasy, and I am going to say bab, humbug, because Scrooge is in the Chamber today.

The reason why I say that is that Scrooge is taking from those who need it, and giving to those who do not need it.

Let me read for a moment, Dave Stockman, the Reagan OMB Director, who said, ''The combination of incentive-minded tax-rate reductions and firm budget controls is expected to lead to a balanced budget by 1984.'' Another fantasy.

I can tell you that we did not have a balanced budget in 1984, and tax reductions did nothing for the balanced budget in 1984.

Let us stop the class warfare and tell the truth. Why are the American people angry? They are angry because they have seen middle-class incomes remain stagnant while those in the highest echelons of our community have seen their earnings increase more than 29.5 percent over the years, but the folk who need the tax cuts, which this present tax bill does not address, the lowest fifth, the second and the third wage earners, they have not been earning enough dollars or they have not been having the infusion of cash to support their basic needs.

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Talk about capital gains, and I know I have heard some senior citizens call in and say, ''I have property I'd like to sell.'' Well, if we were not rushing to judgment on this Republican tax bill, we might have been able to have means testing on capital gains tax. We might have been able to sit down at the table and reasonably address the question, who deserves a tax cut. I believe it is those earning under $75,000.

I will vote for a tax cut, but I certainly will not join the fantasy of the circus that was held here at the United States Capitol today and the circus that will be held tonight when we vote for a tax cut that will not help the American people!

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from Kentucky [Mr. WHITFIELD], a member of the committee.

Mr. WHITFIELD. Mr. Chairman, as my colleagues know, this debate, as much as any debate on this House floor, epitomizes the difference in the philosophy of the Democratic Party and the Republican Party, and, when I say Democratic Party, I do not include all Democrats because we know that many Democrats are very much concerned about the deficit. But for 30 years, since the Great Society, the Democratic Party has had no concern about Federal deficits in America, and during that time many programs, good programs, have provided benefits for people in our great country.

But as may colleagues know, as times approaches to old problems, and today we have a $4.7 trillion debt in America, $200-and-some billion dollars a year just to pay the interest, and I say to my colleagues, ''When you take the entitlements, and you take the interest on the debt, it's by the year 1997 those two items alone will exceed the total tax revenues of this country.''

So we have to take care of the problem in two ways. First of all, we have to adopt a tax policy, and that is what this tax bill does. It provides tax breaks for business men and women, small business men and women, to create new jobs and economic expansion in this country. Two, it provides tax credits for men and women with children so that they can get a tax break, and then further, Mr. Chairman, it provides a backbone and a basis for the first step in solving this deficit, and that is a tax policy that will create new jobs just like the tax reduction of Ronald Reagan and, yes, John Kennedy.

Now the second thing that we have to do, and we plan to do it, is we are going to control this deficit because, unlike the Democratic Party for the last 30 years, we are going to do something about the deficit, and that is the second part of our plan.

Mr. DINGELL. Mr. Chairman, I yield 1½ minutes to the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Chairman, this is a bad bill and a very unfair bill. This is, in fact, a bill based precisely on the principles of class warfare. That is exactly what it is.

I say to my colleagues, ''When you take from the poor, and you give to the rich, that's class warfare. When you take from hungry children and give to profitable multinational corporations, that's class warfare.''

Mr. Chairman, half of the individual tax breaks in this bill go to families earning $100,000 a year, and this bill cuts back on nutrition programs for hungry children. That is class warfare. A quarter of the tax breaks go to people earning $200,000 a year, and the bill cuts back on loans to college students whose families today cannot afford the high cost of college. That is class warfare. The highest earning 1 percent of the population will get more tax breaks than the bottom 60 percent, and then they cut back on a wide variety of programs that lower income senior citizens need.

I say to my colleagues, ''When you tell low income seniors in Vermont that they have to live without fuel assistance, that's class warfare.''

Mr. BLILEY. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. BURR], a member of the committee.

Mr. BURR. Mr. Chairman, those here tonight that would suggest that it is going to be tough to balance the budget are in fact right. We knew it would be tough when we came to Congress, that there would be tough decisions, but we knew we were up to the task of making those decisions.

Tonight we have a special opportunity. Tonight we have the opportunity to make it easier on working Americans to balance their budget. I hope we do not take this opportunity and blow it like we have in the past.

Mr. Chairman, during my campaign there were two areas that I concentrated on very heavily, commitments to stop the punishment on seniors in this country and a commitment to leave money in the pockets of working Americans. Tonight we have an opportunity for seniors to roll back that unfair tax that was placed on them in 1993 and to raise the earnings limits of seniors to allow them to stay in the workplace and to be productive in their later years versus feeling like they are drain on us, and for the American families we have an opportunity to leave

the money in their pockets rather than to bring it to Washington and decide what to do here with it, as well as for those families that take care of parents and grandparents, to make sure there is a $500 credit for the added burden and costs that they incur.

Mr. Chairman, the debate today is between those who feel they know best and those that believe that parents and seniors know best what to do with their money. Mr. Chairman, I, for one, am willing to bet on parents and seniors knowing best, and I urge my colleagues to support this important piece of legislation tonight.

Mr. DINGELL. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from California [Mr. BEILENSON].

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

Mr. BEILENSON. Mr. Chairman, I rise in strong opposition to the so-called Tax Fairness and Deficit-Reduction Act, a bill which would produce the opposite result of its title's claims, and which is one of the most economically and socially damaging pieces of legislation that has come before this body in many years.

This bill would reduce revenues by nearly $200 billion over 5 years, and by $630 billion over 10 years. These tax cuts would constitute the largest increase in deficits since the 1981 tax cut, which was the root cause of most of the deficit problem we have been struggling with for the last decade and a half. They would obliterate much of the hard work we have done in recent years to close the huge gap between spending and revenues, and would make it much more difficult than it is already going to be to reduce deficits further.

That difficulty cannot be overstated. With the loss of revenue from this bill, we would need to cut spending by about $1 trillion over the next 7 years to reach the goal of a balanced budget by the year 2002. It is probably not possible to make such cuts; it is certainly not possible to do so without cutting payments to the elderly, disabled and the poor; and without cutting funds for crime control, immigration control, environmental protection, highways and airports, education and job training, and many other critically important activities Americans expect from their government—many of which have already been cut to the bone in recent years.

To make matters worse, many of the tax provisions are backloaded—they will cost more in the future than they will during the first few years. The capital gains inflation indexing, the American Dream Savings Accounts, the neutral cost recovery provisions, and the phasing-in of many of the tax provisions will result in exploding revenue losses in the years beyond 2000. Compensating for that lost revenue will be increasingly difficult as time goes on.

It makes no sense whatsoever to make it more difficult to reduce Federal deficits. As economists have been saying for years, reducing these deficits is the most important step the Government can take to increase jobs and productivity over the long term. Cutting Federal borrowing would free up more of our Nation's limited savings for private capital. We need sustained deficit reduction far more than capital gains tax breaks or anything else in this bill to generate growth and ensure our Nation's future prosperity.

Equally troubling to its impact on the deficit is the fact this bill would exacerbate the growing disparity between the rich and poor. It confers most of its benefits on people who are already well off—those who least need a tax cut—while providing little gain to those of modest means who need tax relief the most. When this bill is combined with the spending cuts for programs that serve the poor that the Republican leadership has been promoting, the effect is an unjust and unconscionable shift of resources from the poor and middle-class to the rich.

Under this bill, the average tax benefits for families earning over $200,000 annually would be $11,270; for families earning $50,000 to $70,000, about $1000; for those earning $30,000 to $50,000, $570; and for those earning $0 to $30,000, $124.

Over half of the total tax benefits, and three-quarters of the capital gains tax benefits, would go to the top 12% of families that earn $100,000 a year or more. Some highly profitable corporations would pay little or nothing in income taxes. It is little wonder that Americans have not been clamoring for this bill, and that they have indicated by large margins in recent polls that they would much prefer that Congress reduce deficits than cut taxes.

One of the most unfair provisions in the bill is the highly touted tax credit of $500 per child, which was intended to make it easier for parents to pay for food, clothing, and other costs of raising children. Because the credit is nonrefundable, the families who are most in need of help in meeting these expenses—about 10 million working families making less than $20,000 a year—will receive less than full $500 per child, or no credit at all. Meanwhile, families with incomes of $200,000 annually, who, obviously, are not struggling to pay for necessities for their children, would receive the full $500 credit.

Another particularly egregious provision is the increase in the pension contribution required of federal employees, which is the equivalent of a 10 percent tax increase for our nation's two million federal employees, the great majority of whom have relatively modest salaries. This increased contribution is not necessary to keep the civil service retirement system insolvent; it is included only because it provides nearly $11 billion over five years to help pay for the bill's tax cuts.

I would note that this provision was rejected by the Committee on Government Reform and Oversight, which has jurisdiction over this matter, and efforts to allow a separate vote on it on the floor where rejected by the Rules Committee.

Mr. Chairman, the bill before us would exacerbate our nation's serious budget deficit problem and contribute to the disparity of wealth among income groups. I urge our colleagues to reject this legislation.

Mr. DINGELL. Mr. Chairman, I yield 1½ minutes to the distinguished gentlewoman from California [Ms. HARMAN].

Ms. HARMAN. Mr. Chairman, I rise in opposition to both tax cut proposals that will be considered today.

It is time to stop trying to kid our constituents. We cannot spend $630 billion over 10 years on tax cuts and make any dent in our $5 trillion national debt.

Deficit reduction is a higher priority than tax cuts. Put another way, it is a better way to lower interest rates, create jobs and economic growth than to enact the ill-timed tax cuts in these bills.

This House just voted, with my strong support, to amend the Constitution to require a balanced Federal budget. And yet one of our first steps is to retreat.

It is not credible to link tax reductions to deficit reductions as the sponsors of both proposals would do. This have-your-cake-and-eat-it-too concept would not work because, once again, it postpones the tough decisions about cuts, and, further, it creates uncertainty about whether individuals and businesses can plan on receiving tax breaks.

In my view, a number of the proposed tax cuts have merit—but not now. I have two kids in college, and know how higher education expenses burden families. I applaud the Democratic leader for trying to offer relief. But not now. I also support expanded eligibility for fully deductible IRA's, a fair capital gains tax reduction, increased business expensing, and a credit for long-term elderly care. But not now.

Let us stop the gimmicks and start the straight talk. Deficit reduction now. Fair tax reduction when we can afford it. That is a tough choice, and in my view, the right choice.

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I want to just tell the gentlewoman from California [Ms. HARMAN], my good friend, that there are 98,000 children in her district, and their parents could certainly use this $500 per child tax deduction. Working people understand that, and let me underscore a point that the gentleman from Ohio [Mr. TRAFICANT] made so effectively when he talked about blue-collar workers and how important this bill is.

Mr. Chairman, blue-collar workers cannot hire each other. They need to have somebody who has enough capital who is not giving that money to the Government, to Uncle Sam, to be able to buy that extra piece of equipment, expand that facility, put those extra 2, or 3, or 5, or 10 people on the payroll, and thereby give them some help, and help their children, help their family and also expand, ultimately, revenues to the United States. This is in many ways a blue-collar tax cut.

Mr. Chairman, the smartest thing Democrats can do is vote for it; the smartest thing President Clinton can do is sign it.

Mr. DINGELL. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from California [Ms. WATERS].

Ms. WATERS. Mr. Chairman, this bill is not the answer to the real problems of America. We all know that middle-class America is worried. We all know that poor Americans continue to struggle. It is no mystery why this is so. Since the mid-1970's wages have

stagnated. Corporate America has exported our jobs overseas for cheap labor. As trade unions have been beaten back, hard-earned benefits like health coverage, pensions, and family leave have eroded.

Mr. Chairman, in the 1980's, taxes increased on working class Americans. So the squeeze is on and politicians are feeling the heat.

We could go right at the problem, but the Republicans have resorted to cheap politics. They have gone back to old-fashioned, trickle-down economic theory: reward the rich and pray.

Mr. Chairman, the capital gains tax cut contained in this bill would yield over 75 percent of its benefits to those earning over $100,000 a year. Low-and middle-income families may need tax relief, but the Republican plan goes to families earning up to $200,000.

To make matters worse, last week the Republicans deleted a Senate proposal to get tough on billionaires who renounce their American citizenship to avoid paying capital gains taxes. The Republican leadership placed in a provision protecting a $63 million business deal for the Speaker's friend, Rupert Murdoch. This is not a strategy for economic opportunity. It is indeed class warfare of the rich against poor and working-class and middle-class Americans.

This Congress needs to reject Wall Street's solutions to Main Street problems. Cheesy tax cut promises only make Americans cynical about Government and politicians. Until we begin to address basic American concerns, this institution will continue to suffer in the public's eye.

I say to my colleagues, ''Don't play with the fears of anxious Americans. Let's get serious about our economic problems. Let's reject this Republican charade. Let's vote this turkey down.''

Mr. BLILEY. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Chairman, I want to reinforce in my brief time the notion and the truth that this is truly a middle-class tax cut that we are undertaking here, not only the $500 portion up for families earning up to $200,000, because nobody knows where the middle class begins, nor it ends, but we know that most of our people fall in that bracket between zero and $200,000. So that is a middle-class tax cut, but wonder against wonder, the capital gains reform that is built into this bill is also a middle-class tax cut.

Why do I say that? In the last full year of capital gains reporting in 1985, 75 percent of all the people who earned $50,000 or less had an item of capital gains in their tax returns, and if that is not enough, we also learned that in that same capital gains year people earning $100,000 or less, hundreds of them had a capital gains item in their tax return. Capital gains is good for the middle class.

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Mr. DINGELL. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Michigan is recognized for 1½ minutes.

Mr. DINGELL. Mr. Chairman, the memories of my Republican colleagues are very convenient. They have forgotten the last time we had a Republican tax cut in this body. That multiplied the national debt by better than 4.5 times, from about $700 billion to $4.5 trillion. They have forgotten most of that went to the rich, not to the poor, and not to the middle class. They have also forgotten that six million jobs were created by the Clinton budget; that that budget cut the national deficit by $700 billion. They have also ignored the fact it gave a tax cut in the President's budget to those who had need. Somewhere in between 16 million and 20 million Americans were removed from the tax rolls and were given tax reductions in each and every Congressional District, including their own, by that particular tax package. There memories are most convenient on these matters.

The hard fact is that Voodoo Economics, Trickle-Down Economics II, which this tax package happens to be, is nothing more or less than a raid on the poor, a sop to the rich, and a benefit to those who have no need of tax expense, sweated out of the hides of those who have the least. It is a cut in school lunch programs, education, and every other program that has meaning, not only to this generation, to the young people of this country, but the young people of the future. I urge the rejection of this rotten Republican tax package.

Mr. Chairman, the tax package before us is fiscally irresponsible and distributionally inequitable in the extreme. It commits this Nation to a budget structure that runs counter to deficit reduction. It also leaves behind those most in need of tax relief—working middle class families. Better than half of the cuts go to people earning more than $100,000 a year.

The last time the American people were promised both a balanced budget and a tax cut was in 1981. That plan, which was put forward by the patron saint of my colleagues on the other side of the aisle, President Ronald Reagan, led to an explosion in deficit spending. More than a decade later, the national debt has increased three-fold to better than $4 trillion. During that same period, middle class families have seen their wages stagnate, while wealthy Americans enjoyed substantial gains.

My colleagues across the aisle have clearly not learned the No. 1 rule of holes: When you find yourself in one, stop digging. If they had learned this lesson, we would not be debating this unwise legislation, that returns us to the failed supply side economic policies of the past.

The costs of this measure are truly staggering—$180 billion over the next 5 years. At a time when one-seventh of the Federal budget is needed to pay interest on the debt, we can ill-afford this extravagance. However, the long-term burdens are far worse. Costs skyrocket to more than $450 billion over the next 5 years, and keep rising after that.

The budgetary impact of these cuts are kept artificially low in the early years through accounting gimmicks. However, the out year impact of the capital gains tax cut, the restoration of huge corporate depreciation loopholes and the repeal of the alternative minimum tax for corporations is enormous. These changes, which will principally benefit the wealthy, are expected to cost: $24 billion between 1995–2000; $221 billion between 2001–2000.

As my colleagues may or may not know, the corporate depreciation tax breaks were eliminated, and the alternative minimum tax was set up in 1986 with strong bipartisan support and the backing of President Reagan. This was done in response to the outcry of the American people who were appalled by the fact that large corporations with enormous profits were gaming depreciation loopholes set up in 1981 to avoid paying taxes and in some cases receive a rebate. According to the Citizens for Tax Justice:

AT&T received $636 million in tax rebates from 1982 to 1985 despite earning $24.9 billion in pretax profits.

DuPont had $3.8 billion in 1982–1985 pretax profits supplemented by $179 million in rebates.

General Dynamics had four out of five no tax years from 1981 to 1985. In addition, its $2 billion in pretax profits from 1982–1985 were augmented by $91 million in tax rebates.

Under this bill, the secretaries and mailroom workers at many of our most profitable corporations will be required to pay more in taxes than their employers.

Many of the specific spending cuts to finance these tax breaks have not been identified. We hear that they will be achieved largely through lowering the discretionary spending caps already in place. However, that still doesn't provide a clear answer to the question—what cuts will be made to finance this package and the better than $1 trillion in savings needed to balance the budget by 2002?

The only suggestions we have seen so far from the Republicans are harsh spending cuts that strike right at the most vulnerable in this country—the elderly and children of this Nation. In a rush to keep a political promise that clearly favors the wealthy, my colleagues have slashed funding for the school lunch, child nutrition, summer youth employment, and education programs. Seniors have also watched as home heating and housing assistance has been eliminated. And today, they are faced with significant cuts to the Medicare program.

As I have mentioned, the middle income taxpayer is left behind by this package. In fact, 34 percent of America's children are not covered by the middle class tax cut, because their family's incomes are too low. Only 1 percent are denied a credit because their family's income is too high.

Middle income families are also being targeted by cuts in student aid programs. My colleagues have proposed cutting $13 billion in college assistance by eliminating or restructuring student loan programs. As a result, the average cost of a college loan will rise by $4,500. In addition, students will now be forced to pay interest from the first day they arrive on campus—not 6 months after graduation as they are currently allowed to do.

I cannot support the fiscally irresponsible tax policy laid out in H.R. 1215. This legislation

will help the privileged few who already have plenty get more at the expense of everyone else. It will also further mortgage our children's future by exploding the Federal budget deficit at a time when we should be focusing on paying it down. I urge my colleagues to defeat the bill.

Mr. BLILEY. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Virginia is recognized for 2 minutes.

Mr. BLILEY. Mr. Chairman, it has been a long debate, it has been a good debate, but I think now is the time to reward Americans and to contrast two philosophies, our philosophy on this side of the aisle that the people who earn the money should keep the money, rather than the other way around, that the government knows best how to spend the money.

Mr. Chairman, we will reduce the deficit. We will get on a slope to a balanced budget in 2002. And for every $1 billion we reduce spending, we pay for a $500 tax credit for two million citizens.

Mr. Chairman, this is a good bill, it is a good debate, this bill ought to pass, and I urge my colleagues to support the bill and reject the substitute.

Mr. RAHALL. Mr. Chairman, I rise in opposition to H.R. 1215, the so-called Tax Fairness and Deficit Reduction Act of 1995. In the first place, it isn't fair, and in the second, it does nothing to reduce the deficit, unless you live in a house of smoke and mirrors.

But before I go into the many reasons why I cannot vote for this bill, let me tell you about the good things that are in it, and for which I would vote if they were offered separately.

This bill contains an increase, over 5 years, in the earnings limitation for senior citizens who are receiving Social Security benefits, but who still work at jobs to supplement their low incomes.

I have been a cosponsor of this earnings limitation increase legislation for years. It hasn't come up in the House for a vote—despite my signing a Discharge Petition last year to force it to a vote. Increasing, almost threefold, this earnings limitation over 5 years to enable working seniors to earn as much as $30,000 a year before their earnings are offset against their social security checks, is a Godsend to seniors. Regrettably, because the majority here in the House will not allow a separate vote on it—I am forced to vote against it because of other unacceptable provisions contained in H.R. 1215.

Another provision, which I have also cosponsored in the past, is the phased-in repeal of the 1993 new taxes on social security benefits for those singles earning more than $34,000 a year and married couples earning more than $44,000 a year. Had this new tax come before me for a separate vote in 1993, I would have voted against it. Now that its repeal is before this House for a vote, I must vote against it because no separate vote is being allowed.

IRA Accounts. I have cosponsored and supported new IRA's which permit early withdrawal without penalty for such things as first time home buyers, college costs, extraordinary medical expenses, and even for periods of unemployment. I would very much like to vote in favor of this new IRA. But I can't. It isn't being brought up as a separate vote.

I stand behind no one when it comes to imposing and enforcing tougher penalties for those engaged in child pornography. During the 103d Congress, I signed the amicus brief before the Supreme Court to force the U.S. Department of Justice to stop weakening existing child pornography laws. We won that battle—and Stephen Knox is behind bars for exploiting children in sexually explicit photographs which he had been peddling to perverts nationwide for huge profits. Yet in this bill, giving House Members a chance to toughen those laws, I will have no separate vote on the issue.

If given a separate vote on the issues, I would also strongly support adoption and foster care enhancements, not to mention tax deduction for home office expenses, which I cosponsor in separate legislation.

In the 103d Congress, I cosponsored a bill, introduced by my friend and colleague Representative FRANK WOLF of Virginia, to give an additional $500 per child deduction to low- and middle-income parents. That provision is in this bill. Why can't I vote for it?

Two reasons: First, the tax credit is given to families with incomes as high as $200,000 a year; and secondly, it isn't being brought up as a separate vote, but is included in the bill as a whole with no amendments allowed.

Who wouldn't support making accelerated death benefits to the terminally ill tax-free? But I can't vote in favor of this, because it too is incorporated into the bill as a whole.

Who wouldn't support an Eldercare tax credit, or tax incentives for long-term care insurance? I would vote for these, if they were offered separately. Too bad they are incorporated into the bill—one vote only—up or down.

Yes, Mr. Chairman, there is much in the bill to recommend it. If the bill were being offered under an open rule, allowing separate votes on initiatives favored by a majority of Members regardless of party, then perhaps I could—many Members could—vote for them. As it is, we cannot.

Now that I have reiterated the provisions in the bill that would have my support if voted on separately, I will tell my colleagues what is in the bill that prevents me from voting in its favor.

First of all—recent surveys show that America prefers that we keep on reducing the deficit—as we have done since 1993—the first time the deficit has declined three years in a row since Harry Truman was President. They don't want a tax cut—and especially since many of them are now aware that this so-called tax cut won't help them because they aren't rich enough. How rich is rich enough? Earning over $200,000 a year is rich enough. That will get you about $11,000 in tax cuts. But if you earn under $30,000 a year, you might get about $124 in reduced taxes.

The so-called tax cut for middle America isn't. That is, middle-income working Americans will not realize much of a benefit from any of the tax-cuts proposed. Fifty-one percent of all tax cuts and tax credits in the bill go to the richest people and corporations. For example, while I could and would support a reduced capital gains tax for individuals holding assets they wish to sell, I cannot in good conscience support the 50 percent capital gains exclusions for individuals because of its serious, adverse effect on small businesses. West Virginia is made up of small businesses—and it is these that create more jobs in my State than any other employer. We need those jobs. I can't afford to vote for something here that will hurt, not help them. Let me quote to you from a letter from the U.S. Small Business Administration, dated April 3, 1995:

> Specifically, Sec. 6301 of H.R. 1215 (or H.R. 1327) * * * creates a 50 percent capital gains exclusion for individuals but, in doing so, repeals the special small business capital gains tax incentive in the existing law (P.L. 103–66, Sec. 13113). This will have the effect of raising the taxes of future investors in qualifying, high growth, small businesses from the previous maximum rate of 14 percent to the new rate of 19.8 percent. This may be the only category of taxpayer to have its taxes raised under the capital gains provisions of the proposal.

She goes on to say:

> * * * the repeal is troubling for small businesses for two reasons. First as a matter of even-handed tax policy, it seems incongruous to raise the tax rates of those who invest in the research, plant and equipment of a high-risk, emerging growth company while rewarding non-productive speculation in real estate or the stock market with substantial tax reductions.

So to all my colleagues whose districts are comprised of many small businesses, which create the jobs our Districts need, but not so many big businesses, beware of voting for this bill because of the much-touted reduction in the capital gains tax for individuals. If you don't believe me, read the two-page letter from the Small Business Administration.

Another provision—reducing and ultimately repealing the Alternative Minimum Tax for business. This AMT was put into the 1986 tax reform legislation because we learned that more than 130 companies—from A to X—Aetna to Xerox, not only didn't pay any taxes between 1982 and 1985, but that many such companies received tax rebates. Companies such as these will be back on the ''no tax'' gravy train if this bill passes as is.

Proponents of H.R. 1215 will tell you it won't cost but $188 billion. Treasury estimates put the cost at near $700 billion over 10 years.

You might ask: How is the majority going to pay for this tax cut bill?

First, they would ''save'' $100 billion in unidentified cuts in discretionary programs. While the programs haven't been precisely identified, the Budget Committee chairman, in his budget proposal, H.R. 1219, has a list of ''proposed areas'' in which cuts should be made. What cuts? Student aid comes to mind—$13 billion in cuts. Repeal of the Davis Bacon Act comes to mind. Repeal of the Essential Air Service comes to mind. There are many, many other discretionary safety-net programs included in the $100 billion cut.

Secondly, they would claim the $62 billion ''saved'' when they passed, without my support, their so-called Welfare Reform bill—a bill that makes war on innocent children and pregnant women, and senior citizens.

Thirdly, they would claim the $17 billion in Rescissions recently passed by the House, which I have already rejected.

Fourth, they would find another $10.8 billion in ''savings'' under Medicare by cutting both services to seniors, and payments to doctors and hospitals.

Fifth, they would find another $10.5 billion in new payroll taxes for Federal employees. This small segment of our working population—1.8

million Federal employees—would be expected to pay more into their pension plans, and get less out when they retire. These people are being given a tax increase—to help pay for a tax cut for the wealthiest population in the United States.

The Committee on Government Oversight and Reform couldn't muster enough votes among its majority party to report this bill changing the Federal Retirement System and yet it has been plunked down in the middle of a so-called middle-income tax cut bill.

The Congressional Research Service, in a report issued March 18, 1995, clearly stated that: the Federal retirement system is self-financing and its costs can never exceed its income—now or in the future. In other words, it ain't broke and it don't need fixing.

The $62 billion in claimed ''savings'' in this bill to help pay for the tax cut, comes directly from cuts in school lunches and breakfasts, in reductions in WIC for pregnant women and children, from denying assistance to children of teen mothers under 18 years of age, and from denying assistance to children whose mothers have other children, or who have been on welfare more than 60 months. All this amounts to an economic jihad against helpless children. If government won't take care of them who will? If not now, when? When it's too late? When children have been arrested in their mental and physical development due to a lack of adequate and proper nutrition? Amazing to see this happening to children, when all we've heard from the past two years is how to encourage preventive health care to keep down health care costs.

Last, while I reiterate that this bill's stated cost of $188 billion will grow to nearly $700 billion over 10 years—seven times more in the second 5 years than in the first 5 years—let me also state another provision lacking in the bill that would make it much more acceptable, if that were possible, and that would be the elimination of corporate welfare.

I am a cosponsor of legislation, known as the ''Corporate Welfare Reduction Act'' to eliminate corporate welfare. This legislation will close a $200 billion loophole that buries corporate welfare in our tax code in the form of giveaways—while we continually ask Americans to sacrifice more and more in higher and higher taxes. We sought to make our bill in order under the Rule, so that Members could vote for this legislation while considering the tax cut bill. The Rules committee rejected our request, yet it would have given us the chance to ''find'' $200 billion to cut out of our tax code, and perhaps make it unnecessary to cut programs for the poor, low-income working Americans, the elderly, and school children.

And just this past week, Mr. Chairman, the majority adamantly opposed requiring those persons who renounce their citizenship in this country and take their assets overseas—tax free—to pay tax on their assets—on the profits they made doing business in the United States under our free enterprise system—before they are allowed to renounce their citizenship. It was deleted from the bill, H.R. 831.

I am a lot more concerned, Mr. Chairman, about Child-Fare than I am about Corporate fare. How can the richest Nation on earth, the only true Democracy, think of declaring war—the equivalent of an economic jihad—on children so that greedy corporations can get richer, fat cats can get fatter, stockholders' dividend checks can get bigger, and salaries of Corporate CEO's can exceed $6 million a year in many cases.

Vote in favor of H.R. 1215? I think not, Mr. Chairman. A vote in favor of this bill, among other things, would have me vote for the heart of the FY95 Budget Resolution which hasn't even been brought before the House yet this year—cutting $100 billion randomly among discretionary programs. These cuts, of course, have not been specifically identified, but they point to cutting $13 billion in student aid, and repealing the Davis Bacon Act, the Economic Development Act, the Appalachian Regional Commission, and many others. This is a pig-in-a-poke and I am not buying it. When H.R. 1219—the budget resolution—comes to the floor, the majority is going to get up and tout the passage of H.R. 1215—saying: Gee, guys and gals, you've already voted to cut $100 billion when you voted for the ''crown jewel'' of the Contract With America—the tax cut proposal, so step right up and vote for the budget bill—it is one and the same.

A vote in favor of H.R. 1215 would have me voting for $17 billion in rescissions—which I've already rejected once.

A vote in favor of H.R. 1215 would have me voting for $62 billion in welfare reform cuts to programs that serve at-risk women and their infants, hungry school children and the elderly who need home heating assistance to keep from freezing to death in the winter—a bill I have already rejected.

A vote in favor of H.R. 1215 would have me voting for $10.8 billion in Medicare cuts, both in services to the elderly and to hospitals and physicians.

A vote in favor of H.R. 1215 would have me voting to require 1.8 million hard-working Federal employees to pay more into their retirement system and get less out of it upon retirement. It would add $905 more in payroll deductions for Federal employees each year, in order to give an $11,000 tax cut to individuals earnings more than $200,000 a year. This is a blatant new payroll tax on working Americans to help pay for a tax cut for the richest 12 percent of 260 million people who live and work in the United States. It pits 1.8 million Federal workers and retirees against the rest of the country. Talk about David against Goliath.

Those of us who were here in 1981, have been down this road of trickle-down, borrow and spend economics. The economic policies of the 1980's made us into a debtor nation for the first time in our history—we now owe foreign countries more than they owe us. We saw those economic policies translate into a quadrupling of our national debt.

Let's not go down that road again.

In conclusion let me say this: Any tax cut bill ought to be tied to deficit reduction, through carefully crafted spending cuts, not by using a meat-ax approach, so that we don't give parents money today that their children will have to repay in the future in the form of a mammoth interest on a mammoth national debt.

Let us save $200 billion by eliminating tax loopholes protecting corporate welfare in our tax code such as that embodied in the Corporate Welfare Reform Act which I and my colleagues have introduced, instead of taking $200 billion out of the mouths of hungry kids.

Let us concern ourselves with child fare—not protecting welfare for the wealthy.

I said early on, when the Contract With America was first presented to the House: there are a lot of god ideas in there—but none of them should be enacted if they intentionally harm the children. The biggest part of the contract that supposedly saves the most money is that which reduces and takes away support for children, in their nutrition programs, in their child care, in Head Start, in food stamps, in AFDC, in Medicaid. A literal war on children.

A tax cut bill should be one which provides relief for America's struggling families—and that alone should remain a top priority. The power to un-tax is the power to truly rescue those who need rescuing. Regrettably, H.R. 1215 does none of these things.

I urge my colleagues to reject this bill by voting against it.

Mr. BORSKI. Mr. Chairman, I rise in strong opposition to H.R. 1215, the so-called Tax Fairness and Deficit Reduction Act. Mr. Chairman, this bill is the farthest thing from being fair. The tax cuts included in this plan overwhelmingly benefit the highest-income Americans and will be paid for with cuts in programs important to working people and senior citizens.

The Treasury Department's analysis of this plan shows that the tax cuts in this bill will primarily benefit wealthy Americans. According to the Treasury, over half of the tax cuts in this proposal benefit only the top 12 percent of families with incomes over $100,000, and 20 percent of the cuts benefit only the top 1 percent of families with incomes over $350,000. In addition, this bill would eliminate the Alternative Minimum Tax [AMT] allowing huge corporations like Mobil Oil and Texaco to pay no taxes at all.

Mr. Chairman, I do not believe that the highest-income Americans and corporations need big tax give-aways from the Federal Government. The problem in this country is not that wealthy Americans do not have enough money, but that working Americans do not earn high enough wages. This bill does nothing to address this fundamental problem for working Americans. In fact, it will make matters worse for them.

The Republicans have proposed to pay for these tax cuts for the wealthy, which will cost nearly $200 billion over 5 years and $600 billion over 10 years, by cutting deep into programs vital to working Americans and senior citizens.

Their plan will repeal the Davis-Bacon Act which ensures a decent wage to laborers working on federally funded or assisted projects. Repealing the Davis-Bacon Act will make small contractors and their employees vulnerable to wage busting by outside companies.

In addition, H.R. 1215 will cut over $11 billion from Medicare. This Medicare cut will force premiums for senior citizens to increase by 25 percent of program growth. With Medicare growing by over 10 percent a year, it will not be long before Medicare premiums eat away at senior's Social Security check and force many seniors below the poverty line.

This bill will also impose a tax on Federal workers by raising their retirement contribution rate by 2.5 percent. This provision will raise taxes on the average Federal employee by $750 a year. I feel it is unconscionable to raise the taxes of lower-middle and middle-income families by nearly $11 billion to pay for tax cuts for the wealthy. H.R. 1215 also will reduce the pensions of Federal workers by

changing the formula that is used to determine their pension benefit.

In addition, the Republicans have targeted student loans. Students in my State of Pennsylvania will lose $830 million in higher education assistance. While education is becoming the key to higher wages in a changing economy, Republicans will raise the cost of attending college and force many students out of school altogether, denying them the only chance they have to secure a decent living.

Mr. Chairman, I believe it is absolutely unjust that Republicans are even considering cutting these highly successful programs for working Americans and seniors in order to cut taxes on the wealthiest Americans and corporations. Those who say that these tax cuts on the wealthy will grow the economy and trickle down to the rest of the country had better read their history. This supply-side economics logic was tried under the Reagan administration and was a complete failure for working Americans, whose incomes stagnated and whose taxes increased. It was also the root cause of our enormous deficit problems today which continue to threaten our future. The American people will not be fooled again. They know that this is merely a give away to upper income Americans and special interests and they are the ones who will have to pay. I urge my colleagues to defeat this highly unfair tax bill.

Mr. BEREUTER. Mr. Chairman, this Member rises in reluctant support of this measure.

This Member will vote for H.R. 1215, as it does contain many positive provisions, but he remains concerned that this bill was not allowed to be made better through the amendment process. This Member believes the Senate will improve the bill. Sounds emanating from the Senate indicate a more equitable and reasonable approach on some expected parts of this omnibus tax-cut legislation. And Mr. Chairman, it must be improved before this Member will support a conference report. Specifically, an improved bill must target its tax breaks toward truly middle income Americans.

Still, this Member does support this bill because of the many positive steps it will take to restore a sense of tax fairness to the American people. These include:

A 50 percent cut in the capital gains tax and prospective indexing for inflation. After years of taxing individuals and businesses at the current rate, without any relief through indexing for inflation, this cut and the beginning of indexation to account for the ravages of inflation is the least we can do.

Elimination of the Marriage Penalty. The bill at long last would provide married couples who file joint returns with an income tax credit of up to $145 to at least reduce the marriage penalty for most couples. This provision ends the inequitable and irrational current policy of taxing married couples more than if the couple filed separately. It is notable that this bill eliminates this problem, which was exacerbated by the Clinton tax increase of 2 years ago.

Expansion of existing IRAs and creation of a new type of IRA. The measure modifies present law governing deductible IRAs to permit annual deductible contributions of up to $2,000 for each spouse, thus finally eliminating a penalty on spouses who choose to be homemakers. Additionally, the measure provides for creation of American Dream Savings [ADS] accounts. Individuals will be able to contribute up to $2,000 per year—$4,000 for married couples—into a tax-free, nondeductible ADS account. Contributors will pay income tax when funds are deposited, but not when withdrawing the funds, effectively making the interest on the account tax free. Contributors may make tax-free withdrawals of funds after 5 years for retirement income, purchase of a first home, education expenses, or medical costs—including the purchase of long-term care insurance.

Increasing the exemptions under the Estate and Gift tax from $600,000 to $750,000 to account for the ravages of inflation since the current exemption was first enacted and then indexing the exemption to inflation. Families and small business owners have been hit hard by an exemption which has not been indexed for inflation. They have seen their ability to pass on family businesses and farms diminished by the increasing value of the property. By increasing the exemption we make up for past inflation and indexing the exemption assists families and small businesses down the road.

Increasing the depreciation on equipment and inventory for small businesses. The current depreciation limit of $17,500 is increased over 4 years to $35,000. This increase provides some relief to small businesses—allowing them to expand and update, thereby creating new jobs and a stronger economy.

Increase in the Social Security Earnings Limit. The bill raises the current $11,280 earnings limit for seniors to $30,000 over 5 years. This change which I have long supported eliminates what amounts to a 33-percent marginal tax rate on seniors earning up to $30,000. It is ridiculous that we punish seniors who want to remain productive and pay more income taxes past the age of 64; this measure ends that punishment.

Tax incentives for private long-term health care insurance. To encourage people to provide for their long-term care needs, the bill treats long-term care insurance as a tax-free employee benefit—up to $73,000 annually—like regular health insurance; allows life insurance policies to offer tax-free accelerated death benefits in the event of terminal illness or confinement to a nursing home; allows tax free withdrawals from IRA's, 401(k) plans and other pension plans for the purchase of long-term care insurance; and allows deductions for long-term care premiums.

Repeal of the Social Security Benefits Tax. This measure reduces, over 5 years, the amount of Social Security benefits subject to income tax back to 50 percent, eliminating the increase to 85 percent which was passed as part of President Clinton's tax increase package, passed by the Democrat controlled Congress in 1993. Elderly citizens earning more than $34,000 individually, or couples earning more than $44,000 will now be taxed on 50 percent of their benefits, not 85 percent as they were under the Clinton plan.

Adoption Assistance. The bill creates a refundable tax credit for adoption expenses. The credit starts at $5,000 per child and is proportionally reduced to zero for incomes exceeding $60,000, eliminating it totally for adjusted gross incomes over $100,000.

Despite these many positive provisions this Member's support is reluctant because only one amendment was made in order under the rule. This closed rule violates the spirit of the Contract With America since it calls for full and open debate and a clear and fair vote on each of the 10 Contract items. The Ganske/Roberts amendment should have been ruled in order. At least 102 Republican Members and many Democrats wanted to vote for the Ganske/Roberts amendment. It was a reasonable and fair amendment which helped maintain equity in this bill for people who really are middle-income Americans. Those provisions, limiting the $500 per child tax credit to families earning $95,000 per year or less, were intended to fine tune this measure toward assisting those we have pledged to help—the middle income.

A $95,000 per year income is a much more realistic cut-off for determining who is middle income. Try telling the people of Nebraska that families earning up to $200,000 are middle income; you won't have much success. This is a very substantial tax cut for wealthy and upper-income Americans—a loss of revenue that should have been devoted to reducing the deficit. And I might add, Mr. Chairman, my informal survey of my constituents shows that, on an 8 to 1 ratio, they believe that savings from reduced expenditures should first be used for deficit reduction. Provisions in this bill like the repeal of the Alternative Minimum Tax for corporations are not helpful to middle income Americans and it is bad tax policy which reverses recent reforms. Savings achieved by the cuts made in this measure should either benefit people who truly are middle income or go toward reducing the deficit. They should not provide additional tax benefits to corporations and the wealthy.

Mr. Chairman, despite my concern about some of the provisions of this bill, the positive reform elements just mentioned on balance easily make this a good and needed bill. This Member urges its passage, while lamenting that all of the provisions in the bill are not as effective and reasonable as those positive ones that this Member has highlighted.

Mr. GILMAN. Mr. Chairman, although there are many worthy provisions in this measure, H.R. 1215, I must take exception to the inclusion of title IV, the Congressional and Federal Employee Retirement Equalization Act. It is important to note that due to a lack of consensus by Members of both parties, these retirement provisions, originally H.R. 1185, never came to a vote in the Committee of Jurisdiction. Now these same provisions are being brought to the floor under a closed rule and as part of a separate legislative package. These actions stand in direct contradiction to the committee process and have in effect, restricted debate on an issue that will affect thousands of hard working families in my district.

The inclusion of title IV in a tax reduction bill seems ironic because, in essence, title IV is a tax increase on Federal workers. Title IV mandates a 2.5 percent payroll tax increase on Federal employees and institutes a fundamental change in the calculation of each worker's retirement benefits. The Congressional Budget Office estimates that this change will cause Federal workers to suffer a 4 percent decrease in future pension benefits. In this same bill which grants a tax benefit of $500 per child for families with an upper limit income of $200,000, title IV will cost an additional $750 per year for the family of a Federal employee earning an average salary of $30,000 per year. Along with many of my constituents, I believe this is an unfair burden to place on our dedicated Federal workers.

Most importantly, the central issue of the debate over title IV is the issue of honoring the commitments we have made to Federal employees. When Congress restructured the Federal Retirement System in 1986, barely 9 years ago, we set up the FERS system on a self-sustaining basis and established a system for honoring the liabilities of the old Civil Service Retirement System. At that time we promised our Federal employees that this would be the last time we would alter their pension plan. Many hard working families relied on that commitment and planned their families' futures based on that commitment.

We should live up to the contract we have made with our Federal workers. Title IV of this measure breaks that promise.

Regrettably, title IV has been included within a tax and spending reduction bill which includes many positive proposals, including: A tax credit for long-term care, the establishment of an American dream savings account, relief of the marriage penalty tax, IRA deductions, and capital gains benefits and reductions.

These tax cuts are fiscally responsible. Of course that tax cuts as a whole reduce Federal revenues, that is what tax cuts do. However, families in my district deserve a tax cut and deserve to have Federal spending reined in. Accordingly, this legislation will accomplish both, cut spending that needs to be cut and using those savings to reduce taxes for American families and businesses.

Accordingly, I will vote for passage of this measure, despite my objections to the provisions of title IV.

Mr. COSTELLO. Mr. Chairman, tonight, the House is being asked to approve large and growing tax cuts that make the goal of balancing the budget farther and farther out of reach. The Republican ''Contract with America'' promised to balance the budget. However, it does not make sense to make drastic and painful cuts in order to provide a tax break to wealthy Americans before we get serious about deficit reduction.

While this bill pays for the tax breaks over a 5-year period, after five years the costs explode, and the federal deficit will actually increase. The long-term result of this bill will be an increase in the deficit by $630 billion over 10 years. This would be the second largest deficit increase in history, behind only the 1981 tax cuts.

Mr. Speaker, this is epitome of hypocrisy. If Republicans were serious about deficit reduction, as they claim, the spending cuts included in this tax package would be applied to the deficit, rather than financing a huge tax break for the wealthy.

This tax-and-spending-cut package will cut programs for the most vulnerable in our society to pay for tax breaks that will largely benefit wealthy American citizens. This bill has been called the ''crown jewel'' of the Republican ''Contract With America,'' but it appears most of the crown jewels will only go to the rich.

To reduce our Federal budget deficit, we must cut every area of our discretionary budget. However, to make these very difficult cuts only to give the savings to wealthy Americans does not make sense to me. That is why I oppose this ''crown jewel'' of the ''Contract With America.''

I believe we must restore fiscal sanity to our budget process. We have an obligation to put an end to the huge interest payments that are eating away at our children's future. However, the solution to this problem does not lie in handing over our nation's ''crown jewels'' to those who need them the least.

Mr. KLECZKA. Mr. Chairman, this is a sad day for this country . Today, the Republicans passed what should be called a ''Deficit Acceleration Bill'' under the guise of a tax cut bill.

This measure will not receive my support because it is a Trojan Horse. It sounds and looks friendly, but it will have dire consequences by exploding the federal budget deficit we have worked so hard the last 2 years to contain. If passed into law, this measure would entail a $630 billion loss to the Federal Treasury over the next 10 years. That is inexcusable.

We have a debt of $4 trillion. We have annual deficits estimated to rise in future years due to demographics. Moreover, we are $1.2 trillion short of the balanced budget so many of us want to achieve over the next 7 years. Cutting taxes in this manner and at this time is the absolute height of folly.

This bill is the same mindset as the trickle-down, supply-side tax cuts made during the early 1980's. Those tax cuts, along with massive defense spending increases, got us into this fiscal mess. Those tax cuts are the reason each and every child born in this country is born about $20,000 in debt. They are the reason we pay 16 percent of our budget on interest payments on that debt.

My constituents have told me over and over that they want us to concentrate on cutting the deficit first. They have said so consistently, and I agree with them. That is why the Deficit Acceleration Bill is not just wrong, but morally objectionable. It robs our children and our grandchildren of their futures. And, it ruins any chance of responsibly achieving a balanced budget.

This bill offers huge tax benefits to the wealthy and precious little to those who could use them—hard-working, middle-income Americans. Nearly two-thirds of the tax benefits provided by the Deficit Acceleration Bill will go to those earning more than $75,000 a year. Moreover, the bill gives people who make up to a quarter million dollars unneeded tax relief.

The tax cuts will amount to nearly $1,000 a month for the average household with children that has income over $200,000, but less than $66 a month for those that earn between $30,000 and $75,000. That is just $16 a week, which is not enough to take a family to the movies for a matinee these days.

It is my hope that the next step is for the Senate to reject this Deficit Acceleration Plan so we can work together on a bipartisan basis to address our long run deficit problems. As Vice President Gore said this week, ''On Day 101 we're going to start fixing the damage that was done during the 100 days of the Republican Contract.'' There is no piece of legislation more in need of fixing than the bill we are considering today.

Mr. YOUNG of Florida. Mr. Chairman, I rise tonight in support of H.R. 1327, the Tax Fairness and deficit Reduction Act of 1995, one of the most pro family bills this House will consider.

This legislation, which incorporates several provisions contained in the 10 points of the Republican Contract With America, makes good on the promise we made to ease the tax burden on American families. H.R. 1327 delivers the kind of genuine change that the American people asked for in November, and I am pleased that the House is acting on this legislation, as pledged, within the first 100 days of the 104th Congress.

The family is the core of our society, and the Congress should support our nation's families, not penalize them. We support families with this legislation by addressing the so-called ''marriage penalty'', where married couples pay more in taxes than they would as two individuals. I have long been a critic of the marriage penalty, and believe that the government should not punish people for getting married.

H.R. 1327 is pro family because it will help this same couple when they have children by providing a $500 per child tax credit. If they choose to adopt a child, this bill establishes a refundable tax credit for adoption expenses. This same family will also benefit from the creation of the American Dream Savings Account. Individuals can contribute up to $2,000 a year into these accounts. They can then make tax-free withdrawals if used for retirement income, for a first time home purchase, for post secondary education, for medical emergencies, or purchasing long-term care health insurance. Make no mistake about it, tonight we are helping families buy their first home, educate themselves or their children, and plan for their future medical needs. While the initial deposit is taxed, by allowing interest in these accounts to accrue tax free, we will foster the American dreams of home ownership, a better job, and retirement security while increasing our nation's savings rate.

When families start to age, H.R. 1327 provides a $500 refundable tax credit for individuals who care for a disabled parent or grandparent at home. Families will benefit because this legislation encourages people to plan ahead for their long-term care needs, by allowing tax-free withdrawals from IRAs, 401(k) plans, and other qualified pension plans so they can purchase long-term care insurance. Also, H.R. 1347 allows a tax deduction for long-term care premiums, and encourages employers to provide these policies by treating them as a tax-free employee benefit like regular health insurance.

As the Representative of Florida's Tenth Congressional District, which is home to one of our Nation's largest populations of senior citizens, I am also pleased that H.R. 1327 will remove a number of onerous burdens on older Americans. One of the first bills I ever introduced in Congress would have repealed the Social Security earnings limitation, and I have consistently cosponsored legislation that would overturn the unfair limit on outside income which penalizes older Americans for working. While the former House Leadership failed to allow us to debate this legislation on its own in the House, and prohibited us from raising it as an amendment to any other pending legislation, I am pleased that today, we will be able to vote for this bill that would raise the earnings limit from $11,280 to $30,000 over the next 5 years. As I have repeatedly told my colleagues, I firmly believe our Nation can benefit greatly from the skills and experience of older employees, and we should encourage their contributions to our economy.

Another portion of the contract that I strongly support is the repeal of the 1993 Clinton tax increase on Social Security benefits. I opposed the original legislation that required senior citizens who earn more than $34,000,

or couples earning more than $44,000, to pay income taxes on 85 percent of their Social Security benefits. I cosponsored legislation in the 103d Congress to repeal this tax increase, and I will support this legislation before us which will roll this tax back over 5 years to the pre-Clinton levels.

Finally, one of the most important parts of the Tax Fairness and Deficit Reduction Act is a reduction in the capital gains tax rate. I have long been supportive of these efforts, because this reduction will be good for all Americans. Allowing individuals a deduction equal to 50 percent of their net capital gains for a taxable year is good economic policy because it will encourage personal savings in our Nation and help our captial markets preform more efficiently. By increasing our Nation's personal savings, we will make it easier for businesses to raise capital in order to expand, and create more jobs, leading in turn to more economic opportunities for every American.

Mr. Chairman, the legislation before us this evening makes good on many of the promises we made in the Contract With America. It is pro family. It promotes higher education. It respects the contributions older Americans have made to our Nation. It encourages home ownership. It fosters savings. Most importantly, it creates greater economic opportunities for all sectors of our society.

Mr. Chairman, this legislation is pro family, pro growth, and pro America. I urge its strong support this evening.

Mr. MANZULLO. Mr. Chairman, the passage of the tax legislation that we are considering today will be a triumph for our Nation's seniors. One of the most onerous and counterproductive taxes that exists in our current code is the Social Security earnings test. This penalty reduces Social Security benefits for those ages 65 to 69 by $1 for every $3 earned above $11,280—a 33-percent marginal tax rate. In fact, because of President Clinton's 85 percent tax on so called wealthy senior's benefits, many workers age 65 to 69 face a marginal tax rate as high as 88.8 percent.

Without question, these high marginal tax rates affect the behavior of senior workers. About 1.9 million retired workers in this country age 65 to 69 who are eligible for Social Security benefits earn income. An inordinate number of them earn up to or near the earnings limit and then quit working. It is obvious that these workers earn all they can without being subject to the retirement earnings penalty.

Mr. Chairman, I know first hand of such behavior and the importance of this legislation. A constituent of mine, Bess Marsala from Rockford, IL, called me regularly last year to find out the status of Representative DENNY HASTERT's legislation in the 103d Congress that would have raised the earnings limit. She candidly told my staff that she had job opportunities that would have put her earnings over the current $11,280 limit, but had to decline due to the draconian and punitive taxes she would incur.

Mr. Chairman, the retirement earnings limit has been part of Social Security since its inception. The original reason given for it was that Social Security should replace lost earnings. Benefits, it was believed, should not go to people who continued to work. This policy was consistent with the Depression era view that Social Security should encourage older workers to leave the work force, making more jobs available for the young.

Times have changed. The United States now faces a shortage of workers, not a glut. The continuing labor force participation of older Americans who possess valuable skills acquired over 30 or 40 years is increasingly important to the health of the U.S. economy. The result of the current earnings limit is that a vast store of human capital, rich in talent and ability, is wasted.

Raising the earnings limit for retired workers makes good economic sense. The substantial reduction in marginal tax rates on wages will lead to an increase in labor effort that yields additional income and payroll tax revenues to offset the increase in Social Security benefit payments.

Mr. Chairman, I am excited that today I will be able to tell Bess Marsala that the House of Representatives has taken the first step toward giving seniors such as herself the freedom to work.

Mr. GILLMOR. Mr. Chairman, I rise today in support of H.R. 1327, the Tax Fairness and Deficit Reduction Act of 1995. It is with a great sense of personal satisfaction that I see this bill come to the House floor for debate as part of it, the ability for individuals to create American Dream Savings Accounts, is very similar to a bill I have been introducing since my first term in Congress. That bill, the Education Savings Account, H.R. 769, contains many of the provisions which are included in the legislation we are now debating.

My legislation would allow families to contribute $1,500 annually, tax-free, to education savings accounts for each child under age 19. This provides an incentive for families to begin saving while their children are young. For families who have children closer to college age, this bill has the unique feature of allowing an immediate transfer of funds from an Individual Retirement Account [IRA] to the ESA so that those savings can be used for higher education. Money in the ESA not spent on education can be transferred penalty-free back to the IRA.

Enactment of the tax bill we are now considering will allow families to take the initiative and begin saving for their children's education. We all realize how important higher education is to succeeding in today's work force and the cost of college is continually escalating.

Consider the fact that the family share of college expenses has increased to more than 50 percent with parents contributing over one-fourth of the total spending on higher education and student contributing about one-fifth. This holds for both private and public schools, although the contribution is generally greater for those families whose children attend private institutions.

In fact, if present trends continue, the cost of a college education for my own son who will enter college in the year 2010 could be as much as $107,000 for 4-year public schools, $168,000 for 4-year private schools and $29,000 for 2-year community colleges. That is why it is imperative for us to enact legislation such as H.R. 1327 to help families prepare for these exorbitant costs.

The Fifth District of Ohio, which I represent, is small town Ohio at its best and in many respects represents the same viewpoints of small communities throughout our country. From traveling through my district, one of the most common complaints I hear is that government spends too much and taxes too much. ''Cut government spending and cut it now'' is a frequent refrain. I am delighted that the 104th Congress is about to vote on actually implementing some of these reductions. For example, as a result of this legislation your average tax reduction per filer in Ohio will save $1,439.

Let me briefly examine some of the more important provisions which will have such great impact on small town Ohio. There is a section which would increase the Federal estate and gift tax exemption from $600,000 to $750,000. This increase is important for small business owners and farmers who wish to pass on their businesses to their children.

There is also a changed requirement with respect to capital gains, the alternative minimum tax, and accelerated depreciation. All of these provisions will strengthen our Nation's economy and make for an improved business climate.

Another reason for supporting this bill is that it goes a long way in restoring faith and confidence in our seniors while giving back to them some of the financial security that was stripped away by the administration's budget 2 years ago. This bill takes three important steps for seniors.

First, it raises the earnings limit for seniors who want to work and remain productive citizens. Government should not prevent people from working, keeping them against their will in a nonactive, nonproductive retirement. There are thousands of seniors who would love to contribute to our society and we should allow them the ability to do so.

Second, the tax reductions bill repeals the tax hike on Social Security benefits imposed by the Clinton administration's budget in 1993. The tax should be eliminated for a couple of reasons. To increase taxes on seniors who are in retirement on fixed incomes is to target one of our most vulnerable populations. It would be wrong to increase taxes on working seniors, seniors wanting to remain in the work force.

The final reason I am for this tax reductions bill involves long-term care insurance. For many seniors, long-term care becomes a necessity. We should provide incentives for people to purchase long-term care insurance before they need it. This bill provides tax deductibility towards the purchase of long-term care insurance so that when people are in the unfortunate situation of needing long-term care, it will be there.

I think the issue of Federal pensions needs to be examined. I believe the review of them has not been adequately completed, and the provisions regarding them should not be included in this bill. However, we must evaluate the bill as a whole, and on balance it is a good bill. The pension issue needs to be reviewed before this bill clears Congress.

Mr. Chairman, today is not the final act in implementation of the Contract With America. Many of the initiatives must be debated by the Senate. But it is absolutely critical that the Members of the House of Representatives endorse this package with the strongest possible vote and begin delivering real and meaningful tax reform to Americans.

Mr. SERRANO. Mr. Chairman, I rise in strong opposition to H.R. 1215 and urge my colleagues to reject it.

With our overall economy doing well, and with the American people demanding attention

to the Federal deficit, this is not the time to cut taxes.

But even if this were the time, I believe any tax cuts should be directed to helping working families improve their lives and enhance their ability to participate fully in our economy. Instead of this bill, we should be looking at further expanding the earned income tax credit, providing other refundable credits, or providing credits or deductions for the costs of education and training, as the Democratic leader's substitute would do.

Instead, we have a bill that directs more than half of its benefits to households with incomes above $100,000 and over 66 percent of its benefits to households above $75,000.

And how do we pay for all this generosity? Well, by cutting appropriations for programs such as those on the Budget Committee's list of illustrative cuts—LIHEAP, job training, workplace safety, education, housing, biomedical research at NIH, to name only a few—none of which should be used to offset anything on the pay-as-you-go side of the budget. And by slamming Federal employees through their pension system. And by raiding the Medicare trust fund. Any by relying on the wrong-headed savings from welfare so-called reform, which will in fact either increase State costs—and State taxes—or increase misery among our most vulnerable populations.

I will concede that H.R. 1215 has a couple of good points, such as the accelerated death benefits provisions, which I cosponsored, and the tax credits for expenses of adoption and of caring for an elderly relative at home. Of course, the credits would be much better if they were refundable, as they were in the contract, to encourage people of limited means to build and strengthen families.

But overall, the bad points in this bill far, far outweigh the good. Where to begin?

If I begin at the beginning, I must protest the provisions that violate the spirit of the Budget Act by removing the barrier between the discretionary and the pay-go sides of the budget, allowing appropriations cuts to offset tax cuts. The portion of the budget that is subject to appropriation has already been the major contributor to deficit reduction, but has not—until now—been available to pay for tax cuts. This is very bad policy.

Then there's the extraneous stuff, particularly the provisions relating to Federal pensions that couldn't win a majority vote in the committee that actually has jurisdiction over them. But here they are, in H.R. 1215. The authors of the Contract With America want to violate the Federal Government's contract with its employees. Two million Federal employees face tax increases that exceed any tax cuts they might hope to receive from the rest of the bill, so we can cut everyone else's taxes.

The American Dream Restoration provisions would explode the deficit, especially in the years beyond our 5-year budget calculations.

The family tax credit in the original contract was refundable, so all families with incomes up to $200,000 could benefit, even those whose income tax liability is small, but who still pay Social Security, Medicare, and State and local taxes. But in this bill the credit is not refundable. The parents of 34 percent of American children will not be able to receive the full credit because their incomes are too low. Only the better-off fully benefit from this credit.

The American Dream Savings Account is written so that it brings revenue in in early years but loses tremendous amounts after 5-years, just when efforts to balance the Federal budget are at their most intense.

The overwhelming winners under the capital gains tax rate reduction for individuals are the households with incomes over $100,000, which would receive 76.3 percent of the benefits.

The business tax changes are also backloaded, with major revenue losses coming in the years after 2000. And even as the big changes in depreciation make an alternate minimum tax more necessary, to assure that profitable businesses pay at least some income taxes, the bill phases the minimum tax cut.

The taxpayer debt buydown is another deeply troubling concept. We are already facing extremely hard choices as we attack the federal deficit, but the ''glideslope'' could become impossibly steep if taxpayers can divert up to 10 percent of income tax revenues from legitimate Government spending to a debt reduction fund.

Mr. Chairman, this is an untimely, bad, misguided bill. I urge all my colleagues to vote to reject it.

Mr. ABERCROMBIE. Mr. Chairman, I submitted to the Rules Committee an amendment to H.R. 1215, the Tax Fairness and Deficit Reduction Act of 1995, regarding the one-time exclusion of gain from sale principal residence by individual who has attained age 55. However, under this closed rule I will not have the opportunity to offer an amendment which deserves consideration by the House.

Currently, under 26 U.S.C.S. section 121, an individual has the option to elect not to include gain from the sale or exchange of property if they meet certain criteria: First, the taxpayer has attained the age of 55 before the date of such sale or exchange, and second, during the 5-year period ending on the date of the sale or exchange, such property has been owned and used by the taxpayer as his principal residence for periods aggregating 3 years or more.

Furthermore, the limitations for the application of this option are subject to: First, dollar limitation. The amount of the gain excluded from gross income shall not exceed $125,000—$62,500 in the case of a separate return by a married individual, and second; application. An individual can only elect to utilize this option once.

Mr. Chairman, section 121 was added to the code in 1964. Initially, an individual had the option to exclude a gain of $20,000 from the sale or exchange of property. The attainment age was 65 and during an 8-year period ending on the date of the sale or exchange, such property had to have been owned and used as a principal residence for 5 years.

Since that time section 121 has been amended to its present form. yet, the last time the option to exclude from gross income was increased was in 1981 from $100,000/$50,000 to $125,000/$62,500. My amendment would increase the exclusion on sale of principal residence to $250,000/$125,000. Also, I have included language so that the property would has to be owned and used by an individual as a principal residence for 6 out of the 10 years on the date of sale or exchange.

Mr. Chairman, my amendment is not for speculators. The purpose of the amendment is to provide a real option for individuals who have seen property values increase dramatically since 1981, particularly in the State of Hawaii and other high cost housing areas. In 1980–81, the average cost for single-family housing in Hawaii was $169,000, In 1994, the average cost for single-family housing had risen to $430,000. Nowadays, most of my constituents do not even have the opportunity to purchase a house. They have been priced out of the market. By the same token, seniors who in may cased have lived in the same house for their entire lives do not have the option of selling their property because it would be fiscally imprudent.

Mr. Chairman, it is unfortunate that as the House moves to consider legislation to establish tax fairness I am unable to offer an amendment that would move towards this goal.

Mr. BENTSEN. Mr. Chairman, I rise in opposition to H.R. 1215. While reducing taxes at any bracket is appealing, I believe this legislation is contrary to our national priorities at this time.

There are many provisions in the Tax Code which I believe need to be changed in order to help middle-income families regain lost purchasing power, encourage business investment and expand personal saving. However, as drafted this measure fails to fully achieve these goals. More importantly, by choosing this path, the House is telling the world that we are not serious about deficit reduction. I cannot support that position.

House bill 1215 does not provide sufficient middle income tax relief. The bulk of relief goes to those earning more than $50,000 per year and is greatly skewed up the income scale. The $500 child tax credit is structured so that wage earners who pay most of their taxes through payroll deductions will receive little of its benefit. Anyone earning $50,000 or less will receive little under this bill. The bill provides greater flexibility for deductions for individual for individual retirement accounts and earnings limitation for Social Security beneficiaries, but is deficient on true middle-income relief while potentially increasing the burden on middle-income families by not reducing the national debt.

H.R. 1215 also provides significant relief to corporate tax payers through the elimination of the corporate minimum income tax and neutral cost recovery. Additionally, the capital gains tax rate is cut and indexed for inflation. I believe that cutting the gains rate may spur investment, but I do not believe significant capital is sitting on the sidelines because of the current 28 percent rate. I support indexation of capital gains just as the code provides for income taxes. Taxpayers should not have to pay for the costs of inflation. Yet, I cannot support this combination of corporate tax breaks when the economy is growing and the Government is broke.

I am greatly concerned about the cost of this bill—estimated to be $700 billion over 10 years. This will double the amount of spending cuts that Congress must achieve to balance the budget. Democrats and Republicans know that balancing the budget without this tax cut will be painful. Why increase the pain for limited benefit? Why not address the deficit first?

Where will the cuts come from to pay for this bill? The majority has told us that discretionary spending will be cut in the out years, but that will require future Congresses to

abide by this agreement, in addition to balancing the budget. We now know that under this bill, all Federal employees will have their contributions to retirement increased by 2.5 percent annually while benefits will be reduced at retirement. The net effect is a 2.5 percent tax increase or pay cut for Federal Employees in order to redistribute income through the Tax Code. This proposal will cost $750 for the NASA employee who lives in my district making $30,000 per year. What the American people don't know is that this item was rejected by a bipartisan vote in the Government Oversight Committee but the Republican leadership slipped it into this bill. That breaks the bond between employer and employee and is unfair.

We know that the bill counts on $70 billion in savings from the welfare system, but as we learned from the debate 2 weeks ago, those savings will come at the expense of the States since the welfare reform bill merely cuts spending and transfers responsibility. This so-called reform, with no work requirement, will cost my Sate of Texas $1 billion per year.

So what the proponents are doing is shifting the costs of welfare to the States and cutting the pay of Federal employees to pay for part of the tax cut. The rest will come from the good will of a future Congress.

Let me say, I give the committee credit for including congressional pension reform which I have long supported. Congressional pensions should be in line with other Federal employees. But we should not have to cut Federal employees pay to reform our own pensions. Let's bring that bill up for a vote now, don't hide it in a tax bill.

Passage of this bill will be another missed opportunity to cut spending and balance the budget. This bill spends the cuts Congress already made, but we have learned that to be the case on every spending cut bill considered this year. With the economy growing at a substantial rate, but deficits still running at $200 billion annually, wouldn't it be prudent to pare down the debt first? We should have real tax relief for the middle class, including expansion of IRA's and indexing of capital gains, but we need debt relief first. We should focus our efforts on the middle class, those earning between $25,000 and $75,000 who have seen their purchasing power decline. Debt reduction will help. This bill fails to achieve that goal. When a company is drowning in debt, it cuts that debt, we should do the same. Let's put this measure aside and begin the hard task of balancing the budget.

Mr. CLAY. Mr. Chairman, I rise in opposition to this so-called Tax Relief Act and the punitive measures it would levy against Federal workers.

The Committee on Government Reform and Oversight—which has jurisdiction over Federal personnel issues—has not held a single hearing on the Federal pension legislation before us today. Not long ago Congress spent almost 2 years creating the Federal Employee Retirement System—which is modeled after private sector pensions plans. It is irresponsible for this Congress to circumvent the legislative process in order to sabotage the careful, deliberative program which was painstakingly produced.

The problem with reducing the Federal workers pensions benefits has been well stated by the conservative think tank, the Hudson Institute, in its report, ''Civil Service 2000.''

> If federal pay, benefits and working conditions are perceived to be inferior to those available from private employers, Federal employers may be faced with higher levels of turnover at senior levels, and the challenge of recruiting and keeping senior professional and technical people will grow.

Mr. Chairman, despite what the proponents of this legislation pretend, there is no financial crisis in the Federal Employees Retirement System of the Civil Service Retirement System. Both the Congressional Research Service and the General Accounting Office have confirmed the financial solvency of the Federal retirement program. There is no reason for this body to deny reality.

The pension payment increases contained in the Tax Fairness and Reduction Act will effectively increase taxes for most Federal workers by approximately 10 percent. It is dishonest to attempt to offset a tax reduction for the wealthiest households in our Nation by gutting the pension benefits of our Nation's public servants.

Mr. Chairman, I urge my colleagues to reject this legislation.

Mr. ROEMER. Mr. Chairman, I rise in strong opposition to H.R. 1215, the Contract With America Tax Relief Act of 1995. At a time when 16 percent of all Federal spending is used to pay interest on the national debt, it is clear that it is the wrong time to reduce taxes, particularly in the manner recommended in this bill. We cannot afford to spend $630 billion over the next 10 years on this proposal.

I doubt there is a Member in this Chamber who opposes easing the tax burden on working Americans. In an ideal fiscal situation, I would advocate tax simplification and reduction. I am a supporter of capital gains tax reductions, for example. I hear often and loudly from my constituents about the complexity of the Internal Revenue Code, which many view as overly confusing and punitive. There is no question that improvements can and must be made. I will support budget-neutral tax reduction plans that stimulate the economy.

However, our national debt today stands at $4,873,480,746,464.74, and our budget deficit is estimated to be more than $165 billion this fiscal year alone. As these numbers indicate, our country is in a fiscal crisis. It is nothing short of irresponsible to be considering tax cuts that will add at least $630 billion to the deficit over the next 10 years. We should be looking to cut spending first, not cut taxes.

There are some provisions of H.R. 1215 that I support. I have long favored a targeted capital gains tax cut. The bill includes a 50 percent capital gains reduction for individuals, as well as allows for capital gains indexing tied to inflation. These capital gains changes would greatly assist family farmers and small business owners, and are proposals that I endorse. But is imperative that we pay for these proposals with cuts in Government spending.

I also support the Super Individual Retirement Account [IRA] initiative that is contained in H.R. 1215. Under the Super IRA proposal, withdrawals from IRA's would be penalty-free if used for the purchase of a first-time home, or for education and medical expenses. Once an individual reaches age 59½, withdrawals would not only be penalty-free but interest would not be subject to taxation. With the net personal savings rate in the U.S. at an all-time low of 3.5 percent of gross domestic product, these changes are long overdue.

However, H.R. 1215 contains many egregious and unfair tax changes. The bill repeals the Alternative Minimum Tax [AMT] for corporations. The AMT was established in 1986 when it was discovered that some of the country's largest and most profitable corporations paid no federal taxes or, because they took advantage of countless deductions and tax credits, actually received a tax rebate. Not only does this bill repeal the AMT, which insures that profitable corporations pay a fair share in taxes, but it also permits companies to use their prior AMT payments as credits against future taxes. At a time when even the most effective Federal programs are subject to significant cuts, it is simply unconscionable that many corporations will be able to eliminate some or all of their Federal income tax liability.

This bill will cost middle-income American taxpayers $188 billion in the next five years alone. Yet, middle class Americans will see very little benefit. Those making $30,000 or less will see a tax cut of $124 per year while those making $200,000 can expect to save $11,000 per year under this bill. While I am not promoting class warfare here, I am encouraging tax fairness.

This legislation makes promises which will explode the deficit after the first five years. The offsets contained in the bill are not from Federal entitlement or revenue programs, but rather are derived from domestic discretionary programs. Because these programs are already capped, subject to annual review, and do not grow at the same rate as tax revenue losses or entitlement programs, they will not pay for the tax cuts over time. Simply put, this bill will add to our already overwhelming deficit.

With respect to fairness, or lack of it, school lunches for children and college loans for middle-income students are cut to pay for tax breaks or tax exemptions for large companies. We should not nickel and dime to death child nutrition and college loan programs in order to relieve fair tax obligations for some profitable businesses. Additionally, small subsidies for senior citizens to heat their homes during frigid winters is completely eliminated to fund these tax breaks and loopholes. The best tax cut for all Americans is to reduce the deficit.

For the sake of future generations, we need to focus on deficit reduction. Only when progress has been made on this goal should we look to reduce taxes. Once we are successful in balancing the Federal budget, then we should focus on tax cuts. I hope we can start in a bipartisan way to craft substantive changes in the Federal tax code to encourage long-term savings and investment critical to the competitiveness of our national and local economies as soon as we return from the Easter work period. We need to practice common sense when we revise the tax code.

Mrs. COLLINS of Illinois. Mr. Chairman, the bill we are considering today may be called the Tax Fairness and Deficit Reduction Act; but there is nothing fair about this tax bill.

For 2 million middle class Americans, this bill is a tax increase bill, not a tax cut bill. The bill also cuts benefits for future Federal retirees by 4 percent.

In this one bill, my Republican colleagues have succeeded in breaking two important promises they made to the American people: not to raise taxes; and not to tamper with pensions for the elderly.

Under this bill, the 2 million people working for the Federal Government will be taxed a total of 9.5 percent of their income to pay for their retirement benefits. Contributions for those employees participating in the Civil Service Retirement System will increase by 36 percent. Contributions for employees covered by the Federal Employees Retirement System will increase by 313 percent.

If the Congress passes this bill, the average Federal employee will pay an additional $4,525 over 5 years, or an average of $905 more each year, in order to participate in the retirement program.

No one, let me repeat, no one should take any comfort in the fact that only Federal employees will be hit with this new tax. The Federal retirement program is funded through payroll withholding, just like Social Security.

If the Republican leadership thinks it is all right for Federal employees to pay 9.5 percent of their salary for retirement, may they soon not conclude that workers covered by Social Security should pay 9.5 percent of income for their benefits too?

In fact, what we may be seeing here is the Republican answer to the crisis facing our entitlement programs. If you think it costs too much for the Federal Government to make good on its commitments to the elderly, the sick, children and survivors, just raise the tax workers pay for these benefits—only, this is very important, do not call it a tax.

Even though this bill will take 9.5 percent of an employee's salary out of his or her check, in the same way income taxes are deducted, proponents claim it is not a tax.

I disagree. All the complicated arguments in the world cannot change the basic fact that 2 million Americans will have about $900 less to spend each year, as a result of this bill. Under House Rules, it should take a vote of three/fifths of the Members to pass it; but, that is not what the Rules Committee provided.

It is ironic. When I appeared on a bi-partisan panel before the Rules Committee, which was telecast by C-SPAN, none of the Members of that Committee had any trouble understanding that this was a new tax on employees and that it should not be in this bill. In fact, the Rules Committee chairman said:

> But, I have to agree with you that this is a case where we are raising taxes on some to pay for tax cuts for others and that to me is wrong. I don't believe we ought to be doing this in this bill.

Similarly, Members on both sides of the aisle of the Committee on Government Reform and Oversight emphatically rejected any attempt to raise taxes on Federal employees to pay for tax cuts. Let me repeat, the Committee of jurisdiction refused to approve the tax increase for Federal employees this bill contains.

You have to wonder, then, why are we now faced with this proposal as part of the tax bill?

Some in the majority suggest this tax increase is needed, because they claim the retirement fund is financially unstable and will soon become a huge burden on taxpayers.

This simply is not true. The Congressional Research Service of the Library of Congress recently issued a memorandum that makes it very clear, the Federal retirement system is solvent, and the issue of future liabilities has been adequately addressed in previous pension legislation.

Proponents of these changes also allege that it would restore greater balance to the Federal retirement system. However, Federal employees already contribute 28 percent of the total amount spent each year on retirement benefits. On the other hand, GAO says that 95 percent of all private sector retirement plans involve no, I repeat, no employee contribution.

Clearly, Federal workers already assume far greater financial responsibility for their retirement program than do many workers in the private sector. If this is the case, what is the justification for raising the retirement tax Federal employees must pay and for cutting their benefits?

The simple answer is that the majority needs $11 billion to help pay for their tax cut for those wealthy Americans fortunate enough to have investment earnings. There is no other answer.

Apparently, Republicans do not mind taking hard-earned dollars from middle-class Americans to pay for tax cuts they give their rich friends. But, I do, and I believe most Americans do as well.

There is nothing fair about this approach to tax reduction.

In an effort to disguise what this bill does, Chairman CLINGER has made the claim that the increased retirement contributions of Federal employees will offset tax cuts, will strengthen the federal retirement system, and will reduce the deficit—all at the same time.

This explanation defies basic common sense. Obviously, the same dollars cannot be used for three simultaneous purposes that directly conflict. Instead, this is what really happens in simple English: the increased revenues generated by the tax on Federal employees offset the reduced revenues from the tax cut. The deficit is not reduced, nor is the retirement system healthier.

The accounting trick is that although the revenues go directly into the Federal retirement trust fund under the law, what really goes into the trust fund are non-negotiable government securites—in effect, a government IOU to itself.

This allows the revenues to be scored under the Budget Act at increased receipts that are available for other purposes. The increased receipts would reduce the deficit under Budget Act accounting. However, the tax cuts in the bill offset this reduction, resulting in no reduction of the deficit.

Mr. Chairman, Congress dealt with reforms needed in the Federal retirement system in 1986. At that time, we asked Federal employees to make a final and irrevocable choice as to the retirement plan in which they would participate.

Having made that choice, Federal employees have the right to expect that the Government they have served would not change the rules in the middle of the game.

Mr. Chairman, our contract with Federal employees is every bit as binding as the Contract With America. Federal employees have fulfilled their obligations; it is now up to us to make sure the Government delivers on its commitments.

Each of my Colleagues should remember that if this tax cut bill can be used to raise taxes on Federal employees, no one is safe. Social Security and Medicaid taxes can be raised just as easily.

I urge my Colleagues to vote no on the tax bill.

Mr. PORTER. Mr. Chairman, I have never supported a tax increase, and I supported the Reagan tax cuts which came with the promise of spending cuts to follow which never materialized.

No one should believe that the Castle-Upton package is more than a fig leaf that allows Congress to rationalize cutting taxes before balancing the budget. We have seen deficit reduction packages before. Gramm Rudman promised a balanced budget by 1991, and yet it is 1995 and we have an ongoing $200 billion deficit.

No, Mr. Chairman, we have to get the priorities straight. As much as I would like to support a tax cut now, I refuse to require our children and grandchildren to pay for it by adding its $189 billion cost to the deficit.

Some argue that the tax cuts will stimulate the economy and pay for themselves. We've been down that road before, too, Mr. Chairman. Dynamic scoring may make us feel good about doing what we want to do, but is not a conservative approach. In working to reduce deficits, we should never assume things that may not come true. We should be cautious in our predictions. We should be conservative.

Mr. Speaker, I supported the rule because in signing the Contract With America I promised to bring this bill and all the others before the House for a vote during the first 100 days of this Congress. But the contract did not require us to support the legislation, nor would I have signed it if it did.

There is no ground swell for tax cuts across America. To the contrary, the American people are urging us not to cut taxes, but to cut the deficit. American business, a major beneficiary of the tax cuts, is also more anxious that we address deficit reduction.

Mr. Chairman, under previous Congresses and administrations there were always higher priorities than getting our fiscal house in order. One could argue that they were justified. But now with the end of the cold war, our huge deficits continue unabated and we have yet another higher priority than balancing the budget.

Well, I for one do not, Mr. Chairman. A young person entering the American work force today is being handed a bill for his or her share of the interest on the debt accumulated to date of $250,000 that will have to be paid throughout his or her working lifetime, money that will not be available to buy a home or educate their children or to start a business. For a college graduate the bill is $500,000 to $700,000 or more. This is unconscionable, Mr. Chairman. This is fiscal child abuse and must not be allowed to continue. Not even to cut taxes.

As much as I, as a Republican, want to vote for this tax cut package, I cannot do so. I would breach faith with my own children and grandchild. There is a higher priority—their future. For my, for this Republican, my vote must be no.

Mr. BARTLETT of Maryland. Mr. Chairman, I rise today in strong support of H.R. 1215, the Tax Fairness and Deficit Reduction Act of 1995. By passing this important legislation today, Republicans will fulfill the promises made in the Contract With America. H.R. 1215 offers something for everyone; tax relief for America's hard-working families, relief for senior citizens, and job-creating incentives for

businesses. For Maryland residents, these tax cuts mean an average reduction of $1,718 per filer. It is time for the Federal Government to stop stealing money out of the taxpayer's hands and let them keep it.

The Federal Government consumes a huge portion of the family budget. In 1948, the average American family paid only 3 percent of its income to the Federal Government. Today, the same family pays 24.5 percent of their income to Uncle Sam. It is no wonder that a majority of families have both parents working harder and longer hours, but are constantly struggling to make ends meet.

The Republican tax bill offers true tax relief for working middle-class families. Unlike the phony so-called commitment of a middle-class tax cut made by President Clinton and Vice President Gore in 1992, the Republicans are delivering on their promises. Also, let us not forget that President Clinton crammed the largest tax increase in American history down the throats of hard-working American taxpayers.

America's families deserve tax relief. H.R. 1215 allows families to keep their money by providing a $500-per-child tax credit for families with incomes below $200,000. So a family with two children under the age of 18 will reduce their taxes by $1,000. Seventy-four percent of this tax credit will go to families with incomes below $75,000 and it will eliminate the Federal income tax liability for 4.7 million families. For those couples who are caring for an elderly parent or grandparent at home, the legislation gives them a $500 tax credit. Nonworking spouses will be able to make a $2,000 tax deductible contribution to an IRA. These tax cuts truly reflect a pro-family agenda.

This bill also allows senior citizens to keep more of their Social Security benefits and not be penalized for working. We all remember President Clinton's 1993 tax increase on Social Security for seniors with incomes above $34,000 if single or $44,000 for married couples. Not one Republican in either the House or the Senate voted for this increase. Let me repeat: President Clinton raised Social Security taxes. In Maryland alone, Clinton's increase affected nearly 110,671 senior citizens.

Republicans, not the tax-and-spend Democrats, are repealing this unfair and discriminatory tax increase. No one, especially senior citizens, should be discouraged from working. Unfortunately, it was President Clinton, who in 1993 singled out and penalized one group, senior citizens, for attempting to remain financially independent.

The best way to spur economic growth and job creation is to get the Government off of the backs of business. The tax cuts in this legislation will increase economic growth, which creates more economic opportunity for every American. Our current tax code is oppressive by penalizing successful business owners, thereby eliminating any incentive to remain in business or even start one.

Mr. Chairman, I believe that there is a fundamental difference between Republicans and Democrats when it comes to investment and job creation. Republicans want all Americans to prosper by promoting jobs in the private sector, not in Government bureaucracy. Democrats view government spending as an investment, while Republicans want the taxpayers to keep their money and make their own investments.

H.R. 1215 will create unlimited economic opportunities by allowing small business to deduct the first $35,000 they invest in equipment and expanding the home office deduction. In order to protect the future economic stability of our country, we must reduce the tax burden on workers and businesses.

Out of these provisions, I believe the reduction in capital gains is the most important because it provides access to capital. In order to create jobs, people need access to capital, such as tools, equipment, and computers to increase their productivity. Capital is not magically created; business can only secure it if people save and invest. As a member of the Small Business Committee, I have listened to business owners from around the country comment on the high cost of capital and how that hinders new and existing businesses.

The current capital gains tax forces investors to hold on to their assets, thus forcing the investor not to sell the investment and reinvest the proceeds in a higher paying alternative if the capital gains taxes he would owe exceeds the expected higher return. By lowering the tax, we will free up capital for small business and entrepreneurs. This will essentially unleash the free enterprise system so it will create more jobs and improve the pay of existing jobs.

As promised in the Contract With America, House Republicans are reducing the burden of Government to empower families, create jobs, and enhance our children's future, while paying for it and at the same time, reducing the Federal deficit.

Mr. FRELINGHUYSEN. Mr. Chairman, I rise today in support of H.R. 1327, the Tax Fairness and Deficit Reduction Act of 1995. While I had my reservations about whether we could afford a tax cut this year, I am extremely satisfied with this new plan.

Since the beginning of the year, I have received over 7,000 letters and calls from constituents who almost universally sent the same message: cut spending, balance the budget, and provide tax relief. I made it my first priority and responsibility in Congress to work in that direction.

The key to my support is the added provision clearly stating that tax cuts can only become law as part of legislation that lays out our course for a balanced budget by the year 2002. Furthermore, the legislation strengthens enforcement, through limiting discretionary spending, of our promise to bring the deficit to zero in 7 years. This, Mr. Speaker, this bill strongly clarifies and holds us accountable to our commitment to balancing the Nation's budget, as well as providing tax relief to hard-working American families.

And, let's keep these tax cuts in perspective. At current rates, taxpayers will contribute to our Government coffers over the next 7 years more than $7.5 trillion. A $188 billion tax relief package is comparatively small and manageable over 5 years. Yet as the bill is now written, this will be immense relief for millions of American families.

For the State of New Jersey, nearly $8 billion will be pumped back into the economy—that's $1,803 over 5 years into the hands of working New Jerseyans.

I am also comforted by knowing that the legislation helps those who need it most: families, individuals, our elderly, and small businesses. For families, a $500-per-child tax credit relieves the burden of year-end tax liabilities. New nondeductible contributions of up to $2,000 for single filers annually and $4,000 for married couples annually will encourage greater savings.

For the elderly, it repeals the unfair tax hike passed in 1993 on Social Security benefits, and raises the earnings limit from $11,280 to $30,000 by the year 2000. The bill makes long-term care insurance more affordable and more widely available, and it clarifies and improves current law for terminally ill individuals who would not be able to use tax-free distributions for their life insurance policies to pay medical bills and living expenses.

It establishes a credit for married couples who file joint tax returns to alleviate the marriage tax penalty, and provides a $500 tax credit for families caring for a dependent elderly parent or grandparent.

Finally, individuals and small businesses will benefit and economic growth will be spurred from a 50-percent capital gains deduction for individuals, abolishing the 28-percent maximum rate on capital gains, indexing capital gains to adjust for inflation, allowing small businesses to deduct the first 35,000 dollars' worth of investment each year, and clarifies the home office deduction.

Mr. Chairman, this proposal is about fairness. This is an opportunity to help working Americans who feel that their best efforts to provide for their families are thwarted by an oppressive tax system and an uncontrolled Federal debt that threatens our children's futures.

Our goal is clear—we must bring spending under control and allow all Americans to control more of their hard-earned money. H.R. 1327 is an equitable and intelligent approach, and I urge my colleagues to pass this bill.

Mr. CUNNINGHAM. Mr. Chairman, I rise today in strong support of the Tax Fairness and Deficit Reduction Act.

This landmark legislation increases the take-home pay of American families with a $500-per-child tax credit. It removes the barriers that discourage seniors from work, and repeals the unfair Clinton taxes on seniors' Social Security. It grows the economy by reducing the job-killing tax on capital gains. And it reduces Federal government spending, reduces the size of the Federal government and actually lowers the Federal deficit by $90 billion .

For these reasons, this important legislation has been called the ''crown jewel'' of our Contract With America.

Contrast this tax cut legislation with the Clinton tax increase of 1993. Bill Clinton campaigned on a promise to cut taxes. Instead, he rammed through a Democrat-controlled Congress the largest tax increase in American history. The Clinton plan added $1 trillion to the huge Federal debt. It was enacted into law without a single Republican vote. The President failed to keep his promise. The American people replied last November by electing a new Republican Congress.

Our Contract With America included tax relief for American families. We're keeping our promise.

We're keeping our promise to allow American families to keep more of their pay. We're keeping our promise to encourage families to save for retirement, home ownership, college education or long-term health care, through new America Dream Savings Accounts. We're

keeping out promise to help American's seniors, who I prefer to call our ''chronologically gifted'' citizens, by repealing the Clinton taxes on seniors, and rolling back the unfair Social Security Earnings Test. We're keeping our promise to create jobs, by adopting a cut in the capital gains tax and other provisions to spur investment.

And we're keeping our promise to reduce the growth of Federal spending. This legislation cuts the deficit $30 billion more than President Clinton's budget.

This matter of keeping promises is common sense in America, but radical change for Washington, D.C. I am confident this legislation will have bipartisan support. But for all the promise-keeping, this legislation would not be worthwhile unless it was in best interest of our children.

For the first time in history. American families feel their children will grow up to have a lower, not a higher, standard of living. They see government taking more of their money, and controlling more of their lives. The know Federal spending is spiralling out of control. Thus, families lose hope for the real American dream, a better life for their kids. The Tax Fairness and Deficit Reduction Act represents real hope for American families. It reduces government's appetite for their money. It grows the economy and jobs. Most importantly, it leaves cash in the hands of American families that they can use in their best interests.

After all, whose money is it anyway? The Federal government does not have one dime that hasn't been taken from an American family, today or tomorrow.

I strongly urge my colleagues to support this legislation. Let's keep our promises. And let's trust American families to make the best decisions about the money they have earned.

Mr. BROWN of California. Mr. Chairman, I rise in opposition to H.R. 1215 for a number of reasons. One key reason is that this bill would dramatically reduce our investments in research and development to pay for a misguided tax cut. The bill reduces discretionary spending by $100 billion dollars over the next 5 years. We are being told that this bill will result in reductions of $2.3 billion in energy supply research, over $1.5 billion in economically important climate and weather research, over $2 billion in technology development programs within the Department of Commerce, and a whole host of other R&D and capital investments.

The profound irony here is that the stated objective is to stimulate economic growth by creating a more favorable tax climate for business through reductions in capital gains taxation and increases in depreciation for capital investments.

Mr. Chairman, countless economic studies have shown that between one fourth and one half of all economic growth is directly attributable to technology development of the type being eliminated in this bill.

A recent report from the World Economic Forum in Geneva Switzerland is useful in putting our situation in perspective. We rank well behind other competitors such as Japan, Sweden, Switzerland, and even the Czech Republic in the total R&D investment as a percent of GNP. We rank an astonishing 28th in terms of the per cent of public funding going to civilian R&D.

On the other hand, this same report shows that the U.S. ranks 33rd in all the world in terms of corporate taxes on business profits, income, and capital gains as a percent of GNP. Simply said, we already have one of the most favorable business tax environments in existence.

There is a simple principle of physics learned by all high school students that one gains maximum leverage by pushing on the long end of the fulcrum lever, not the short end. We will gain in productivity only by addressing the basic problem—underinvestment in technology and research. A more favorable tax environment will, no doubt, make some in industry happy but it will not result in any productivity gains not any long term economic growth.

Mr. Chairman, I am also voting against this measure because I believe that most of the tax cuts contained within it will simply increase our federal deficit at the wrong time. We can better help more Americans not through tax cuts at this time but by reducing the deficit, which will lead to a more secure financial future and lower interest rates.

While I am opposed to this overall bill, I am supportive of one portion, but am disappointed that the Republican leadership has attached it to the tax package and thus I am not able to vote for it separately. This positive portion of the bill would raise the Social Security Earnings Limit for senior citizens.

The bill would nearly triple the amount of outside earnings that seniors aged 65 to 69 earn before their Social Security payments are reduced. Currently, the level of income is only $11,160 annually, and seniors lose $1 in Social Security benefits for every $3 they earn in excess of $11,160. Under the bill the Social Security Earnings Limit would be raised to $30,000 by the year 2000.

I have always supported relaxing the earnings threshold and repealing this unjust tax burden on hard—working seniors. The current limit is unfair and simply does not make sense. Rather than penalizing senior citizens for working, the Government should encourage them in their efforts to be financially self-sufficient. I think it is fair to say that, for the most part, senior citizens who are working do so because they need the money.

Under current law, seniors who work to supplement their Social Security benefits are penalized, while no limits are placed on those seniors who have alternative forms of income such as private pensions or investments. This is simply not right. Seniors who work are paying taxes, putting money back into the system, and providing society with a valuable pool of experience. We should encourage seniors' participation in the work force by changing the current law that causes working seniors to lose what is sometimes more than 50% of their Social Security benefits.

However, all news is not good news for seniors. With this bill, the Government would be giving to seniors with one hand and taking from them with the other. Medicare cuts totaling $10.5 billion help pay for the Republican's tax cuts, which will go primarily to the wealthy. These cuts are another reason why I could not support the overall bill. Part of the savings derived from Medicare is achieved by limiting Medicare payments for home care. Although this may save money in one area, it will cost more in the long run by discouraging seniors from seeking less costly care in the home and driving them into hospitals or emergency rooms where care is far more expensive.

Mr. Chairman, I very much want to take action to help America's families and for that reason have been very tempted to support the proposal in this bill to provide a $500 tax credit for children. However, in thinking carefully about this provision, I have come to the conclusion that the tax credit is not the best way to help America's moderate and middle income families. A $500 tax credit for children would be very expensive and would use critical Federal revenues that could—and should—be used to reduce our Nation's budget deficit. From my studies on these matters, I am convinced that the best way and the most responsible way to help America's families—and all Americans at this time—is to reduce our budget deficit. Continued deficit reduction will lead to reduced interest rates, which in turn will save many American families well over $500 a year in reduced credit interest costs, refinanced home mortgages, and more affordable home purchases. The increased economic activity resulting from these savings to American consumers will lead to the creation of more jobs.

Mr. HEINEMAN. Mr. Chairman, I rise today in strong support of America's senior citizens. This week, we in Congress have the opportunity to give the senior citizens of this Nation some much needed tax relief.

As a senior citizen, I see the far-reaching implications of these tax relief provisions, perhaps a bit better than some of my younger colleagues do.

Two years ago, this body and the President of the United States passed the largest tax increase in history. The greatest part of that burden fell on the shoulders of those in the United States who could least afford it: Our senior citizens.

We must roll back the 1993 tax increase on Social Security benefits. It is wrong to raise taxes on our seniors who live on fixed incomes.

The 1993 tax increase targeted supposedly wealthy senior citizens who made $34,000 or more.

We must raise the limit on the amount that our seniors can earn and still remain eligible for Social Security benefits. It is wrong to target working seniors—older Americans have been the backbone of our Nation. They pay their fair share, and it is an outrage to ask them to pay anything more.

This bill is vitally important to our Nation for many reasons. But any Member of this House should find it easy to vote for this bill on the basis of fairness to our senior citizens alone.

The United States has a contract with the citizens who have made this Nation great—our senior citizens—and that contract has been breached. This Congress must pass this legislation and honor the Contract our government has with our senior citizens.

This Congress must make things right.

This Congress must act now.

I urge my colleagues to support this bill and the senior citizens of this Nation.

Mrs. FOWLER. Mr. Chairman, I rise in strong support of H.R. 1215, the Tax Fairness and Deficit Reduction Act.

For far too long the American people have been called upon to bear the costs of a federal government whose spending habits have rampaged unchecked.

In 1950, the average American family paid only two percent of its income in taxes to the federal government. Today, that figure has ballooned to 24.5 percent. Under current provisions, a family with a median income of $52,895 pays some 50.4% of its income to federal, state, and local taxes.

This is not just unconscionable. It is a short-sighted misuse of America's productive energies. Government has an important role to play in our nation in a number of areas—national security, public safety, public health, to name a few—but it is the private sector that has been the true engine for progress in our country.

The bill before us today would give greater power over economic affairs to the American people and allow for the more productive use of American capital. When coupled with welfare reform and other legislation we have passed under the Contract with America, we will reduce federal spending by some $280 billion over the next five years, providing for both tax cuts and some $90.7 billion in deficit reduction.

Most importantly, H.R. 1215 provides greater disposable income to Americans through tax credits to families, alleviation of the marriage tax penalty, repeal of the President's 1993 tax increase on Social Security recipients, a reduction in capital gains taxation, and much more. It is a package designed to unshackle America's true economic potential.

I urge my colleagues to support this measure.

Mr. GONZALEZ. Mr. Chairman, the Republican tax bill is the wrong thing to do—it gives a huge tax break to the wealthy, and little or nothing to Americans who need it most. It is the same old Republican menu, the one that makes most of us eat baloney, but guarantees filet mignon to the country club. The Republican bill robs poor people and hands the money to the rich. They claim that the rich will invest the money and give fine jobs to the poor, but there's not an honest economist in the land who believes this will happen. They claim that their bill won't make the deficit worse, but they refuse to make the tax cuts contingent on actually producing a lower deficit. The Republican bill is flatly irresponsible from a fiscal point of view, unfair in its approach and unwise in its details.

There are more than a hundred Republicans who signed a letter urging that the family tax credit be modified, in recognition that families earning more than $95,000 a year don't need a gift from the Treasury. But no, this change wasn't allowed, and those common-sense Republicans have been told to swallow their doubts and vote with the radicals.

There are other Republicans who see that the bill includes a change to Federal retirement benefits that even the chairman of the Rules Committee says is unfair. These are changes that the committee of jurisdiction could not find the votes to approve. But those Republicans have been told to swallow their conscience and vote with the radicals.

There are Republicans who think that it is silly to cut taxes and run up the deficit. They believe that any tax cut should be contingent on actually cutting the deficit. But they have been told to forget about common sense and vote with the radicals.

There are Republicans who think that it is wrong to cut school lunches in order to give wealthy families a tax break averaging $11,000 a year, which is 100 times the benefit that families earning $30,000 or less will see. But these fair-minded Republicans have been told that fairness is class warfare, and to vote with the radicals.

This bill is a catalog of the silly, the mean-spirited and the flat wrong. Fortunately, most of it will never be enacted, and the radicals know it. But they must demonstrate their power and mastery, and will do whatever they must do, break whatever promises they must, and twist whatever arms they must, to make their point: the radicals are running things, and they don't care about what is right or reasonable, what is workable or unworkable, or what is responsible or irresponsible. They merely aim to make the point that they are in control, and they will remain so as long as moderate and fair-minded Republicans are willing to swallow their pride and common sense, chloroform their consciences, and vote for this abomination. This bill is a disgrace and ought to be defeated. But that will only happen if common sense prevails, and they radicals are told that sometimes party loyalty demands too much.

Mr. PALLONE. Mr. Chairman, I rise to express my opposition to the provisions to cut pension benefits for Federal retirees and to increase pension contributions for current Federal employees that were included in H.R. 1215, the Tax Fairness and Deficit Reduction Act.

I did vote for the bill on final passage because I have pledged to my constituents to work for tax relief. But the package that we voted on tonight has a serious flaw with regard to Federal workers. While we provide tax relief to millions of Americans, we are providing 2 million middle-class Federal employees with a tax hike.

The increased pension contributions represent about a 10-percent increase for Federal workers. This bill also changes the number of years used to compute employees' annuities, from 3 years to 5 years.

Mr. Chairman, I supported the Gephardt substitute, which did not contain provisions increasing pension contributions by Federal employees or cutting pension benefits for Federal retirees. The Gephardt substitute would have provided $31.6 billion in tax cuts, offset by $32 billion in spending cuts and other savings, without punishing Federal employees and retirees.

Furthermore, the motion to recommit that we just voted on would take out the punitive hit on Federal employees while keeping intact the provisions that decrease the levels of accrual rates for Members of Congress and our staffs. In case some people are trying to score cheap political points by suggesting that this effort to protect Federal employees is motivated by the self-interest of Members of Congress. It should be clear the motion to recommit is intended to restore fairness to 2 million Federal employees, even as those of us who serve in Congress vote to reduce our own benefits.

We hear a lot of nasty and irresponsible rhetoric about faceless bureaucrats and other vicious attacks on the Federal work force. The truth is that Federal employees are hard-working middle-class taxpayers, people who care about their communities, who are devoted to their country and who want to make a decent life for themselves and their families.

Mr. Chairman, Democrats are for tax relief. Some of us crossed party lines to vote for this legislation—albeit with a heavy heart over the Federal employees and retirees provisions. I will work to have this portion of the bill stricken in the Senate or in conference between the two Houses. Then, we can begin the work of crafting a bipartisan package that will provide true tax relief to all Americans.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the amendment in the nature of a substitute consisting of the text of H.R. 1327, modified by the amendment printed in part 1 of House Report 104–100, is considered as an original bill for the purpose of amendment and is considered as having been read.

The text of the amendment in the nature of a substitute, as modified, is as follows:

H.R. 1327

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Tax Fairness and Deficit Reduction Act of 1995''.

TITLE I—DISCRETIONARY SAVINGS

SEC. 1001. SHORT TITLE.

This title may be cited as the ''Discretionary Spending Reduction and Control Act of 1995''.

SEC. 1002. DISCRETIONARY SPENDING LIMITS.

(a) LIMITS.—Section 601(a)(2) of the Congressional Budget Act of 1974 is amended by striking subparagraphs (A), (B), (C), (D), and (F), by redesignating subparagraph (E) as subparagraph (A) and by striking ''and'' at the end of that subparagraph, and by inserting after subparagraph (A) the following new subparagraphs:

''(B) with respect to fiscal year 1996, for the discretionary category: $502,994,000,000 in new budget authority and $537,946,000,000 in outlays;

''(C) with respect to fiscal year 1997, for the discretionary category: $497,816,000,000 in new budget authority and $531,793,000,000 in outlays;

''(D) with respect to fiscal year 1998, for the discretionary category: $489,046,000,000 in new budget authority and $523,703,000,000 in outlays;

''(E) with respect to fiscal year 1999, for the discretionary category: $491,586,000,000 in new budget authority and $522,063,000,000 in outlays; and

''(F) with respect to fiscal year 2000, for the discretionary category: $492,282,000,000 in new budget authority and $521,690,000,000 in outlays;''.

(b) COMMITTEE ALLOCATIONS AND ENFORCEMENT.—Section 602 of the Congressional Budget Act of 1974 is amended—

(1) in subsection (c), by striking ''1995'' and inserting ''2000'' and by striking its last sentence; and

(2) in subsection (d), by striking ''1992 TO 1995'' in the side heading and inserting ''1995 TO 2000'' and by striking ''1992 through 1995'' and inserting ''1995 through 2000''.

(c) FIVE-YEAR BUDGET RESOLUTIONS.—Section 606 of the Congressional Budget Act of 1974 is amended—

(1) in subsection (a), by striking ''1992, 1993, 1994, or 1995'' and inserting ''1995, 1996, 1997, 1998, 1999, or 2000''; and

(2) in subsection (d)(1), by striking ''1992, 1993, 1994, and 1995'' and inserting ''1995, 1996, 1997, 1998, 1999, and 2000'', and by striking ''(i) and (ii)''.

(d) EFFECTIVE DATE.—Section 607 of the Congressional Budget Act of 1974 is amended by striking ''1991 to 1998'' and inserting ''1995 to 2000''.

(e) SEQUESTRATION REGARDING CRIME TRUST FUND.—(1) Section 251A(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking subparagraphs (B), (C), and (D) and its last two sentences and inserting the following:

''(B) For fiscal year 1996, $1,827,000,000.

''(C) For fiscal year 1997, $3,082,000,000.

''(D) For fiscal year 1998, $3,840,000,000.

''(E) For fiscal year 1999, $4,415,000,000.

''(F) For fiscal year 2000, $4,874,000,000.

''The appropriate levels of new budget authority are as follows: for fiscal year 1996, $3,357,000,000; for fiscal year 1997, $3,915,000,000; for fiscal year 1998, $4,306,000,000; for fiscal year 1999, $5,089,000,000; and for fiscal year 2000, $5,089,000,000.''.

(2) The last two sentences of section 310002 of the Violent Crime Control and Law Enforcement Act of 1994 (42 U.S.C. 14212) are repealed.

SEC. 1003. GENERAL STATEMENT AND DEFINITIONS.

(a) GENERAL STATEMENT.—Section 250(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking the first sentence and inserting the following: ''This part provides for the enforcement of deficit reduction through discretionary spending limits and pay-as-you-go requirements for fiscal years 1995 through 2000.''.

(b) DEFINITIONS.—Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) by striking paragraph (4) and inserting the following:

''(4) The term 'category' means all discretionary appropriations.'';

(2) by striking paragraph (6) and inserting the following:

''(6) The term 'budgetary resources' means new budget authority, unobligated balances, direct spending authority, and obligation limitations.'';

(3) in paragraph (9), by striking ''1992'' and inserting ''1995'';

(4) in paragraph (14), by striking ''1995'' and inserting ''2000''; and

(5) by striking paragraph (17) and by redesignating paragraphs (18) through (21) as paragraphs (17) through (20), respectively.

SEC. 1004. ENFORCING DISCRETIONARY SPENDING LIMITS.

Section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in the side heading of subsection (a), by striking ''1991–1998'' and inserting ''1995–2000'';

(2) in the first sentence of subsection (b)(1), by striking ''1992, 1993, 1994, 1995, 1996, 1997 or 1998'' and inserting ''1995, 1996, 1997, 1998, 1999, or 2000'' and by striking ''through 1998'' and inserting ''through 2000'';

(3) in subsection (b)(1), by striking subparagraphs (B) and (C) and by striking ''the following:'' and all that follows through ''The adjustments'' and inserting ''the following: the adjustments'';

(4) in subsection (b)(2), by striking ''1991, 1992, 1993, 1994, 1995, 1996, 1997, or 1998'' and inserting ''1995, 1996, 1997, 1998, 1999, or 2000'' and by striking ''through 1998'' and inserting ''through 2000'';

(5) by striking subparagraphs (A), (B), and (C) of subsection (b)(2);

(6) in subsection (b)(2)(E), by striking clauses (i), (ii), and (iii) and by striking ''(iv) if, for fiscal years 1994, 1995, 1996, 1997, and 1998'' and inserting ''If, for fiscal years 1995, 1996, 1997, 1998, 1999, and 2000''; and

(7) in subsection (b)(2)(F), strike everything after ''the adjustment in outlays'' and insert ''for a category for a fiscal year shall not exceed 0.5 percent of the adjusted discretionary spending limit on outlays for that fiscal year in fiscal year 1996, 1997, 1998, 1999, or 2000.''.

SEC. 1005. ENFORCING PAY-AS-YOU-GO.

Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in the side heading of subsection (a), by striking ''1992–1998'' and inserting ''1995–2000'';

(2) in subsection (d), by striking ''1998'' each place it appears and inserting ''2000''; and

(3) in subsection (e), by striking ''1991 through 1998'' and inserting ''1995 through 2000'' and by striking ''through 1995'' and inserting ''through 2000''.

SEC. 1006. REPORTS AND ORDERS.

Section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in subsection (d)(2), by striking ''1998'' and inserting ''2000''; and

(2) in subsection (g), by striking ''1998'' each place it appears and inserting ''2000''.

SEC. 1007. TECHNICAL CORRECTION.

Section 258 of the Balanced Budget and Emergency Deficit Control Act of 1985, entitled ''Modification of Presidential Order'', is repealed.

SEC. 1008. EFFECTIVE DATE.

(a) EXPIRATION.—Section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''1995'' and inserting ''2000''.

(b) EXPIRATION.—Section 14002(c)(3) of the Omnibus Budget Reconciliation Act of 1993 (2 U.S.C. 900 note; 2 U.S.C. 665 note) is repealed.

SEC. 1009. SPECIAL RULE ON INTERRELATIONSHIP BETWEEN CHANGES IN DISCRETIONARY SPENDING LIMITS AND PAY-AS-YOU-GO REQUIREMENTS.

(a)(1) Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new subsection:

''(f) SPECIAL RULE ON INTERRELATIONSHIP BETWEEN SECTIONS 251, 251A, and 252.—Whenever the Committee on the Budget of the House of Representatives or the Senate reports legislation that decreases the discretionary spending limits for budget authority and outlays for a fiscal year set forth in section 601(a)(2) of the Congressional Budget Act of 1974 or in section 251A(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, or both, then, for purposes of subsection (b), an amount equal to that decrease in the discretionary spending limit for outlays shall be treated as direct spending legislation decreasing the deficit for that fiscal year.''.

(2) Section 310(a) of the Congressional Budget Act of 1974 is amended by striking ''or'' at the end of paragraph (3), by redesignating paragraph (4) as paragraph (5) and by striking ''and (3)'' in such redesignated paragraph (5) and inserting ''(3), and (4)'', and by inserting after paragraph (3) the following new paragraph:

''(4) carry out section 252(f) of the Balanced Budget and Emergency Deficit Control Act of 1985; or''.

(b) For purposes of section 252(f) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as amended by subsection (a)(1))—

(1) this Act shall be deemed to be legislation reported by the Committee on the Budget of the House of Representatives; and

(2)(A) reductions in the discretionary spending limit for outlays set forth in section 601(a)(2) of the Congressional Budget Act of 1974 for fiscal years 1999 and 2000 under section 1002 shall be measured as reductions from the discretionary spending limit for outlays for fiscal year 1998 as in effect immediately before the enactment of this Act; and

(B) reductions in the discretionary spending limit for outlays set forth in section 251A(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 for fiscal years 1999 and 2000 under section 1002 shall be measured as reductions from the level for outlays for fiscal year 1999 and 2000, as the case may be, referred to in the last two sentences of section 251A(b)(1) as in effect immediately before the enactment of this Act.

(c) In the final sequestration report of the Director of the Office of Management and Budget for fiscal year 1996—

(1) all adjustments required by section 251(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 made after the sequestration preview report for fiscal year 1996 shall be made to the discretionary spending limits set forth in 601(a)(2) of the Congressional Budget Act of 1974 as amended by section 1002; and

(2) all statutory changes in the discretionary spending limits set forth in 601(a)(2) of the Congressional Budget Act of 1974 made after issuance of the sequestration preview report for fiscal year 1996 of the Director of the Office of Management and Budget and before the date of enactment of this Act shall be made to those limits as amended by section 1002.

TITLE II—EXTENSION OF AUTHORITY OF FEDERAL COMMUNICATIONS COMMISSION TO USE COMPETITIVE BIDDING

SEC. 2001. EXTENSION OF AUTHORITY.

Section 309(j)(11) of the Communications Act of 1934 (47 U.S.C. 309(j)(11)) is amended by striking ''September 30, 1998'' and inserting ''September 30, 2000''.

TITLE III—PRIVATIZATION OF THE UNITED STATES ENRICHMENT CORPORATION

SEC. 3001. SHORT TITLE AND REFERENCE.

(a) SHORT TITLE.—This title may be cited as the ''USEC Privatization Act''.

(b) REFERENCE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.).

SEC. 3002. PRODUCTION FACILITY.

Paragraph v. of section 11 (42 U.S.C. 2014 v.) is amended by striking ''or the construction and operation of a uranium enrichment production facility using Atomic Vapor Laser Isotope Separation technology''.

SEC. 3003. DEFINITIONS.

Section 1201 (42 U.S.C. 2297) is amended—

(1) in paragraph (4), by inserting before the period the following: ''and any successor corporation established through privatization of the Corporation'';

(2) by redesignating paragraphs (10) through (13) as paragraphs (14) through (17), respectively, and by inserting after paragraph (9) the following new paragraphs:

''(10) The term 'low-level radioactive waste' has the meaning given such term in section 102(9) of the Low-Level Radioactive Waste Policy Amendments Act of 1985 (42 U.S.C. 2021b(9)).

''(11) The term 'mixed waste' has the meaning given such term in section 1004(41) of the Solid Waste Disposal Act (42 U.S.C. 6903(41)).

''(12) The term 'privatization' means the transfer of ownership of the Corporation to private investors pursuant to chapter 25.

''(13) The term 'privatization date' means the date on which 100 percent of ownership of the Corporation has been transferred to private investors.'';

(3) by inserting after paragraph (17) (as redesignated) the following new paragraph:

''(18) The term 'transition date' means July 1, 1993.''; and

(4) by redesignating the unredesignated paragraph (14) as paragraph (19).

SEC. 3004. EMPLOYEES OF THE CORPORATION.

(a) PARAGRAPH (2).—Paragraphs (1) and (2) of section 1305(e) (42 U.S.C. 2297b–4(e)(1)(2)) are amended to read as follows:

''(1) IN GENERAL.—It is the purpose of this subsection to ensure that the privatization of the Corporation shall not result in any adverse effects on the pension benefits of employees at facilities that are operated, directly or under contract, in the performance of the functions vested in the Corporation.

''(2) APPLICABILITY OF EXISTING COLLECTIVE BARGAINING AGREEMENT.—The Corporation shall abide by the terms of the collective bargaining agreement in effect on the privatization date at each individual facility.''.

(b) PARAGRAPH (4).—Paragraph (4) of section 1305(e) (42 U.S.C. 2297b–4(e)(4)) is amended—

(1) by striking ''AND DETAILEES'' in the heading;

(2) by striking the first sentence;

(3) in the second sentence, by inserting ''from other Federal employment'' after ''transfer to the Corporation''; and

(4) by striking the last sentence.

SEC. 3005. MARKETING AND CONTRACTING AUTHORITY.

(a) MARKETING AUTHORITY.—Section 1401(a) (42 U.S.C. 2297c(a)) is amended effective on the privatization date (as defined in section 1201(13) of the Atomic Energy Act of 1954)—

(1) by amending the subsection heading to read ''MARKETING AUTHORITY.—''; and

(2) by striking the first sentence.

(b) TRANSFER OF CONTRACTS.—Section 1401(b) (42 U.S.C. 2297c(b)) is amended—

(1) in paragraph (2)(B), by adding at the end the following: ''The privatization of the Corporation shall not affect the terms of, or the rights or obligations of the parties to, any such power purchase contract.''; and

(2) by adding at the end the following:

''(3) EFFECT OF TRANSFER.—

''(A) As a result of the transfer pursuant to paragraph (1), all rights, privileges, and benefits under such contracts, agreements, and leases, including the right to amend, modify, extend, revise, or terminate any of such contracts, agreements, or leases were irrevocably assigned to the Corporation for its exclusive benefit.

''(B) Notwithstanding the transfer pursuant to paragraph (1), the United States shall remain obligated to the parties to the contracts, agreements, and leases transferred pursuant to paragraph (1) for the performance of the obligations of the United States thereunder during the term thereof. The Corporation shall reimburse the United States for any amount paid by the United States in respect of such obligations arising after the privatization date to the extent such amount is a legal and valid obligation of the Corporation then due.

''(C) After the privatization date, upon any material amendment, modification, extension, revision, replacement, or termination of any contract, agreement, or lease transferred under paragraph (1), the United States shall be released from further obligation under such contract, agreement, or lease, except that such action shall not release the United States from obligations arising under such contract, agreement, or lease prior to such time.''.

(c) PRICING.—Section 1402 (42 U.S.C. 2297c–1) is amended to read as follows:

''SEC. 1402. PRICING.

''The Corporation shall establish prices for its products, materials, and services provided to customers on a basis that will allow it to attain the normal business objectives of a profitmaking corporation.''.

(d) LEASING OF GASEOUS DIFFUSION FACILITIES OF DEPARTMENT.—Effective on the privatization date (as defined in section 1201(13) of the Atomic Energy Act of 1954), section 1403 (42 U.S.C. 2297c–2) is amended by adding at the end the following:

''(h) LOW-LEVEL RADIOACTIVE WASTE AND MIXED WASTE.—

''(1) RESPONSIBILITY OF THE DEPARTMENT; COSTS.—

''(A) With respect to low-level radioactive waste and mixed waste generated by the Corporation as a result of the operation of the facilities and related property leased by the Corporation pursuant to subsection (a) or as a result of treatment of such wastes at a location other than the facilities and related property leased by the Corporation pursuant to subsection (a) the Department, at the request of the Corporation, shall—

''(i) accept for treatment or disposal of all such wastes for which treatment or disposal technologies and capacities exist, whether within the Department or elsewhere; and

''(ii) accept for storage (or ultimately treatment or disposal) all such wastes for which treatment and disposal technologies or capacities do not exist, pending development of such technologies or availability of such capacities for such wastes.

''(B) All low-level wastes and mixed wastes that the Department accepts for treatment, storage, or disposal pursuant to subparagraph (A) shall, for the purpose of any permits, licenses, authorizations, agreements, or orders involving the Department and other Federal agencies or State or local governments, be deemed to be generated by the Department and the Department shall handle such wastes in accordance with any such permits, licenses, authorizations, agreements, or orders. The Department shall obtain any additional permits, licenses, or authorizations necessary to handle such wastes, shall amend any such agreements or orders as necessary to handle such wastes, and shall handle such wastes in accordance therewith.

''(C) The Corporation shall reimburse the Department for the treatment, storage, or disposal of low-level radioactive waste or mixed waste pursuant to subparagraph (A) in an amount equal to the Department's costs but in no event greater than an amount equal to that which would be charged by commercial, State, regional, or interstate compact entities for treatment, storage, or disposal of such waste.

''(2) AGREEMENTS WITH OTHER PERSONS.—The Corporation may also enter into agreements for the treatment, storage, or disposal of low-level radioactive waste and mixed waste generated by the Corporation as a result of the operation of the facilities and related property leased by the Corporation pursuant to subsection (a) with any person other than the Department that is authorized by applicable laws and regulations to treat, store, or dispose of such wastes.''.

(e) LIABILITIES.—

(1) Subsection (a) of section 1406 (42 U.S.C. 2297c–5(a)) is amended—

(A) by inserting ''AND PRIVATIZATION'' after ''TRANSITION'' in the heading; and

(B) by adding at the end the following: ''As of the privatization date, all liabilities attributable to the operation of the Corporation from the transition date to the privatization date shall be direct liabilities of the United States.''.

(2) Subsection (b) of section 1406 (42 U.S.C. 2297c–5(b)) is amended—

(A) by inserting ''AND PRIVATIZATION'' after ''TRANSITION'' in the heading; and

(B) by adding at the end the following: ''As of the privatization date, any judgment entered against the Corporation imposing liability arising out of the operation of the Corporation from the transition date to the privatization date shall be considered a judgment against the United States.''.

(3) Subsection (d) of section 1406 (42 U.S.C. 2297c–5(d)) is amended—

(A) by inserting ''AND PRIVATIZATION'' after ''TRANSITION'' in the heading; and

(B) by striking ''the transition date'' and inserting ''the privatization date (or, in the event the privatization date does not occur, the transition date)''.

(f) TRANSFER OF URANIUM.—Title II (42 U.S.C. 2297 et seq.) is amended by redesignating section 1408 as section 1409 and by inserting after section 1407 the following:

''SEC. 1408. TRANSFER OF URANIUM.

''The Secretary may, before the privatization date, transfer to the Corporation without charge raw uranium, low-enriched uranium, and highly enriched uranium.''.

SEC. 3006. PRIVATIZATION OF THE CORPORATION.

(a) ESTABLISHMENT OF PRIVATE CORPORATION.—Chapter 25 (42 U.S.C. 2297d et seq.) is amended by adding at the end the following new section:

''SEC. 1503. ESTABLISHMENT OF PRIVATE CORPORATION.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—In order to facilitate privatization, the Corporation may provide for the establishment of a private corporation organized under the laws of any of the several States. Such corporation shall have among its purposes the following:

''(A) To help maintain a reliable and economical domestic source of uranium enrichment services.

''(B) To undertake any and all activities as provided in its corporate charter.

''(2) AUTHORITIES.—The corporation established pursuant to paragraph (1) shall be authorized to—

''(A) enrich uranium, provide for uranium to be enriched by others, or acquire enriched uranium (including low-enriched uranium derived from highly enriched uranium);

''(B) conduct, or provide for conducting, those research and development activities related to uranium enrichment and related processes and activities the corporation considers necessary or advisable to maintain itself as a commercial enterprise operating on a profitable and efficient basis;

''(C) enter into transactions regarding uranium, enriched uranium, or depleted uranium with—

''(i) persons licensed under section 53, 63, 103, or 104 in accordance with the licenses held by those persons;

''(ii) persons in accordance with, and within the period of, an agreement for cooperation arranged under section 123; or

''(iii) persons otherwise authorized by law to enter into such transactions;

''(D) enter into contracts with persons licensed under section 53, 63, 103, or 104, for as long as the corporation considers necessary or desirable, to provide uranium or uranium enrichment and related services;

''(E) enter into contracts to provide uranium or uranium enrichment and related services in accordance with, and within the period of, an agreement for cooperation arranged under section 123 or as otherwise authorized by law; and

''(F) take any and all such other actions as are permitted by the law of the jurisdiction of incorporation of the corporation.

''(3) TRANSFER OF ASSETS.—For purposes of implementing the privatization, the Corporation may transfer some or all of its assets and obligations to the corporation established pursuant to this section, including—

''(A) all of the Corporation's assets, including all contracts, agreements, and leases, including all uranium enrichment contracts and power purchase contracts;

''(B) all funds in accounts of the Corporation held by the Treasury or on deposit with any bank or other financial institution;

''(C) all of the Corporation's rights, duties, and obligations, accruing subsequent to the privatization date, under the power purchase contracts covered by section 1401(b)(2)(B); and

''(D) all of the Corporation's rights, duties, and obligations, accruing subsequent to the privatization date, under the lease agreement between the Department and the Corporation executed by the Department and the Corporation pursuant to section 1403.

''(4) MERGER OR CONSOLIDATION.—For purposes of implementing the privatization, the Corporation may merge or consolidate with the corporation established pursuant to subsection (a)(1) if such action is contemplated by the plan for privatization approved by the President under section 1502(b). The Board shall have exclusive authority to approve such merger or consolidation and to take all further actions necessary to consummate such merger or consolidation, and no action by or in respect of shareholders shall be required. The merger or consolidation shall be effected in accordance with, and have the effects of a merger or consolidation under, the laws of the jurisdiction of incorporation of the surviving corporation, and all rights and benefits provided under this title to the Corporation shall apply to the surviving corporation as if it were the Corporation.

''(b) OSHA REQUIREMENTS.—For purposes of the regulation of radiological and nonradiological hazards under the Occupational Safety and Health Act of 1970, the corporation established pursuant to subsection (a)(1) shall be treated in the same manner as other employers licensed by the Nuclear Regulatory Commission. Any interagency agreement entered into between the Nuclear Regulatory Commission and the Occupational Safety and Health Administration governing the scope of their respective regulatory authorities shall apply to the corporation as if the corporation were a Nuclear Regulatory Commission licensee.

''(c) LEGAL STATUS OF PRIVATE CORPORATION.—

''(1) NOT FEDERAL AGENCY.—The corporation established pursuant to subsection (a)(1) shall not be an agency, instrumentality, or establishment of the United States Government and shall not be a Government corporation or Government-controlled corporation.

''(2) NO RECOURSE AGAINST UNITED STATES.—Obligations of the corporation established pursuant to subsection (a)(1) shall not be obligations of, or guaranteed as to principal or interest by, the Corporation or the United States, and the obligations shall so plainly state.

''(3) NO CLAIMS COURT JURISDICTION.—No action under section 1491 of title 28, United States Code, shall be allowable against the United States based on the actions of the corporation established pursuant to subsection (a)(1).

''(d) BOARD OF DIRECTOR'S ELECTION AFTER PUBLIC OFFERING.—In the event that the privatization is implemented by means of a public offering, an election of the members of the board of directors of the Corporation by the shareholders shall be conducted before the end of the 1-year period beginning the date shares are first offered to the public pursuant to such public offering.

''(e) ADEQUATE PROCEEDS.—The Secretary of Energy shall not allow the privatization of the Corporation unless before the sale date the Secretary determines that the estimated sum of the gross proceeds from the sale of the Corporation will be an adequate amount.''.

(b) OWNERSHIP LIMITATIONS.—Chapter 25 (as amended by subsection (a)) is amended by adding at the end the following new section:

''SEC. 1504. OWNERSHIP LIMITATIONS.

''(a) SECURITIES LIMITATION.—In the event that the privatization is implemented by means of a public offering, during a period of 3 years beginning on the privatization date, no person, directly or indirectly, may acquire or hold securities representing more than 10 percent of the total votes of all outstanding voting securities of the Corporation.

''(b) APPLICATION.—Subsection (a) shall not apply—

''(1) to any employee stock ownership plan of the Corporation,

''(2) to underwriting syndicates holding shares for resale, or

''(3) in the case of shares beneficially held for others, to commercial banks, broker-dealers, clearing corporations, or other nominees.

''(c) No director, officer, or employee of the Corporation may acquire any securities, or any right to acquire securities, of the Corporation—

''(1) in the public offering of securities of the Corporation in the implementation of the privatization,

''(2) pursuant to any agreement, arrangement, or understanding entered into before the privatization date, or

''(3) before the election of directors of the Corporation under section 1503(d) on any terms more favorable than those offered to the general public.''.

(c) EXEMPTION FROM LIABILITY.—Chapter 25 (as amended by subsection (b)) is amended by adding at the end the following new section:

''SEC. 1505. EXEMPTION FROM LIABILITY.

''(a) IN GENERAL.—No director, officer, employee, or agent of the Corporation shall be liable, for money damages or otherwise, to any party if, with respect to the subject matter of the action, suit, or proceeding, such person was fulfilling a duty, in connection with any action taken in connection with the privatization, which such person in good faith reasonably believed to be required by law or vested in such person.

''(b) EXCEPTION.—The privatization shall be subject to the Securities Act of 1933 and the Securities Exchange Act of 1934. The exemption set forth in subsection (a) shall not apply to claims arising under such Acts or under the Constitution or laws of any State, territory, or possession of the United States relating to transactions in securities, which claims are in connection with a public offering implementing the privatization.''.

(d) RESOLUTION OF CERTAIN ISSUES.—Chapter 25 (as amended by subsection (c)) is amended by adding at the end the following new section:

''SEC. 1506. RESOLUTION OF CERTAIN ISSUES.

''(a) CORPORATION ACTIONS.—Notwithstanding any provision of any agreement to which the Corporation is a party, the Corporation shall not be considered to be in breach, default, or violation of any such agreement because of any provision of this chapter or any action the Corporation is required to take under this chapter.

''(b) RIGHT TO SUE WITHDRAWN.—The United States hereby withdraws any stated or implied consent for the United States, or any agent or officer of the United States, to be sued by any person for any legal, equitable, or other relief with respect to any claim arising out of, or resulting from, acts or omissions under this chapter.''.

(e) APPLICATION OF PRIVATIZATION PROCEEDS.—Chapter 25 (as amended by subsection (d)) is amended by adding at the end the following new section:

''SEC. 1507. APPLICATION OF PRIVATIZATION PROCEEDS.

''The proceeds from the privatization shall be included in the budget baseline required by the Balanced Budget and Emergency Deficit Control Act of 1985 and shall be counted as an offset to direct spending for purposes of section 252 of such Act, notwithstanding section 257(e) of such Act.''.

(f) CONFORMING AMENDMENT.—The table of contents for chapter 25 is amended by inserting after the item for section 1502 the following:

''Sec. 1503. Establishment of Private Corporation.
''Sec. 1504. Ownership Limitations.
''Sec. 1505. Exemption from Liability.
''Sec. 1506. Resolution of Certain Issues.
''Sec. 1507. Application of Privatization Proceeds.''.

(g) Section 193 (42 U.S.C. 2243) is amended by adding at the end the following:

''(f) LIMITATION.—If the privatization of the United States Enrichment Corporation results in the Corporation being—

''(1) owned, controlled, or dominated by a foreign corporation or a foreign government, or

''(2) otherwise inimical to the common defense or security of the United States,

any license held by the Corporation under sections 53 and 63 shall be terminated.''.

(h) PERIOD FOR CONGRESSIONAL REVIEW.—Section 1502(d) (42 U.S.C. 2297d–1(d)) is amended by striking ''less than 60 days after notification of the Congress'' and inserting ''less than 60 days after the date of the report to Congress by the Comptroller General under subsection (c)''.

SEC. 3007. PERIODIC CERTIFICATION OF COMPLIANCE.

Section 1701(c)(2) (42 U.S.C. 2297f(c)(2)) is amended by striking ''ANNUAL APPLICATION FOR CERTIFICATE OF COMPLIANCE.—The Corporation shall apply at least annually to the Nuclear Regulatory Commission for a certificate of compliance under paragraph (1).'' and inserting ''PERIODIC APPLICATION FOR CERTIFICATE OF COMPLIANCE.—The Corporation shall apply to the Nuclear Regulatory Commission for a certificate of compliance under paragraph (1) periodically, as determined by the Nuclear Regulatory Commission, but not less than every 5 years.''.

SEC. 3008. LICENSING OF OTHER TECHNOLOGIES.

Subsection (a) of section 1702 (42 U.S.C. 2297f–1(a)) is amended by striking ''other than'' and inserting ''including''.

SEC. 3009. CONFORMING AMENDMENTS.

(a) REPEALS IN ATOMIC ENERGY ACT OF 1954 AS OF THE PRIVATIZATION DATE.—

(1) REPEALS.—As of the privatization date (as defined in section 1201(13) of the Atomic Energy Act of 1954), the following sections (as in effect on such privatization date) of the Atomic Energy Act of 1954 are repealed:

(A) Section 1202.
(B) Sections 1301 through 1304.
(C) Sections 1306 through 1316.
(D) Sections 1404 and 1405.
(E) Section 1601.
(F) Sections 1603 through 1607.

(2) CONFORMING AMENDMENT.—The table of contents of such Act is amended by repealing the items referring to sections repealed by paragraph (1).

(b) STATUTORY MODIFICATIONS.—As of such privatization date, the following shall take effect:

(1) For purposes of title I of the Atomic Energy Act of 1954, all references in such Act to the ''United States Enrichment Corporation'' shall be deemed to be references to the corporation established pursuant to section 1503 of the Atomic Energy Act of 1954 (as added by section 6(a)).

(2) Section 1018(1) of the Energy Policy Act of 1992 (42 U.S.C. 2296b–7(1)) is amended by striking ''the United States'' and all that follows through the period and inserting ''the corporation referred to in section 1201(4) of the Atomic Energy Act of 1954.''.

(3) Section 9101(3) of title 31, United States Code, is amended by striking subparagraph (N), as added by section 902(b) of Public Law 102–486.

(c) REVISION OF SECTION 1305.—As of such privatization date, section 1305 of the Atomic Energy Act of 1954 (42 U.S.C 2297b–4) is amended—

(1) by repealing subsections (a), (b), (c), and (d), and

(2) in subsection (e)—

(A) by striking the subsection designation and heading,

(B) by redesignating paragraphs (1) and (2) (as added by section 4(a)) as subsections (a) and (b) and by moving the margins 2-ems to the left,

(C) by striking paragraph (3), and

(D) by redesignating paragraph (4) (as amended by section 4(b)) as subsection (c), and by moving the margins 2-ems to the left.

TITLE IV—RETIREMENT

SEC. 4001. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the ''Congressional and Federal Employee Retirement Equalization Act''.

(b) TABLE OF CONTENTS.—The table of contents for this title is as follows:

Sec. 4001. Short title; table of contents.
Sec. 4002. Amendment of title 5, United States Code.
Sec. 4003. Individual contributions.
Sec. 4004. Average pay.
Sec. 4005. Accrual rates.
Sec. 4006. Elimination of Members' option to elect not to participate in FERS.

SEC. 4002. AMENDMENT OF TITLE 5, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 5, United States Code.

SEC. 4003. INDIVIDUAL CONTRIBUTIONS.

(a) CSRS.—

(1) IN GENERAL.—The table under section 8334(c) is amended—

(A) in the matter relating to an employee by striking

''7 ..... After December 31, 1969.''

and inserting the following:

''7 ..... January 1, 1970, to December 31, 1995.
''8½ ..... January 1, 1996, to December 31, 1996.
''9 ..... January 1, 1997, to December 31, 1997.
''9½ ..... After December 31, 1997.'';

(B) in the matter relating to a Member or employee for Congressional employee service by striking

''7½ ..... After December 31, 1969.''

and inserting the following:

''7½ ..... January 1, 1970, to December 31, 1995.
''8½ ..... January 1, 1996, to December 31, 1996.
''9 ..... January 1, 1997, to December 31, 1997.
''9½ ..... After December 31, 1997.'';

(C) in the matter relating to a Member for Member service by striking

''8 ..... After December 31, 1969.''

and inserting the following:

''8 ..... January 1, 1970, to December 31, 1995.
''8½ ..... January 1, 1996, to December 31, 1996.
''9 ..... January 1, 1997, to December 31, 1997.
''9½ ..... After December 31, 1997.'';

(D) in the matter relating to a law enforcement officer for law enforcement service and firefighter for firefighter service by striking

''7½ ..... After December 31, 1974.''

and inserting the following:

''7½ ..... January 1, 1975, to December 31, 1995.
''9 ..... January 1, 1996, to December 31, 1996.
''9½ ..... January 1, 1997, to December 31, 1997.
''10 ..... After December 31, 1997.'';

(E) in the matter relating to a bankruptcy judge by striking

''8 ..... After December 31, 1983.''

and inserting the following:

''8 ..... January 1, 1984, to December 31, 1995.
''8½ ..... January 1, 1996, to December 31, 1996.
''9 ..... January 1, 1997, to December 31, 1997.
''9½ ..... After December 31, 1997.'';

(F) in the matter relating to a judge of the United States Court of Appeals for the Armed Forces for service as a judge of that court by striking

''8 ..... On and after the date of the enactment of the Department of Defense Authorization Act, 1984.''

and inserting the following:

''8 ..... The date of the enactment of the Department of Defense Authorization Act, 1984, to December 31, 1995.
''8½ ..... January 1, 1996, to December 31, 1996.
''9 ..... January 1, 1997, to December 31, 1997.
''9½ ..... After December 31, 1997.'';

(G) in the matter relating to a United States magistrate by striking

''8 ..... After September 30, 1987.''

and inserting the following:

''8 ..... October 1, 1987, to December 31, 1995.
''8½ ..... January 1, 1996, to December 31, 1996.
''9 ..... January 1, 1997, to December 31, 1997.
''9½ ..... After December 31, 1997.''; and

(H) in the matter relating to a Claims Court judge by striking

''8 ..... After September 30, 1988.''

and inserting the following:

''8 ..... October 1, 1988, to December 31, 1995.
''8½ ..... January 1, 1996, to December 31, 1996.
''9 ..... January 1, 1997, to December 31, 1997.
''9½ ..... After December 31, 1997.''.

(2) DEDUCTIONS.—The first sentence of section 8334(a)(1) is amended to read as follows: ''The employing agency shall deduct and withhold from the basic pay of an employee, Member, Congressional employee, law enforcement officer, firefighter, bankruptcy judge, judge of the United States Court of Appeals for the Armed Forces, United States magistrate, or Claims Court judge, as the case may be, the percentage of basic pay applicable under subsection (c).''.

(3) GOVERNMENT CONTRIBUTIONS.—

(A) IN GENERAL.—Section 8334(a) is amended by adding at the end the following:

''(3) The amount to be contributed under the second sentence of paragraph (1) with respect to any service period occurring during any calendar year after 1995 shall be determined as if the percentage then applicable under subsection (c) were the percentage that was applicable for calendar year 1995 plus 3 percent.''.

(B) TECHNICAL AMENDMENT.—The second sentence of section 8334(a)(1) is amended by

striking the period at the end and inserting ‘‘, subject to paragraph (3).’’.

(4) OTHER SERVICE.—

(A) MILITARY SERVICE.—Section 8334(j) is amended—

(i) in paragraph (1)(A) by inserting ‘‘and subject to paragraph (5),’’ after ‘‘Except as provided in subparagraph (B),’’; and

(ii) by adding at the end the following:

‘‘(5) Effective with respect to any period of military service after December 31, 1995, the percentage of basic pay under section 204 of title 37 payable under paragraph (1) shall be equal to the same percentage as would be applicable under section 8334(c) for that same period for service as an ‘employee’, subject to paragraph (1)(B).’’.

(B) VOLUNTEER SERVICE.—Section 8334(l) is amended—

(i) in paragraph (1) by striking the period at the end and inserting ‘‘, subject to paragraph (4).’’; and

(ii) by adding at the end the following:

‘‘(4) Effective with respect to any period of service after December 31, 1995, the percentage of the readjustment allowance or stipend (as the case may be) payable under paragraph (1) shall be equal to the same percentage as would be applicable under section 8334(c) for that same period for service as an ‘employee’.’’.

(b) FERS.—

(1) IN GENERAL.—Section 8422(a) is amended by striking paragraph (2) and inserting the following:

‘‘(2) The percentage to be deducted and withheld from basic pay for any pay period shall be equal to—

‘‘(A) the applicable percentage under paragraph (3), minus

‘‘(B) the percentage then in effect under section 3101(a) of the Internal Revenue Code of 1986 (relating to rate of tax for old-age, survivors, and disability insurance).

‘‘(3) The applicable percentage under this paragraph, for civilian service after December 31, 1995, shall be as follows:

	Percentage of basic pay	Service period
‘‘Employee	8½	January 1, 1996, to December 31, 1996.
	‘‘9	January 1, 1997, to December 31, 1997.
	‘‘9½	After December 31, 1997.
‘‘Congressional employee	8½	January 1, 1996, to December 31, 1996.
	‘‘9	January 1, 1997, to December 31, 1997.
	‘‘9½	After December 31, 1997.
‘‘Member	8½	January 1, 1996, to December 31, 1996.
	‘‘9	January 1, 1997, to December 31, 1997.
	‘‘9½	After December 31, 1997.
‘‘Law enforcement officer	9	January 1, 1996, to December 31, 1996.
	‘‘9½	January 1, 1997, to December 31, 1997.
	‘‘10	After December 31, 1997.
‘‘Firefighter	9	January 1, 1996, to December 31, 1996.
	‘‘9½	January 1, 1997, to December 31, 1997.
	‘‘10	After December 31, 1997.
‘‘Air traffic controller	9	January 1, 1996, to December 31, 1996.
	‘‘9½	January 1, 1997, to December 31, 1997.
	‘‘10	After December 31, 1997.’’.

(2) OTHER SERVICE.—

(A) MILITARY SERVICE.—Section 8422(e) is amended—

(i) in paragraph (1)(A) by inserting ‘‘and subject to paragraph (6),’’ after ‘‘Except as provided in subparagraph (B),’’; and

(ii) by adding at the end the following:

‘‘(6) Effective with respect to any period of military service after December 31, 1995, the percentage of basic pay under section 204 of title 37 payable under paragraph (1) shall be equal to the same percentage as would be applicable under section 8422(a)(3) for that same period for service as an ‘employee’, subject to paragraph (1)(B).’’.

(B) VOLUNTEER SERVICE.—Section 8422(f) is amended—

(i) in paragraph (1) by striking the period at the end and inserting ‘‘, subject to paragraph (4).’’; and

(ii) by adding at the end the following:

‘‘(4) Effective with respect to any period of service after December 31, 1995, the percentage of the readjustment allowance or stipend (as the case may be) payable under paragraph (1) shall be equal to the same percentage as would be applicable under section 8422(a)(3) for that same period for service as an employee.’’.

(c) EXEMPTION.—

(1) IN GENERAL.—Section 1005(d) of title 39, United States Code, is amended by adding at the end the following:

‘‘(3) For purposes of applying chapters 83 and 84 of title 5 with respect to any officer or employee of the Postal Service, section 4003 of the Congressional and Federal Employee Retirement Equalization Act shall be treated as if it had not been enacted.’’.

(2) TECHNICAL AMENDMENT.—The second sentence of section 1005(d)(1) of title 39, United States Code, is amended by striking the period and inserting ‘‘, subject to paragraph (3).’’.

(d) EFFECTIVE DATE.—This section shall take effect on January 1, 1996.

SEC. 4004. AVERAGE PAY.

(a) CSRS.—

(1) IN GENERAL.—Subchapter III of chapter 83 is amended by inserting after section 8339 the following:

‘‘§ 8339a. Special rules relating to average pay

‘‘(a) Notwithstanding section 8331(4), for purposes of computing any annuity or survivor annuity under this subchapter, eligibility for which is based on a separation occurring after December 31, 1995, ‘average pay’ shall, if the separation occurs—

‘‘(1) during calendar year 1996, have the meaning given such term by subsection (b)(1); or

‘‘(2) after calendar year 1996, have the meaning given such term by subsection (b)(2).

‘‘(b) For purposes of this section—

‘‘(1) the meaning given the term ‘average pay’ by this paragraph shall be the meaning such term would have under section 8331(4) if ‘4 consecutive years’ were substituted for ‘3 consecutive years’ and ‘4 years’ were substituted for ‘3 years’; and

‘‘(2) the meaning given the term ‘average pay’ by this paragraph shall be the meaning such term would have under section 8331(4) if ‘5 consecutive years’ were substituted for ‘3 consecutive years’ and ‘5 years’ were substituted for ‘3 years’.

‘‘(c) Nothing in this section shall be considered to apply with respect to any annuity or survivor annuity eligibility for which is based on a separation occurring before January 1, 1996.

‘‘(d) The Office of Personnel Management shall prescribe such regulations as may be necessary to carry out this section.’’.

(2) TECHNICAL AMENDMENTS.—

(A) Section 8331(4) is amended by striking ‘‘effect;’’ and inserting ‘‘effect, subject to section 8339a;’’.

(B) The table of sections for chapter 83 is amended by inserting after the item relating to section 8339 the following:

‘‘8339a. Special rules relating to average pay.’’.

(b) FERS.—

(1) IN GENERAL.—Chapter 84 is amended by inserting after section 8461 the following:

‘‘§ 8461a. Special rules relating to average pay

‘‘(a) Notwithstanding section 8401(3), for purposes of computing any annuity or survivor annuity under this chapter, eligibility for which is based on a separation occurring after December 31, 1995, ‘average pay’ shall, if the separation occurs—

‘‘(1) during calendar year 1996, have the meaning given such term by subsection (b)(1); or

‘‘(2) after calendar year 1996, have the meaning given such term by subsection (b)(2).

‘‘(b) For purposes of this section—

‘‘(1) the meaning given the term ‘average pay’ by this paragraph shall be the meaning such term would have under section 8401(3) if ‘4 consecutive years’ were substituted for ‘3 consecutive years’ and ‘4 years’ were substituted for ‘3 years’; and

‘‘(2) the meaning given the term ‘average pay’ by this paragraph shall be the meaning such term would have under section 8401(3) if ‘5 consecutive years’ were substituted for ‘3 consecutive years’ and ‘5 years’ were substituted for ‘3 years’.

‘‘(c) Nothing in this section shall be considered to apply with respect to any annuity or survivor annuity eligibility for which is based on a separation occurring before January 1, 1996.

‘‘(d) The Office of Personnel Management shall prescribe such regulations as may be necessary to carry out this section.’’.

(2) TECHNICAL AMENDMENTS.—

(A) Section 8401(3) is amended by striking ‘‘effect;’’ and inserting ‘‘effect, subject to section 8461a;’’.

(B) The table of sections for chapter 84 is amended by inserting after the item relating to section 8461 the following:

‘‘8461a. Special rules relating to average pay.’’.

(c) REGULATIONS.—The Office of Personnel Management shall prescribe such regulations as may be necessary to carry out the purposes of this section, including regulations to provide that section 302(a)(6) of the Federal Employees’ Retirement System Act of 1986 (5 U.S.C. 8331 note) shall be carried out in a manner consistent with the amendments made by this section.

SEC. 4005. ACCRUAL RATES.

(a) CSRS.—

(1) MEMBERS.—

(A) IN GENERAL.—Section 8339(c) is amended by striking all that follows ‘‘with respect to—’’ and inserting the following:

‘‘(1) so much of his service as a Member as is or was performed before January 1, 1996;

''(2) so much of his military service as—

''(A) is creditable for the purpose of this subsection; and

''(B) is or was performed before January 1, 1996; and

''(3) so much of his Congressional employee service as is or was performed before January 1, 1996;

by multiplying 2½ percent of his average pay by the years of that service.''.

(B) TECHNICAL AMENDMENT.—Section 8332(d) is amended by striking ''section 8339(c)(1)'' and inserting ''section 8339(c)''.

(2) CONGRESSIONAL EMPLOYEES.—Section 8339(b) is amended—

(A) by inserting ''so much of'' after ''is computed with respect to''; and

(B) by inserting ''as is or was performed before January 1, 1996,'' before ''by multiplying''.

(b) FERS.—

(1) MEMBERS.—Section 8415(b) is amended by striking ''shall'' and inserting ''shall, to the extent that such service is or was performed before January 1, 1996,''.

(2) CONGRESSIONAL EMPLOYEES.—Section 8415(c) is amended by striking ''shall'' and inserting ''shall, to the extent that such service is or was performed before January 1, 1996,''.

(3) PROVISIONS RELATING TO THE 1.1 PERCENT ACCRUAL RATE.—Section 8415(g) is amended—

(A) in paragraph (1) by striking ''an employee under paragraph (2),'' and inserting ''an employee or Member under paragraph (2),'';

(B) in paragraph (2) by inserting ''or Member'' after ''in the case of an employee'' and by striking ''Congressional employee,''; and

(C) by adding at the end the following:

''(3) Notwithstanding any other provision of this subsection—

''(A) this subsection shall not apply in the case of a Member or Congressional employee whose separation (on which entitlement to annuity is based) occurs before January 1, 1996; and

''(B) in the case of a Member or Congressional employee to whom this subsection applies, the 1.1 percent accrual rate shall apply only with respect to any period of service other than a period with respect to which the 1.7 percent accrual rate applies under subsection (b) or (c).''.

SEC. 4006. ELIMINATION OF MEMBERS' OPTION TO ELECT NOT TO PARTICIPATE IN FERS.

(a) IN GENERAL.—Section 8401(20) is amended by striking ''2106,'' and all that follows through the semicolon and inserting ''2106;''.

(b) EFFECTIVE DATE; SAVINGS PROVISION.—

(1) EFFECTIVE DATE.—Subsection (a) shall take effect on January 1, 1996.

(2) SAVINGS PROVISION.—The amendment made by subsection (a) shall not affect any election made before such subsection takes effect.

TITLE V—MEDICARE SAVINGS EXTENSIONS

SEC. 5001. SHORT TITLE.

This title may be cited as the ''Medicare Presidential Budget Savings Extension Act of 1995''.

Subtitle A—Provisions Relating to Part A of the Medicare Program

SEC. 5101. MAINTAINING SAVINGS RESULTING FROM TEMPORARY FREEZE ON PAYMENT INCREASES FOR SKILLED NURSING FACILITY SERVICES.

(a) BASING UPDATES TO PER DIEM COST LIMITS ON LIMITS FOR FISCAL YEAR 1993.—

(1) IN GENERAL.—The last sentence of section 1888(a) of the Social Security Act (42 U.S.C. 1395yy(a)) is amended by adding at the end the following: ''(except that such updates may not take into account any changes in the routine service costs of skilled nursing facilities occurring during cost reporting periods which began during fiscal year 1994 or fiscal year 1995).''.

(2) NO EXCEPTIONS PERMITTED BASED ON AMENDMENT.—The Secretary of Health and Human Services shall not consider the amendment made by paragraph (1) in making any adjustments pursuant to section 1888(c) of the Social Security Act.

(b) PAYMENTS DETERMINED ON PROSPECTIVE BASIS.—Any change made by the Secretary of Health and Human Services in the amount of any prospective payment paid to a skilled nursing facility under section 1888(d) of the Social Security Act for cost reporting periods beginning on or after October 1, 1995, may not take into account any changes in the costs of services occurring during cost reporting periods which began during fiscal year 1994 or fiscal year 1995.

Subtitle B—Provisions Relating to Part B of the Medicare Program

SEC. 5201. SETTING THE PART B PREMIUM AT 25 PERCENT OF PROGRAM EXPENDITURES PERMANENTLY.

(a) IN GENERAL.—Section 1839(a)(3) of the Social Security Act (42 U.S.C. 1395r(a)(3)) is amended by striking ''The monthly premium'' and all that follows through ''November 1.'' and inserting the following: ''The monthly premium shall be equal to 50 percent of the monthly actuarial rate for enrollees age 65 and over, as determined according to paragraph (1), for that succeeding calendar year.''.

(b) CONFORMING AMENDMENTS.—Section 1839 of such Act (42 U.S.C. 1395r) is amended—

(1) in subsection (a)(2), by striking ''(b) and (e)'' and inserting ''(b), (c), (e), and (f)'';

(2) in the last sentence of subsection (a)(3), by striking ''and the derivation of the dollar amounts specified in this paragraph''; and

(3) in subsection (e)—

(A) by striking ''(1)(A) Notwithstanding'' and all that follows through ''(B)'',

(B) by striking paragraph (2), and

(C) by redesignating clauses (i) through (v) as paragraphs (1) through (5).

Subtitle C—Provisions Relating to Parts A and B of the Medicare Program

SEC. 5301. PERMANENT EXTENSION OF CERTAIN SECONDARY PAYER PROVISIONS.

(a) DATA MATCH.—

(1) Section 1862(b)(5)(C) of the Social Security Act (42 U.S.C. 1395y(b)(5)(C)) is amended by striking clause (iii).

(2) Section 6103(l)(12) of the Internal Revenue Code of 1986 is amended by striking subparagraph (F).

(b) APPLICATION TO DISABLED INDIVIDUALS IN LARGE GROUP HEALTH PLANS.—

(1) IN GENERAL.—Section 1862(b)(1)(B) of the Social Security Act (42 U.S.C. 1395y(b)(1)(B)) is amended—

(A) in clause (i), by striking ''clause (iv)'' and inserting ''clause (iii)'',

(B) by striking clause (iii), and

(C) by redesignating clause (iv) as clause (iii).

(2) CONFORMING AMENDMENTS.—Paragraphs (1) through (3) of section 1837(i) of such Act (42 U.S.C. 1395p(i)) and the second sentence of section 1839(b) of such Act (42 U.S.C. 1395r(b)) are each amended by striking ''1862(b)(1)(B)(iv)'' each place it appears and inserting ''1862(b)(1)(B)(iii)''.

(c) PERIOD OF APPLICATION TO INDIVIDUALS WITH END STAGE RENAL DISEASE.—Section 1862(b)(1)(C) of the Social Security Act (42 U.S.C. 1395y(b)(1)(C)) is amended—

(1) in the first sentence, by striking ''12-month'' each place it appears and inserting ''18-month'', and

(2) by striking the second sentence.

SEC. 5302. MAINTAINING SAVINGS RESULTING FROM TEMPORARY FREEZE ON PAYMENT INCREASES FOR HOME HEALTH SERVICES.

(a) BASING UPDATES TO PER VISIT COST LIMITS ON LIMITS FOR FISCAL YEAR 1993.—Section 1861(v)(1)(L)(iii) of the Social Security Act (42 U.S.C. 1395x(v)(1)(L)(iii)) is amended by adding at the end the following sentence: ''In establishing limits under this subparagraph, the Secretary may not take into account any changes in the costs of the provision of services furnished by home health agencies with respect to cost reporting periods which began on or after July 1, 1994, and before July 1, 1996.''.

(b) NO EXCEPTIONS PERMITTED BASED ON AMENDMENT.—The Secretary of Health and Human Services shall not consider the amendment made by subsection (a) in making any exemptions and exceptions pursuant to section 1861(v)(1)(L)(ii) of the Social Security Act.

TITLE VI—CONTRACT WITH AMERICA TAX RELIEF ACT OF 1995

SEC. 6001. SHORT TITLE; AMENDMENT OF 1986 CODE.

(a) SHORT TITLE.—This title may be cited as the ''Contract With America Tax Relief Act of 1995''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—

TITLE V—CONTRACT WITH AMERICA TAX RELIEF ACT OF 1995

Sec. 6001. Short title; amendment of 1986 Code.

Subtitle A—American Dream Restoration

Sec. 6101. Family tax credit.
Sec. 6102. Credit to reduce marriage penalty.
Sec. 6103. Establishment of American Dream Savings Accounts.
Sec. 6104. Spousal IRA computed on basis of compensation of both spouses.

Subtitle B—Senior Citizens' Equity

PART I—REPEAL OF INCREASE IN TAX ON SOCIAL SECURITY BENEFITS

Sec. 6201. Repeal of increase in tax on social security benefits.

PART II—TREATMENT OF LONG-TERM CARE INSURANCE AND SERVICES

Sec. 6211. Treatment of long-term care insurance.
Sec. 6212. Qualified long-term care services treated as medical care.
Sec. 6213. Certain exchanges of life insurance contracts for long-term care insurance contracts not taxable.
Sec. 6214. Exclusion from gross income for amounts withdrawn from certain retirement plans for long-term care insurance.

PART III—TREATMENT OF ACCELERATED DEATH BENEFITS

Sec. 6221. Treatment of accelerated death benefits by recipient.
Sec. 6222. Tax treatment of companies issuing qualified accelerated death benefit riders.

PART IV—INCLUSION IN GROSS INCOME OF EXCESS LONG-TERM CARE BENEFITS

Sec. 6231. Inclusion in income of excess long-term care benefits.
Sec. 6232. Reporting requirements.

Subtitle C—Job Creation and Wage Enhancement

PART I—CAPITAL GAINS REFORM

SUBPART A—CAPITAL GAINS REDUCTION FOR TAXPAYERS OTHER THAN CORPORATIONS

Sec. 6301. Capital gains deduction.
Sec. 6302. Indexing of certain assets acquired after December 31, 1994, for purposes of determining gain.

SUBPART B—CAPITAL GAINS REDUCTION FOR CORPORATIONS

Sec. 6311. Reduction of alternative capital gain tax for corporations.

SUBPART C—CAPITAL LOSS DEDUCTION ALLOWED WITH RESPECT TO SALE OR EXCHANGE OF PRINCIPAL RESIDENCE

Sec. 6316. Capital loss deduction allowed with respect to sale or exchange of principal residence.

PART II—COST RECOVERY PROVISIONS

Sec. 6321. Depreciation adjustment for certain property placed in service after December 31, 1994.
Sec. 6322. Treatment of abandonment of lessor improvements at termination of lease.

PART III—ALTERNATIVE MINIMUM TAX RELIEF

Sec. 6331. Phaseout of application of alternative minimum tax to corporations.

PART IV—TAXPAYER DEBT BUY-DOWN

Sec. 6341. Designation of amounts for reduction of public debt.
Sec. 6342. Public debt reduction trust fund.
Sec. 6343. Taxpayer-generated sequestration of Federal spending to reduce the public debt.

PART V—SMALL BUSINESS INCENTIVES

Sec. 6351. Cost-of-living adjustments relating to estate and gift tax provisions.
Sec. 6352. Increase in expense treatment for small businesses.
Sec. 6353. Clarification of treatment of home office use for administrative and management activities.
Sec. 6354. Treatment of storage of product samples.

Subtitle D—Family Reinforcement

Sec. 6401. Credit for adoption expenses.
Sec. 6402. Credit for taxpayers with certain persons requiring custodial care in their households.

Subtitle E—Social Security Earnings Test

Sec. 6501. Adjustments in monthly exempt amount for purposes of the social security earnings test.

Subtitle F—Technical Corrections

Sec. 6601. Coordination with other subtitles.
Sec. 6602. Amendments related to Revenue Reconciliation Act of 1990.
Sec. 6603. Amendments related to Revenue Reconciliation Act of 1993.
Sec. 6604. Miscellaneous provisions.

Subtitle A—American Dream Restoration

SEC. 6101. FAMILY TAX CREDIT.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 is amended by inserting after section 22 the following new section:

"SEC. 23. FAMILY TAX CREDIT.

''(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to $500 multiplied by the number of qualifying children of the taxpayer.

''(b) LIMITATION.—The amount of credit which would (but for this subsection) be allowed by subsection (a) shall be reduced (but not below zero) by an amount which bears the same ratio to such amount of credit as—

''(1) the excess (if any) of the taxpayer's adjusted gross income (determined without regard to sections 911, 931, and 933) over $200,000, bears to

''(2) an amount equal to 100 times the dollar amount in effect under subsection (a) for the taxable year.

''(c) QUALIFYING CHILD.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualifying child' means any individual if—

''(A) the taxpayer is allowed a deduction under section 151 with respect to such individual for such taxable year,

''(B) such individual has not attained the age of 18 as of the close of the calendar year in which the taxable year of the taxpayer begins, and

''(C) such individual bears a relationship to the taxpayer described in section 32(c)(3)(B) (determined without regard to clause (ii) thereof).

''(2) EXCEPTION FOR CERTAIN NONCITIZENS.—The term 'qualifying child' shall not include any individual who would not be a dependent if the first sentence of section 152(b)(3) were applied without regard to all that follows 'resident of the United States'.

''(d) INFLATION ADJUSTMENTS.—

''(1) IN GENERAL.—In the case of a taxable year beginning in a calendar year after 1996, the $500 and $200,000 amounts contained in subsections (a) and (b) shall each be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1995' for 'calendar year 1992' in subparagraph (B) thereof.

''(2) ROUNDING.—If any amount as adjusted under paragraph (1) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.

''(e) CERTAIN OTHER RULES APPLY.—Rules similar to the rules of subsections (d) and (e) of section 32 shall apply for purposes of this section.''

(b) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 22 the following new item:

''Sec. 23. Family tax credit.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 6102. CREDIT TO REDUCE MARRIAGE PENALTY.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 is amended by inserting after section 23 the following new section:

"SEC. 24. CREDIT TO REDUCE MARRIAGE PENALTY.

''(a) ALLOWANCE OF CREDIT.—In the case of a joint return for the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the marriage penalty reduction credit.

''(b) LIMITATIONS.—

''(1) DOLLAR LIMITATION.—The amount of credit allowed by subsection (a) for the taxable year shall not exceed $145.

''(2) CREDIT DISALLOWED FOR INDIVIDUALS CLAIMING SECTION 911, ETC.—No credit shall be allowed under this section for any taxable year if either spouse claims the benefits of section 911, 931, or 933 for such taxable year.

''(c) MARRIAGE PENALTY REDUCTION CREDIT.—For purposes of this section—

''(1) IN GENERAL.—The marriage penalty reduction credit is an amount equal to the excess (if any) of—

''(A) the joint tax amount of the taxpayer, over

''(B) the sum of the unmarried tax amounts for each spouse.

''(2) UNMARRIED TAX AMOUNT.—For purposes of paragraph (1), the unmarried tax amount, with respect to an individual, is the amount of tax which would be imposed by section 1(c) if such individual's taxable income were equal to the excess (if any) of—

''(A) such individual's qualified earned income for the taxable year, over

''(B) the sum of—

''(i) an amount equal to the basic standard deduction under section 63(c)(2)(C) for the taxable year, plus

''(ii) the exemption amount (as defined in section 151(d)) for such taxable year.

''(3) JOINT TAX AMOUNT.—For purposes of paragraph (1), the joint tax amount is the amount of tax which would be imposed by section 1(a) if the taxpayer's taxable income were equal to the excess (if any) of—

''(A) the taxpayer's qualified earned income for the taxable year, over

''(B) the sum of—

''(i) an amount equal to the basic standard deduction under section 63(c)(2)(A) for the taxable year, plus

''(ii) an amount equal to twice the exemption amount (as so defined) for such taxable year.

''(d) QUALIFIED EARNED INCOME.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified earned income' means an amount equal to the excess (if any) of—

''(A) the earned income for the taxable year, over

''(B) an amount equal to the sum of the deductions described in paragraphs (1), (2), (6), (7), and (12) of section 62(a) to the extent that such deductions are properly allocable to or chargeable against earned income for such taxable year.

The amount of qualified earned income shall be determined without regard to any community property laws.

''(2) EARNED INCOME.—For purposes of paragraph (1)—

''(A) IN GENERAL.—The term 'earned income' means income which is earned income within the meaning of section 401(c)(2)(C) or 911(d)(2) (determined without regard to the phrase 'not in excess of 30 percent of his share of the net profits of such trade or business' in subparagraph (B) thereof).

''(B) EXCEPTION.—Such term shall not include any amount—

''(i) not includible in gross income,

''(ii) received as a pension or annuity,

''(iii) paid or distributed out of an individual retirement plan (within the meaning of section 7701(a)(37)),

''(iv) received as deferred compensation, or

''(v) received for services performed by an individual in the employ of his spouse (within the meaning of section 3121(b)(3)(B)).

''(e) AMOUNT OF CREDIT TO BE DETERMINED UNDER TABLES.—

''(1) IN GENERAL.—The amount of the credit allowed by this section shall be determined under tables prescribed by the Secretary.

''(2) REQUIREMENTS FOR TABLES.—The tables prescribed under paragraph (1) shall reflect the provisions of subsection (c) and shall round to the nearest $25 any amount of credit which is less than the maximum credit under subsection (b)(1).''

(b) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 23 the following new item:

''Sec. 24. Credit to reduce marriage penalty.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 6103. ESTABLISHMENT OF AMERICAN DREAM SAVINGS ACCOUNTS.

(a) IN GENERAL.—Subpart A of part I of subchapter D of chapter 1 (relating to pension, profit-sharing, stock bonus plans, etc.) is amended by inserting after section 408 the following new section:

"SEC. 408A. AMERICAN DREAM SAVINGS ACCOUNTS.

''(a) GENERAL RULE.—Except as provided in this section, an American Dream Savings Account shall be treated for purposes of this title in the same manner as an individual retirement plan.

''(b) AMERICAN DREAM SAVINGS ACCOUNT.—For purposes of this title, the term 'American Dream Savings Account' or 'ADS account' means an individual retirement plan which is designated at the time of the establishment of the plan as an American Dream Savings Account. Such designation shall be made in such manner as the Secretary may prescribe.

''(c) CONTRIBUTION RULES.—

''(1) NO DEDUCTION ALLOWED.—No deduction shall be allowed under section 219 for a contribution to an ADS account.

''(2) CONTRIBUTION LIMIT.—

''(A) IN GENERAL.—The aggregate amount of contributions (other than rollover contributions) for any taxable year to all ADS accounts maintained for the benefit of an individual shall not exceed the lesser of—

''(i) $2,000, or

''(ii) an amount equal to the compensation includible in the individual's gross income for such taxable year.

''(B) $4,000 LIMITATION FOR CERTAIN ADDITIONAL MARRIED INDIVIDUALS.—

''(i) IN GENERAL.—In the case of an individual to whom this subparagraph applies for the taxable year, the limitation of subparagraph (A)(ii) shall be equal to the sum of—

''(I) the compensation includible in such individual's gross income for the taxable year, plus

''(II) the compensation includible in the gross income of such individual's spouse for the taxable year reduced by the amount of the limitation under subparagraph (A) applicable to such spouse for such taxable year.

''(ii) INDIVIDUALS TO WHOM CLAUSE (i) APPLIES.—Clause (i) shall apply to any individual if—

''(I) such individual files a joint return for the taxable year, and

''(II) the amount of compensation (if any) includible in such individual's gross income for the taxable year is less than the compensation includible in the gross income of such individual's spouse for the taxable year.

''(C) ADJUSTMENT FOR INFLATION.—

''(i) IN GENERAL.—In the case of a taxable year beginning in a calendar year after 1996, the $2,000 amount contained in subparagraph (A) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1995' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING.—If any amount as adjusted under clause (i) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.

''(D) TAX ON EXCESS CONTRIBUTIONS.—Section 4973 shall be applied separately with respect to individual retirement plans which are ADS accounts and individual retirement plans which are not ADS accounts; except that, for purposes of applying such section with respect to individual retirement plans which are ADS accounts, excess contributions shall be considered to be any amounts in excess of the limitation under subsection (c)(2)(A).

''(3) CONTRIBUTIONS PERMITTED AFTER AGE 70½.—Contributions to an ADS account may be made even after the individual for whom the account is maintained has attained age 70½.

''(4) MANDATORY DISTRIBUTION RULES NOT TO APPLY, ETC.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), subsections (a)(6) and (b)(3) of section 408 (relating to required distributions) and section 4974 (relating to excise tax on certain accumulations in qualified retirement plans) shall not apply to any ADS account.

''(B) POST-DEATH DISTRIBUTIONS.—Rules similar to the rules of section 401(a)(9) (other than subparagraph (A) thereof) shall apply for purposes of this section.

''(5) LIMITATIONS ON ROLLOVER CONTRIBUTIONS.—No rollover contribution may be made to an ADS account unless—

''(A) such contribution is from another ADS account, or

''(B) such contribution is from an individual retirement plan (other than an ADS account) and is made before January 1, 1998.

''(d) DISTRIBUTION RULES.—For purposes of this title—

''(1) GENERAL RULES.—

''(A) EXCLUSION FROM GROSS INCOME.—No portion of a qualified distribution from an ADS account shall be includible in gross income.

''(B) EXCEPTION FROM PENALTY TAX.—Section 72(t) shall not apply to—

''(i) any qualified distribution from an ADS account, and

''(ii) any qualified special purpose distribution (whether or not a qualified distribution) from an ADS account.

''(2) QUALIFIED DISTRIBUTION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified distribution' means any payment or distribution—

''(i) made on or after the date on which the individual attains age 59½,

''(ii) made to a beneficiary (or to the estate of the individual) on or after the death of the individual,

''(iii) attributable to the individual's being disabled (within the meaning of section 72(m)(7)), or

''(iv) which is a qualified special purpose distribution.

''(B) DISTRIBUTIONS WITHIN 5 YEARS.—No payment or distribution shall be treated as a qualified distribution if—

''(i) it is made within the 5-taxable year period beginning with the 1st taxable year for which the individual made a contribution to an ADS account (or such individual's spouse made a contribution to an ADS account) established for such individual, or

''(ii) in the case of a payment or distribution properly allocable to a rollover contribution (or income allocable thereto), it is made within 5 years after the date on which such rollover contribution was made, as determined under regulations prescribed by the Secretary.

Clause (ii) shall not apply to a rollover contribution from an ADS account.

''(3) INCOME INCLUSION FOR ROLLOVERS FROM NON-ADS ACCOUNTS.—In the case of any amount paid or distributed out of an individual retirement plan (other than an ADS account) which is paid into an ADS account (established for the benefit of the payee or distributee, as the case may be) before the close of the 60th day after the day on which the payment or distribution is received—

''(A) sections 72(t) and 408(d)(3) shall not apply, and

''(B) any amount required to be included in gross income by reason of this paragraph shall be so included ratably over the 4-taxable year period beginning with the taxable year in which the payment or distribution is made.

''(e) QUALIFIED SPECIAL PURPOSE DISTRIBUTION.—

''(1) IN GENERAL.—For purposes of this section, the term 'qualified special purpose distribution' means any payments or distributions from an ADS account to the individual for whose benefit such account is established—

''(A) if such payments or distributions are qualified first-time homebuyer distributions, or

''(B) to the extent such payments or distributions do not exceed—

''(i) the qualified higher education expenses of the taxpayer for the taxable year in which received, and

''(ii) the qualified medical expenses of the taxpayer for the taxable year in which received.

''(2) QUALIFIED FIRST-TIME HOMEBUYER DISTRIBUTIONS.—

''(A) IN GENERAL.—For purposes of this subsection, the term 'qualified first-time homebuyer distribution' means any payment or distribution received by an individual to the extent such payment or distribution is used by the individual before the close of the 60th day after the day on which such payment or distribution is received to pay qualified acquisition costs with respect to a principal residence for such individual as a first-time homebuyer.

''(B) QUALIFIED ACQUISITION COSTS.—For purposes of this paragraph, the term 'qualified acquisition costs' means the costs of acquiring, constructing, or reconstructing a residence. Such term includes any usual or reasonable settlement, financing, or other closing costs.

''(C) FIRST-TIME HOMEBUYER; OTHER DEFINITIONS.—For purposes of this paragraph—

''(i) FIRST-TIME HOMEBUYER.—The term 'first-time homebuyer' means any individual if such individual (and, if married, such individual's spouse) had no present ownership interest in a principal residence during the 3-year period ending on the date of acquisition of the principal residence to which this paragraph applies.

''(ii) PRINCIPAL RESIDENCE.—The term 'principal residence' has the same meaning as when used in section 1034.

''(iii) DATE OF ACQUISITION.—The term 'date of acquisition' means the date—

''(I) on which a binding contract to acquire the principal residence to which subparagraph (A) applies is entered into, or

''(II) on which a binding contract to construct or reconstruct such a principal residence is entered into.

''(D) SPECIAL RULE WHERE DELAY IN ACQUISITION.—If any payment or distribution out of an ADS account fails to meet the requirements of subparagraph (A) solely by reason of a delay or cancellation of the purchase, construction, or reconstruction of the residence, the amount of the payment or distribution may be contributed to an ADS account as provided in subsection (d)(3)(A)(i) of section 408 (determined by substituting '120th day' for '60th day' in such subsection), except that—

''(i) subsection (d)(3)(B) of such section shall not be applied to such contribution, and

''(ii) such amount shall not be taken into account in determining whether subsection (d)(3)(A)(i) of such section applies to any other amount.

''(3) QUALIFIED HIGHER EDUCATION EXPENSES.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified higher education expenses' means tuition, fees, books, supplies, and equipment required for the enrollment or attendance of—

''(i) the taxpayer,

''(ii) the taxpayer's spouse, or

''(iii) the taxpayer's child (as defined in section 151(c)(3)) or grandchild,

at an eligible educational institution (as defined in section 135(c)(3)).

''(B) COORDINATION WITH SAVINGS BOND PROVISIONS.—The amount of qualified higher education expenses for any taxable year shall be reduced by any amount excludable from gross income under section 135.

''(4) QUALIFIED MEDICAL EXPENSES.—

''(A) IN GENERAL.—For purposes of this subsection, the term 'qualified medical expenses' means any amounts paid during the taxable year, not compensated for by insurance or otherwise, for medical care (as defined in section 213(d)) of the taxpayer, his spouse, or a dependent (as defined in section 152).

''(B) LONG-TERM CARE INSURANCE PREMIUMS TREATED AS MEDICAL EXPENSES.—For purposes of subparagraph (A), section 213(d)(1)(C) shall not apply but the term 'qualified medical expenses' shall include premiums for long-term care insurance (as defined in section 7702B(b)) for coverage of the taxpayer or his spouse.

''(f) OTHER DEFINITIONS.—For purposes of this section—

''(1) ROLLOVER CONTRIBUTIONS.—The term 'rollover contributions' means contributions described in sections 402(c), 403(a)(4), 403(b)(8), or 408(d)(3).

''(2) COMPENSATION.—The term 'compensation' has the meaning given such term by section 219(f).''

(b) TERMINATION OF NONDEDUCTIBLE IRA CONTRIBUTIONS.—

(1) Section 408(o) is amended by adding at the end the following new paragraph:

''(5) TERMINATION.—This subsection shall not apply to any designated nondeductible contribution for any taxable year beginning after December 31, 1995.''

(2) Section 219(f) of is amended by striking paragraph (7).

(c) EXCESS DISTRIBUTIONS TAX NOT TO APPLY.—Subparagraph (B) of section 4980A(e)(1) is amended by inserting ''other than an ADS account (as defined in section 408A(b))'' after ''retirement plan''.

(d) CLERICAL AMENDMENT.—The table of sections for subpart A of part I of subchapter D of chapter 1 is amended by inserting after the item relating to section 408 the following new item:

''Sec. 408A. American Dream Savings Accounts.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 6104. SPOUSAL IRA COMPUTED ON BASIS OF COMPENSATION OF BOTH SPOUSES.

(a) IN GENERAL.—Subsection (c) of section 219 (relating to special rules for certain married individuals) is amended to read as follows:

''(c) SPECIAL RULES FOR CERTAIN MARRIED INDIVIDUALS.—

''(1) IN GENERAL.—In the case of an individual to whom this paragraph applies for the taxable year, the limitation of subsection (b)(1) shall be equal to the lesser of—

''(A) $2,000, or

''(B) the sum of—

''(i) the compensation includible in such individual's gross income for the taxable year, plus

''(ii) the compensation includible in the gross income of such individual's spouse for the taxable year reduced by the amount allowable as a deduction under subsection (a) to such spouse for such taxable year.

''(2) INDIVIDUALS TO WHOM PARAGRAPH (1) APPLIES.—Paragraph (1) shall apply to any individual if—

''(A) such individual files a joint return for the taxable year, and

''(B) the amount of compensation (if any) includible in such individual's gross income for the taxable year is less than the compensation includible in the gross income of such individual's spouse for the taxable year.''

(b) TECHNICAL AMENDMENT.—Paragraph (2) of section 219(f) (relating to other definitions and special rules) is amended by striking ''subsections (b) and (c)'' and inserting ''subsection (b)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

Subtitle B—Senior Citizens' Equity

PART I—REPEAL OF INCREASE IN TAX ON SOCIAL SECURITY BENEFITS

SEC. 6201. REPEAL OF INCREASE IN TAX ON SOCIAL SECURITY BENEFITS.

(a) IN GENERAL.—Subsection (a) of section 86 (relating to social security and tier 1 railroad retirement benefits) is amended by adding at the end the following new paragraph:

''(3) PHASEOUT OF ADDITIONAL AMOUNT.—In the case of any taxable year beginning in a calendar year after 1995 and before 2000, paragraph (2) shall be applied by substituting the percentage determined under the following table for '85 percent' each place it appears:

''In the case of a taxable year beginning in calendar year:	**The percentage is:**
1996	75 percent
1997	65 percent
1998	60 percent
1999	55 percent.''

(b) TERMINATION OF ADDITIONAL AMOUNT.—Paragraph (2) of section 86(a) is amended by adding at the end the following new flush sentence:

''This paragraph shall not apply to any taxable year beginning after December 31, 1999.''

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (3) of section 871(a) is amended—

(A) by striking ''85 percent'' in subparagraph (A) and inserting ''50 percent'', and

(B) by inserting before the last sentence the following new flush sentence:

''In the case of any taxable year beginning in a calendar year after 1995 and before 2000, subparagraph (A) shall be applied by substituting the percentage determined for such calendar year under section 86(a)(3) for '50 percent'.''

(2)(A) Subparagraph (A) of section 121(e)(1) of the Social Security Amendments of 1983 (Public Law 98–21) is amended—

(i) by striking ''(A) There'' and inserting ''There'';

(ii) by striking ''(i)'' immediately following ''amounts equivalent to''; and

(iii) by striking '', less (ii)'' and all that follows and inserting a period.

(B) Paragraph (1) of section 121(e) of such Act is amended by striking subparagraph (B).

(C) Paragraph (3) of section 121(e) of such Act is amended by striking subparagraph (B) and by redesignating subparagraph (C) as subparagraph (B).

(D) Paragraph (2) of section 121(e) of such Act is amended in the first sentence by striking ''paragraph (1)(A)'' and inserting ''paragraph (1)''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1995.

(2) SUBSECTION (c)(2).—The amendments made by subsection (c)(2) shall apply to tax liabilities for taxable years beginning after December 31, 1995.

PART II—TREATMENT OF LONG-TERM CARE INSURANCE AND SERVICES

SEC. 6211. TREATMENT OF LONG-TERM CARE INSURANCE.

(a) GENERAL RULE.—Chapter 79 (relating to definitions) is amended by inserting after section 7702A the following new section:

''SEC. 7702B. TREATMENT OF LONG-TERM CARE INSURANCE.

''(a) IN GENERAL.—For purposes of this title—

''(1) a long-term care insurance contract shall be treated as an accident and health insurance contract,

''(2) amounts (other than policyholder dividends, as defined in section 808, or premium refunds) received under a long-term care insurance contract shall be treated as amounts received for personal injuries and sickness and shall be treated as reimbursement for expenses actually incurred for medical care (as defined in section 213(d)),

''(3) any plan of an employer providing coverage under a long-term care insurance contract shall be treated as an accident and health plan with respect to such coverage,

''(4) except as provided in subsection (d)(3), amounts paid for a long-term care insurance contract providing the benefits described in subsection (b)(2)(A) shall be treated as payments made for insurance for purposes of section 213(d)(1)(D), and

''(5) a long-term care insurance contract shall be treated as a guaranteed renewable contract subject to the rules of section 816(e).

''(b) LONG-TERM CARE INSURANCE CONTRACT.—For purposes of this title—

''(1) IN GENERAL.—The term 'long-term care insurance contract' means any insurance contract if—

''(A) the only insurance protection provided under such contract is coverage of qualified long-term care services,

''(B) such contract does not pay or reimburse expenses incurred for services or items to the extent that such expenses are reimbursable under title XVIII of the Social Security Act or would be so reimbursable but for the application of a deductible or coinsurance amount,

''(C) such contract is guaranteed renewable,

''(D) such contract does not provide for a cash surrender value or other money that can be—

''(i) paid, assigned, or pledged as collateral for a loan, or

''(ii) borrowed,

other than as provided in subparagraph (E) or paragraph (2)(C), and

''(E) all refunds of premiums, and all policyholder dividends or similar amounts, under such contract are to be applied as a reduction in future premiums or to increase future benefits.

''(2) SPECIAL RULES.—

''(A) PER DIEM, ETC. PAYMENTS PERMITTED.—A contract shall not fail to be described in subparagraph (A) or (B) of paragraph (1) by reason of payments being made on a per diem or other periodic basis without regard to the expenses incurred during the period to which the payments relate.

''(B) SPECIAL RULES RELATING TO MEDICARE.—

''(i) Paragraph (1)(B) shall not apply to expenses which are reimbursable under title XVIII of the Social Security Act only as a secondary payor.

''(ii) No provision of law shall be construed or applied so as to prohibit the offering of a long-term care insurance contract on the basis that the contract coordinates its benefits with those provided under such title.

''(C) REFUNDS OF PREMIUMS.—Paragraph (1)(E) shall not apply to any refund on the

death of the insured, or on a complete surrender or cancellation of the contract, which cannot exceed the aggregate premiums paid under the contract. Any refund on a complete surrender or cancellation of the contract shall be includible in gross income to the extent that any deduction or exclusion was allowable with respect to the premiums.

''(c) QUALIFIED LONG-TERM CARE SERVICES.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified long-term care services' means necessary diagnostic, preventive, therapeutic, curing, treating, mitigating, and rehabilitative services, and maintenance or personal care services, which—

''(A) are required by a chronically ill individual, and

''(B) are provided pursuant to a plan of care prescribed by a licensed health care practitioner.

''(2) CHRONICALLY ILL INDIVIDUAL.—

''(A) IN GENERAL.—The term 'chronically ill individual' means any individual who has been certified by a licensed health care practitioner as—

''(i) being unable to perform (without substantial assistance from another individual) at least 2 activities of daily living for a period of at least 90 days due to a loss of functional capacity or to cognitive impairment, or

''(ii) having a level of disability similar (as determined by the Secretary in consultation with the Secretary of Health and Human Services) to the level of disability described in clause (i).

Such term shall not include any individual otherwise meeting the requirements of the preceding sentence unless within the preceding 12-month period a licensed health care practitioner has certified that such individual meets such requirements.

''(B) ACTIVITIES OF DAILY LIVING.—For purposes of subparagraph (A), each of the following is an activity of daily living:

''(i) Eating.

''(ii) Toileting.

''(iii) Transferring.

''(iv) Bathing.

''(v) Dressing.

''(vi) Continence.

Nothing in this section shall be construed to require a contract to take into account all of the preceding activities of daily living.

''(3) MAINTENANCE OR PERSONAL CARE SERVICES.—The term 'maintenance or personal care services' means any care the primary purpose of which is the provision of needed assistance with any of the disabilities as a result of which the individual is a chronically ill individual (including the protection from threats to health and safety due to severe cognitive impairment).

''(4) LICENSED HEALTH CARE PRACTITIONER.—The term 'licensed health care practitioner' means any physician (as defined in section 1861(r)(1) of the Social Security Act) and any registered professional nurse, licensed social worker, or other individual who meets such requirements as may be prescribed by the Secretary.

''(d) TREATMENT OF COVERAGE PROVIDED AS PART OF A LIFE INSURANCE CONTRACT.—Except as otherwise provided in regulations prescribed by the Secretary, in the case of any long-term care insurance coverage (whether or not qualified) provided by a rider on a life insurance contract—

''(1) IN GENERAL.—This section shall apply as if the portion of the contract providing such coverage is a separate contract.

''(2) APPLICATION OF 7702.—Section 7702(c)(2) (relating to the guideline premium limitation) shall be applied by increasing the guideline premium limitation with respect to a life insurance contract, as of any date—

''(A) by the sum of any charges (but not premium payments) against the life insurance contract's cash surrender value (within the meaning of section 7702(f)(2)(A)) for such coverage made to that date under the contract, less

''(B) any such charges the imposition of which reduces the premiums paid for the contract (within the meaning of section 7702(f)(1)).

''(3) APPLICATION OF SECTION 213.—No deduction shall be allowed under section 213(a) for charges against the life insurance contract's cash surrender value described in paragraph (2), unless such charges are includible in income as a result of the application of section 72(e)(10) and the rider is a long-term care insurance contract under subsection (b).

''(4) PORTION DEFINED.—For purposes of this subsection, the term 'portion' means only the terms and benefits under a life insurance contract that are in addition to the terms and benefits under the contract without regard to the coverage under a long-term care insurance contract.''

(b) RESERVE METHOD.—Clause (iii) of section 807(d)(3)(A) is amended by inserting ''(other than a long-term care insurance contract, as defined in section 7702B(b))'' after ''insurance contract''.

(c) LONG-TERM CARE INSURANCE NOT PERMITTED UNDER CAFETERIA PLANS OR FLEXIBLE SPENDING ARRANGEMENTS.—

(1) CAFETERIA PLANS.—Section 125(f) is amended by adding at the end the following new sentence: ''Such term shall not include any long-term care insurance contract (as defined in section 7702B(b)).''

(2) FLEXIBLE SPENDING ARRANGEMENTS.—The text of section 106 (relating to contributions by employer to accident and health plans) is amended to read as follows:

''(a) GENERAL RULE.—Except as provided in subsection (b), gross income of an employee does not include employer-provided coverage under an accident or health plan.

''(b) INCLUSION OF LONG-TERM CARE BENEFITS PROVIDED THROUGH FLEXIBLE SPENDING ARRANGEMENTS.—

''(1) IN GENERAL.—Effective on and after January 1, 1996, gross income of an employee shall include employer-provided coverage for qualified long-term care services (as defined in section 7702B(c)) to the extent that such coverage is provided through a flexible spending or similar arrangement.

''(2) FLEXIBLE SPENDING ARRANGEMENT.—For purposes of this subsection, a flexible spending arrangement is a benefit program which provides employees with coverage under which—

''(A) specified incurred expenses may be reimbursed (subject to reimbursement maximums and other reasonable conditions), and

''(B) the maximum amount of reimbursement which is reasonably available to a participant for such coverage is less than 500 percent of the value of such coverage.

In the case of an insured plan, the maximum amount reasonably available shall be determined on the basis of the underlying coverage.''

(d) CONTINUATION COVERAGE EXCISE TAX NOT TO APPLY.—Subsection (f) of section 4980B is amended by adding at the end the following new paragraph:

''(9) CONTINUATION OF LONG-TERM CARE COVERAGE NOT REQUIRED.—A group health plan shall not be treated as failing to meet the requirements of this subsection solely by reason of failing to provide coverage under any long-term care insurance contract (as defined in section 7702B(b)).''

(e) AMOUNTS PAID TO RELATIVES TREATED AS NOT PAID FOR MEDICAL CARE.—Section 213(d) is amended by adding at the end the following new paragraph:

''(10) CERTAIN PAYMENTS TO RELATIVES TREATED AS NOT PAID FOR MEDICAL CARE.—An amount paid for a qualified long-term care service (as defined in section 7702B(c)) provided to an individual shall be treated as not paid for medical care if such service is provided—

''(A) by a relative (directly or through a partnership, corporation, or other entity) unless the relative is a licensed professional with respect to such services, or

''(B) by a corporation or partnership which is related (within the meaning of section 267(b) or 707(b)) to the individual.

For purposes of this paragraph, the term 'relative' means an individual bearing a relationship to the individual which is described in any of paragraphs (1) through (8) of section 152(a). This paragraph shall not apply for purposes of section 105(b) with respect to reimbursements through insurance.''

(f) CLERICAL AMENDMENT.—The table of sections for chapter 79 is amended by inserting after the item relating to section 7702A the following new item:

''Sec. 7702B. Treatment of long-term care insurance.''.

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to contracts issued after December 31, 1995.

(2) CONTINUATION OF EXISTING POLICIES.—In the case of any contract issued before January 1, 1996, which met the long-term care insurance requirements of the State in which the contract was sitused at the time the contract was issued—

(A) such contract shall be treated for purposes of the Internal Revenue Code of 1986 as a long-term care insurance contract (as defined in section 7702B(b) of such Code), and

(B) services provided under, or reimbursed by, such contract shall be treated for such purposes as qualified long-term care services (as defined in section 7702B(c) of such Code).

(3) EXCHANGES OF EXISTING POLICIES.—If, after the date of enactment of this Act and before January 1, 1996, a contract providing for long-term care insurance coverage is exchanged solely for a long-term care insurance contract (as defined in section 7702B(b) of such Code), no gain or loss shall be recognized on the exchange. If, in addition to a long-term care insurance contract, money or other property is received in the exchange, then any gain shall be recognized to the extent of the sum of the money and the fair market value of the other property received. For purposes of this paragraph, the cancellation of a contract providing for long-term care insurance coverage and reinvestment of the cancellation proceeds in a long-term care insurance contract within 60 days thereafter shall be treated as an exchange.

(4) ISSUANCE OF CERTAIN RIDERS PERMITTED.—For purposes of applying sections 101(f), 7702, and 7702A of the Internal Revenue Code of 1986 to any contract—

(A) the issuance of a rider which is treated as a long-term care insurance contract under section 7702B, and

(B) the addition of any provision required to conform any other long-term care rider to be so treated,

shall not be treated as a modification or material change of such contract.

SEC. 6212. QUALIFIED LONG-TERM CARE SERVICES TREATED AS MEDICAL CARE.

(a) GENERAL RULE.—Paragraph (1) of section 213(d) (defining medical care) is amended by striking ''or'' at the end of subparagraph (B), by redesignating subparagraph (C) as subparagraph (D), and by inserting after subparagraph (B) the following new subparagraph:

''(C) for qualified long-term care services (as defined in section 7702B(c)), or''.

(b) TECHNICAL AMENDMENTS.—

(1) Subparagraph (D) of section 213(d)(1) (as redesignated by subsection (a)) is amended by striking ''subparagraphs (A) and (B)'' and inserting ''subparagraphs (A), (B), and (C)''.

(2)(A) Paragraph (1) of section 213(d) is amended by adding at the end the following new flush sentence:

''In the case of a long-term care insurance contract (as defined in section 7702B(b)), only eligible long-term care premiums (as defined in paragraph (11)) shall be taken into account under subparagraph (D).''

(B) Subsection (d) of section 213 is amended by adding at the end the following new paragraph:

''(11) ELIGIBLE LONG-TERM CARE PREMIUMS.—

''(A) IN GENERAL.—For purposes of this section, the term 'eligible long-term care premiums' means the amount paid during a taxable year for any long-term care insurance contract (as defined in section 7702B(b)) covering an individual, to the extent such amount does not exceed the limitation determined under the following table:

''In the case of an individual with an attained age before the close of the taxable year of:	**The limitation is:**
40 or less	$200
More than 40 but not more than 50	375
More than 50 but not more than 60	750
More than 60 but not more than 70	2,000
More than 70	2,500.

''(B) INDEXING.—

''(i) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 1996, each dollar amount contained in subparagraph (A) shall be increased by the medical care cost adjustment of such amount for such calendar year. If any increase determined under the preceding sentence is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10.

''(ii) MEDICAL CARE COST ADJUSTMENT.—For purposes of clause (i), the medical care cost adjustment for any calendar year is the percentage (if any) by which—

''(I) the medical care component of the Consumer Price Index (as defined in section 1(f)(5)) for August of the preceding calendar year, exceeds

''(II) such component for August of 1995.

The Secretary shall, in consultation with the Secretary of Health and Human Services, prescribe an adjustment which the Secretary determines is more appropriate for purposes of this paragraph than the adjustment described in the preceding sentence, and the adjustment so prescribed shall apply in lieu of the adjustment described in the preceding sentence.''

(3) Paragraph (6) of section 213(d) is amended—

(A) by striking ''subparagraphs (A) and (B)'' and inserting ''subparagraphs (A), (B), and (C)'', and

(B) by striking ''paragraph (1)(C)'' in subparagraph (A) and inserting ''paragraph (1)(D)''.

(4) Paragraph (7) of section 213(d) is amended by striking ''subparagraphs (A) and (B)'' and inserting ''subparagraphs (A), (B), and (C)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 6213. CERTAIN EXCHANGES OF LIFE INSURANCE CONTRACTS FOR LONG-TERM CARE INSURANCE CONTRACTS NOT TAXABLE.

(a) IN GENERAL.—Subsection (a) of section 1035 (relating to certain exchanges of insurance contracts) is amended by striking the period at the end of paragraph (3) and inserting ''; or'', and by adding at the end the following new paragraph:

''(4) a contract of life insurance or an endowment or annuity contract for a long-term care insurance contract (as defined in section 7702B(b)).''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 6214. EXCLUSION FROM GROSS INCOME FOR AMOUNTS WITHDRAWN FROM CERTAIN RETIREMENT PLANS FOR LONG-TERM CARE INSURANCE.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 (relating to items specifically excluded from gross income) is amended by redesignating section 137 as section 138 and by inserting after section 136 the following new section:

''SEC. 137. DISTRIBUTIONS FROM CERTAIN RETIREMENT PLANS FOR LONG-TERM CARE INSURANCE.

''(a) GENERAL RULE.—The amount which would (but for this section) be includible in the gross income of an individual for the taxable year by reason of eligible distributions during the taxable year shall be reduced (but not below zero) by the aggregate premiums paid by such individual during such taxable year for any long-term care insurance contract (as defined in section 7702B(b)) for coverage of such individual or the spouse of such individual.

''(b) ELIGIBLE DISTRIBUTION.—For purposes of this section, the term 'eligible distribution' means any distribution or payment to an individual from—

''(1) an individual retirement plan of such individual,

''(2) amounts attributable to employer contributions made pursuant to elective deferrals described in subparagraph (A) or (C) of section 402(g)(3) or section 501(c)(18)(D)(iii), or

''(3) amounts deferred under section 457(a).''

(b) CONFORMING AMENDMENTS.—

(1) Section 401(k)(2)(B)(i) is amended by striking ''or'' at the end of subclause (III), by striking ''and'' at the end of subclause (IV) and inserting ''or'', and by inserting after subclause (IV) the following new subclause:

''(V) the date distributions for premiums for a long-term care insurance contract (as defined in section 7702B(b)) for coverage of such individual or the spouse of such individual are made, and''.

(2) Section 403(b)(11) is amended by striking ''or'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', or'', and by inserting after subparagraph (B) the following new subparagraph:

''(C) for the payment of premiums for a long-term care insurance contract (as defined in section 7702B(b)) for coverage of the employee or the spouse of the employee.''

(3) Subparagraph (A) of section 457(d)(1) is amended by striking ''or'' at the end of clause (ii), by striking ''and'' at the end of clause (iii) and inserting ''or'', and by inserting after clause (iii) the following new clause:

''(iv) the date distributions for premiums for a long-term care insurance contract (as defined in section 7702B(b)) for coverage of such individual or the spouse of such individual are made, and''.

(4) The table of sections for part III of subchapter B of chapter 1 is amended by striking the last item and inserting the following new items:

''Sec. 137. Distributions from certain retirement plans for long-term care insurance.

''Sec. 138. Cross references to other Acts.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments and distributions after December 31, 1995.

PART III—TREATMENT OF ACCELERATED DEATH BENEFITS

SEC. 6221. TREATMENT OF ACCELERATED DEATH BENEFITS BY RECIPIENT.

(a) IN GENERAL.—Section 101 (relating to certain death benefits) is amended by adding at the end the following new subsection:

''(g) TREATMENT OF CERTAIN ACCELERATED DEATH BENEFITS.—

''(1) IN GENERAL.—For purposes of this section, the following amounts shall be treated as an amount paid by reason of the death of an insured:

''(A) Any amount received under a life insurance contract on the life of an insured who is a terminally ill individual.

''(B) Any amount received under a life insurance contract on the life of an insured who is a chronically ill individual (as defined in section 7702B(c)(2)) but only if such amount is received under a rider or other provision of such contract which is treated as a long-term care insurance contract under section 7702B.

''(2) TREATMENT OF VIATICAL SETTLEMENTS.—

''(A) IN GENERAL.—In the case of a life insurance contract on the life of an insured described in paragraph (1), if—

''(i) any portion of such contract is sold to any viatical settlement provider, or

''(ii) any portion of the death benefit is assigned to such a provider,

the amount paid for such sale or assignment shall be treated as an amount paid under the life insurance contract by reason of the death of such insured.

''(B) VIATICAL SETTLEMENT PROVIDER.—The term 'viatical settlement provider' means any person regularly engaged in the trade or business of purchasing, or taking assignments of, life insurance contracts on the lives of insureds described in paragraph (1) if—

''(i) such person is licensed for such purposes in the State in which the insured resides, or

''(ii) in the case of an insured who resides in a State not requiring the licensing of such persons for such purposes, such person meets the requirements of sections 8 and 9 of the Viatical Settlements Model Act of the National Association of Insurance Commissioners.

''(3) DEFINITIONS.—For purposes of this subsection—

''(A) TERMINALLY ILL INDIVIDUAL.—The term 'terminally ill individual' means an individual who has been certified by a physician as having an illness or physical condition which can reasonably be expected to result in death in 24 months or less after the date of the certification.

''(B) PHYSICIAN.—The term 'physician' has the meaning given to such term by section 1861(r)(1) of the Social Security Act (42 U.S.C. 1395x(r)(1)).

''(4) EXCEPTION FOR BUSINESS-RELATED POLICIES.—This subsection shall not apply in the case of any amount paid to any taxpayer other than the insured if such taxpayer has an insurable interest with respect to the life of the insured by reason of the insured being a director, officer, or employee of the taxpayer or by reason of the insured being financially interested in any trade or business carried on by the taxpayer.

''(5) CROSS REFERENCE.—

''For inclusion in gross income of excess benefits, see section 91.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to amounts received after December 31, 1995.

SEC. 6222. TAX TREATMENT OF COMPANIES ISSUING QUALIFIED ACCELERATED DEATH BENEFIT RIDERS.

(a) QUALIFIED ACCELERATED DEATH BENEFIT RIDERS TREATED AS LIFE INSURANCE.—Section 818 (relating to other definitions and special rules) is amended by adding at the end the following new subsection:

''(g) QUALIFIED ACCELERATED DEATH BENEFIT RIDERS TREATED AS LIFE INSURANCE.—For purposes of this part—

''(1) IN GENERAL.—Any reference to a life insurance contract shall be treated as including a reference to a qualified accelerated death benefit rider on such contract.

''(2) QUALIFIED ACCELERATED DEATH BENEFIT RIDERS.—For purposes of this subsection, the term 'qualified accelerated death benefit rider' means any rider on a life insurance contract if the only payments under the rider are payments meeting the requirements of section 101(g).

''(3) EXCEPTION FOR LONG-TERM CARE RIDERS.—Paragraph (1) shall not apply to any rider which is treated as a long-term care insurance contract under section 7702B.''

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall take effect on January 1, 1996.

(2) ISSUANCE OF RIDER NOT TREATED AS MATERIAL CHANGE.—For purposes of applying sections 101(f), 7702, and 7702A of the Internal Revenue Code of 1986 to any contract—

(A) the issuance of a qualified accelerated death benefit rider (as defined in section 818(g) of such Code (as added by this Act)), and

(B) the addition of any provision required to conform an accelerated death benefit rider to the requirements of such section 818(g),

shall not be treated as a modification or material change of such contract.

PART IV—INCLUSION IN GROSS INCOME OF EXCESS LONG-TERM CARE BENEFITS

SEC. 6231. INCLUSION IN INCOME OF EXCESS LONG-TERM CARE BENEFITS.

(a) IN GENERAL.—Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end the following new section:

''SEC. 91. EXCESS LONG-TERM CARE BENEFITS.

''(a) GENERAL RULE.—Notwithstanding any other provision of this title, gross income shall include the amount of excess long-term care benefits received by the taxpayer during the taxable year.

''(b) EXCEPTION FOR TERMINALLY ILL INDIVIDUALS.—Subsection (a) shall not apply to any long-term care benefit paid by reason of an insured who is a terminally ill individual (as defined in section 101(g)) as of the date the benefit is received.

''(c) EXCESS LONG-TERM CARE BENEFITS.—For purposes of this section—

''(1) IN GENERAL.—The term 'excess long-term care benefits' means the excess (if any) of—

''(A) the value of the long-term care benefits received by the taxpayer during the taxable year, over

''(B) the exclusion amount applicable to such benefits.

''(2) LONG-TERM CARE BENEFITS.—The term 'long-term care benefits' means—

''(A) payments and other benefits under long-term care insurance contracts (as defined in section 7702B(b)) to the extent excludable from gross income by reason of section 7702B(a)(2), and

''(B) payments which are excludable from gross income by reason of section 101(g).

''(3) EXCLUSION AMOUNT.—

''(A) IN GENERAL.—In the case of long-term care benefits received by the taxpayer during the taxable year by reason of the taxpayer being a chronically ill individual, the term 'exclusion amount' means the aggregate of $200 for each day during such year on which the individual is a chronically ill individual. In the case of individuals who are married to each other and who are both chronically ill individuals, the preceding sentence shall be applied separately with respect to each spouse.

''(B) OTHER TAXPAYERS.—In the case of long-term care benefits received during the taxable year by a taxpayer by reason of another individual being a chronically ill individual, the term 'exclusion amount' means so much of such other individual's exclusion amount (for such other individual's taxable year which begins in the calendar year in which the taxpayer's taxable year begins) as is allocated by such other individual to the taxpayer. Such an allocation shall be made at the time and in the manner prescribed by the Secretary; and once made, shall be irrevocable.

''(d) CHRONICALLY ILL INDIVIDUAL.—For purposes of this section, the term 'chronically ill individual' has the meaning given to such term by section 7702B(c)(2).

''(e) INFLATION ADJUSTMENT OF $200 BENEFIT LIMIT.—In the case of a calendar year after 1996, the $200 amount contained in subsection (c)(3)(A) shall be increased at the same time and in the same manner as amounts are increased pursuant to section 213(d)(11).''

(b) CLERICAL AMENDMENT.—The table of sections for such part II is amended by adding at the end the following new item:

''Sec. 91. Excess long-term care benefits.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 6232. REPORTING REQUIREMENTS.

(a) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 is amended by adding at the end the following new section:

''SEC. 6050Q. CERTAIN LONG-TERM CARE BENEFITS.

''(a) REQUIREMENT OF REPORTING.—Any person who pays long-term care benefits shall make a return, according to the forms or regulations prescribed by the Secretary, setting forth—

''(1) the aggregate amount of such benefits paid by such person to any individual during any calendar year, and

''(2) the name, address, and TIN of such individual.

''(b) STATEMENTS TO BE FURNISHED TO PERSONS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—Every person required to make a return under subsection (a) shall furnish to each individual whose name is required to be set forth in such return a written statement showing—

''(1) the name of the person making the payments, and

''(2) the aggregate amount of long-term care benefits paid to the individual which are required to be shown on such return.

The written statement required under the preceding sentence shall be furnished to the individual on or before January 31 of the year following the calendar year for which the return under subsection (a) was required to be made.

''(c) LONG-TERM CARE BENEFITS.—For purposes of this section, the term 'long-term care benefit' has the meaning given such term by section 91(c).''

(b) PENALTIES.—

(1) Subparagraph (B) of section 6724(d)(1) is amended by redesignating clauses (ix) through (xiv) as clauses (x) through (xv), respectively, and by inserting after clause (viii) the following new clause:

''(ix) section 6050Q (relating to certain long-term care benefits),''.

(2) Paragraph (2) of section 6724(d) is amended by redesignating subparagraphs (Q) through (T) as subparagraphs (R) through (U), respectively, and by inserting after subparagraph (P) the following new subparagraph:

''(Q) section 6050Q(b) (relating to certain long-term care benefits),''.

(c) CLERICAL AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by adding at the end the following new item:

''Sec. 6050Q. Certain long-term care benefits.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits paid after December 31, 1995.

Subtitle C—Job Creation and Wage Enhancement

PART I—CAPITAL GAINS REFORM

Subpart A—Capital Gains Reduction for Taxpayers Other Than Corporations

SEC. 6301. CAPITAL GAINS DEDUCTION.

(a) IN GENERAL.—Part I of subchapter P of chapter 1 (relating to treatment of capital gains), as amended by subsection (d)(1), is amended by inserting after section 1201 the following new section:

''SEC. 1202. CAPITAL GAINS DEDUCTION.

''(a) GENERAL RULE.—If for any taxable year a taxpayer other than a corporation has a net capital gain, 50 percent of such gain shall be a deduction from gross income.

''(b) ESTATES AND TRUSTS.—In the case of an estate or trust, the deduction shall be computed by excluding the portion (if any) of the gains for the taxable year from sales or exchanges of capital assets which, under sections 652 and 662 (relating to inclusions of amounts in gross income of beneficiaries of trusts), is includible by the income beneficiaries as gain derived from the sale or exchange of capital assets.

''(c) COORDINATION WITH TREATMENT OF CAPITAL GAIN UNDER LIMITATION ON INVESTMENT INTEREST.—For purposes of this section, the net capital gain for any taxable year shall be reduced (but not below zero) by the amount which the taxpayer takes into account as investment income under section 163(d)(4)(B)(iii).

''(d) SPECIAL RULE FOR COLLECTIBLES.—

''(1) IN GENERAL.—At the election of the taxpayer, the rate of tax imposed by section 1 on the excess of—

''(A) the amount which would be the net capital gain for the taxable year without regard to the application of section 1222(12) to collectibles specified in such election, over

''(B) the net capital gain for such year,

shall not exceed 28 percent.

''(2) ELECTION.—Any election under this subsection, and any specification therein, once made, shall be irrevocable.

''(3) COORDINATION WITH INDEXING.—Any collectible specified in such an election shall be treated as not being an indexed asset for purposes of section 1022.

''(e) TRANSITIONAL RULE.—

''(1) IN GENERAL.—In the case of a taxable year which includes January 1, 1995—

''(A) the amount taken into account as the net capital gain under subsection (a) shall not exceed the net capital gain determined by only taking into account gains and losses properly taken into account for the portion of the taxable year on or after January 1, 1995, and

''(B) if the net capital gain for such year exceeds the amount taken into account under subsection (a), the rate of tax imposed by section 1 on such excess shall not exceed 28 percent.

''(2) SPECIAL RULES FOR PASS-THRU ENTITIES.—

''(A) IN GENERAL.—In applying paragraph (1) with respect to any pass-thru entity, the determination of when gains and losses are properly taken into account shall be made at the entity level.

''(B) PASS-THRU ENTITY DEFINED.—For purposes of subparagraph (A), the term 'pass-thru entity' means—

''(i) a regulated investment company,

''(ii) a real estate investment trust,

''(iii) an S corporation,

''(iv) a partnership,

''(v) an estate or trust, and

''(vi) a common trust fund.''

(b) DEDUCTION ALLOWABLE IN COMPUTING ADJUSTED GROSS INCOME.—Subsection (a) of section 62 is amended by inserting after paragraph (15) the following new paragraph:

''(16) LONG-TERM CAPITAL GAINS.—The deduction allowed by section 1202.''

(c) TREATMENT OF COLLECTIBLES.—

(1) IN GENERAL.—Section 1222 is amended by inserting after paragraph (11) the following new paragraph:

''(12) SPECIAL RULE FOR COLLECTIBLES.—

''(A) IN GENERAL.—Any gain or loss from the sale or exchange of a collectible shall be treated as a short-term capital gain or loss (as the case may be), without regard to the period such asset was held. The preceding sentence shall apply only to the extent the gain or loss is taken into account in computing taxable income.

''(B) TREATMENT OF CERTAIN SALES OF INTEREST IN PARTNERSHIP, ETC.—For purposes of subparagraph (A), any gain from the sale or exchange of an interest in a partnership, S corporation, or trust which is attributable to unrealized appreciation in the value of collectibles held by such entity shall be treated as gain from the sale or exchange of a collectible. Rules similar to the rules of section 751(f) shall apply for purposes of the preceding sentence.

''(C) COLLECTIBLE.—For purposes of this paragraph, the term 'collectible' means any capital asset which is a collectible (as defined in section 408(m) without regard to paragraph (3) thereof).''

(2) CHARITABLE DEDUCTION NOT AFFECTED.—

(A) Paragraph (1) of section 170(e) is amended by adding at the end the following new sentence: ''For purposes of this paragraph, section 1222 shall be applied without regard to paragraph (12) thereof (relating to special rule for collectibles).''

(B) Clause (iv) of section 170(b)(1)(C) is amended by inserting before the period at the end the following: ''and section 1222 shall be applied without regard to paragraph (12) thereof (relating to special rule for collectibles)''.

(d) TECHNICAL AND CONFORMING CHANGES.—

(1)(A) Section 13113 of the Revenue Reconciliation Act of 1993 (relating to 50-percent exclusion for gain from certain small business stock), and the amendments made by such section, are hereby repealed; and the Internal Revenue Code of 1986 shall be applied as if such section (and amendments) had never been enacted.

(B) At the election of a taxpayer who holds qualified small business stock (as defined in section 1202 of such Code, as in effect on the day before the date of the enactment of this Act) as of such date of enactment—

(i) the provisions repealed by subparagraph (A) shall continue to apply to any disposition by such taxpayer of such stock held on such date, and

(ii) the amendments made by this section and section 6302 shall not apply to such stock; except that losses from the sale or exchange of such stock shall be taken into account as provided in the amendments made by paragraph (13) of this subsection.

Such an election may be made only during the 1-year period beginning on the date of the enactment of this Act and, once made, shall be irrevocable.

(2) Section 1 is amended by striking subsection (h).

(3) Paragraph (1) of section 170(e) is amended by striking ''the amount of gain'' in the material following subparagraph (B)(ii) and inserting ''50 percent (25/35 in the case of a corporation) of the amount of gain''.

(4)(A) Paragraph (2) of section 172(d) is amended to read as follows:

''(2) CAPITAL GAINS AND LOSSES.—

''(A) LOSSES OF TAXPAYERS OTHER THAN CORPORATIONS.—In the case of a taxpayer other than a corporation, the amount deductible on account of losses from sales or exchanges of capital assets shall not exceed the amount includible on account of gains from sales or exchanges of capital assets.

''(B) DEDUCTION UNDER SECTION 1202.—The deduction under section 1202 shall not be allowed.''

(B) Subparagraph (B) of section 172(d)(4) is amended by striking ''paragraphs (1) and (3)'' and inserting ''paragraphs (1), (2)(B), and (3)''.

(5) The last sentence of section 453A(c)(3) is amended by striking all that follows ''long-term capital gain,'' and inserting ''the maximum rate on net capital gain under section 1201 or the deduction under section 1202 (whichever is appropriate) shall be taken into account.''

(6) Paragraph (4) of section 642(c) is amended to read as follows:

''(4) ADJUSTMENTS.—To the extent that the amount otherwise allowable as a deduction under this subsection consists of gain from the sale or exchange of capital assets held for more than 1 year, proper adjustment shall be made for any deduction allowable to the estate or trust under section 1202 (relating to deduction for excess of capital gains over capital losses). In the case of a trust, the deduction allowed by this subsection shall be subject to section 681 (relating to unrelated business income).''

(7) Paragraph (3) of section 643(a) is amended by adding at the end thereof the following new sentence: ''The deduction under section 1202 (relating to deduction of excess of capital gains over capital losses) shall not be taken into account.''

(8) Subparagraph (C) of section 643(a)(6) is amended by inserting ''(i)'' before ''there shall'' and by inserting before the period '', and (ii) the deduction under section 1202 (relating to capital gains deduction) shall not be taken into account''.

(9) Paragraph (4) of section 691(c) is amended by striking ''sections 1(h), 1201, and 1211'' and inserting ''sections 1201, 1202, and 1211''.

(10) The second sentence of section 871(a)(2) is amended by inserting ''such gains and losses shall be determined without regard to section 1202 (relating to deduction for capital gains) and'' after ''except that''.

(11)(A) Paragraph (2) of section 904(b) is amended by striking subparagraph (A), by redesignating subparagraph (B) as subparagraph (A), and by inserting after subparagraph (A) (as so redesignated) the following new subparagraph:

''(B) OTHER TAXPAYERS.—In the case of a taxpayer other than a corporation, taxable income from sources outside the United States shall include gain from the sale or exchange of capital assets only to the extent of foreign source capital gain net income.''

(B) Subparagraph (A) of section 904(b)(2), as so redesignated, is amended—

(i) by striking all that precedes clause (i) and inserting the following:

''(A) CORPORATIONS.—In the case of a corporation—'', and

(ii) by striking in clause (i) ''in lieu of applying subparagraph (A),''.

(C) Paragraph (3) of section 904(b) is amended by striking subparagraphs (D) and (E) and inserting the following new subparagraph:

''(D) RATE DIFFERENTIAL PORTION.—The rate differential portion of foreign source net capital gain, net capital gain, or the excess of net capital gain from sources within the United States over net capital gain, as the case may be, is the same proportion of such amount as the excess of the highest rate of tax specified in section 11(b) over the alternative rate of tax under section 1201(a) bears to the alternative rate of tax under section 1201(a).''

(12) Subsection (d) of section 1044 is amended by striking the last sentence.

(13)(A) Paragraph (2) of section 1211(b) is amended to read as follows:

''(2) the sum of—

''(A) the excess of the net short-term capital loss over the net long-term capital gain, and

''(B) one-half of the excess of the net long-term capital loss over the net short-term capital gain.''

(B) So much of paragraph (2) of section 1212(b) as precedes subparagraph (B) thereof is amended to read as follows:

''(2) SPECIAL RULES.—

''(A) ADJUSTMENTS.—

''(i) For purposes of determining the excess referred to in paragraph (1)(A), there shall be treated as short-term capital gain in the taxable year an amount equal to the lesser of—

''(I) the amount allowed for the taxable year under paragraph (1) or (2) of section 1211(b), or

''(II) the adjusted taxable income for such taxable year.

''(ii) For purposes of determining the excess referred to in paragraph (1)(B), there shall be treated as short-term capital gain in the taxable year an amount equal to the sum of—

''(I) the amount allowed for the taxable year under paragraph (1) or (2) of section 1211(b) or the adjusted taxable income for such taxable year, whichever is the least, plus

''(II) the excess of the amount described in subclause (I) over the net short-term capital loss (determined without regard to this subsection) for such year.''

(C) Subsection (b) of section 1212 is amended by adding at the end the following new paragraph:

''(3) TRANSITIONAL RULE.—In the case of any amount which, under paragraph (1) and section 1211(b) (as in effect for taxable years beginning before January 1, 1996), is treated as a capital loss in the first taxable year beginning after December 31, 1995, paragraph (1) and section 1211(b) (as so in effect) shall apply (and paragraph (1) and section 1211(b) as in effect for taxable years beginning after December 31, 1995, shall not apply) to the extent such amount exceeds the total of any net capital gains (determined without regard to this subsection) of taxable years beginning after December 31, 1995.''

(14) Paragraph (1) of section 1402(i) is amended by inserting '', and the deduction provided by section 1202 shall not apply'' before the period at the end thereof.

(15) Subsection (e) of section 1445 is amended—

(A) in paragraph (1) by striking ''35 percent (or, to the extent provided in regulations, 28 percent)'' and inserting ''25 percent (or, to

the extent provided in regulations, 19.8 percent)'', and

(B) in paragraph (2) by striking ''35 percent'' and inserting ''25 percent''.

(16)(A) The second sentence of section 7518(g)(6)(A) is amended—

(i) by striking ''during a taxable year to which section 1(h) or 1201(a) applies'', and

(ii) by striking ''28 percent (34 percent'' and inserting ''19.8 percent (25 percent''.

(B) The second sentence of section 607(h)(6)(A) of the Merchant Marine Act, 1936 is amended—

(i) by striking ''during a taxable year to which section 1(h) or 1201(a) of such Code applies'', and

(ii) by striking ''28 percent (34 percent'' and inserting ''19.8 percent (25 percent''.

(e) CLERICAL AMENDMENT.—The table of sections for part I of subchapter P of chapter 1 is amended by inserting after the item relating to section 1201 the following new item:

''Sec. 1202. Capital gains deduction.''

(f) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years ending after December 31, 1994.

(2) CONTRIBUTIONS.—The amendment made by subsection (d)(3) shall apply to contributions on or after January 1, 1995.

(3) USE OF LONG-TERM LOSSES.—The amendments made by subsection (d)(13) shall apply to taxable years beginning after December 31, 1995.

(4) WITHHOLDING.—The amendment made by subsection (d)(15) shall apply only to amounts paid after the date of the enactment of this Act.

SEC. 6302. INDEXING OF CERTAIN ASSETS ACQUIRED AFTER DECEMBER 31, 1994, FOR PURPOSES OF DETERMINING GAIN.

(a) IN GENERAL.—Part II of subchapter O of chapter 1 (relating to basis rules of general application) is amended by inserting after section 1021 the following new section:

''SEC. 1022. INDEXING OF CERTAIN ASSETS ACQUIRED AFTER DECEMBER 31, 1994, FOR PURPOSES OF DETERMINING GAIN.

''(a) GENERAL RULE.—

''(1) INDEXED BASIS SUBSTITUTED FOR ADJUSTED BASIS.—Solely for purposes of determining gain on the sale or other disposition by a taxpayer (other than a corporation) of an indexed asset which has been held for more than 3 years, the indexed basis of the asset shall be substituted for its adjusted basis.

''(2) EXCEPTION FOR DEPRECIATION, ETC.—The deductions for depreciation, depletion, and amortization shall be determined without regard to the application of paragraph (1) to the taxpayer or any other person.

''(b) INDEXED ASSET.—

''(1) IN GENERAL.—For purposes of this section, the term 'indexed asset' means—

''(A) common stock in a C corporation (other than a foreign corporation), and

''(B) tangible property,

which is a capital asset or property used in the trade or business (as defined in section 1231(b)).

''(2) STOCK IN CERTAIN FOREIGN CORPORATIONS INCLUDED.—For purposes of this section—

''(A) IN GENERAL.—The term 'indexed asset' includes common stock in a foreign corporation which is regularly traded on an established securities market.

''(B) EXCEPTION.—Subparagraph (A) shall not apply to—

''(i) stock of a foreign investment company (within the meaning of section 1246(b)),

''(ii) stock in a passive foreign investment company (as defined in section 1296),

''(iii) stock in a foreign corporation held by a United States person who meets the requirements of section 1248(a)(2), and

''(iv) stock in a foreign personal holding company (as defined in section 552).

''(C) TREATMENT OF AMERICAN DEPOSITORY RECEIPTS.—An American depository receipt for common stock in a foreign corporation shall be treated as common stock in such corporation.

''(c) INDEXED BASIS.—For purposes of this section—

''(1) GENERAL RULE.—The indexed basis for any asset is—

''(A) the adjusted basis of the asset, increased by

''(B) the applicable inflation adjustment.

''(2) APPLICABLE INFLATION ADJUSTMENT.—The applicable inflation adjustment for any asset is an amount equal to—

''(A) the adjusted basis of the asset, multiplied by

''(B) the percentage (if any) by which—

''(i) the gross domestic product deflator for the last calendar quarter ending before the asset is disposed of, exceeds

''(ii) the gross domestic product deflator for the last calendar quarter ending before the asset was acquired by the taxpayer.

The percentage under subparagraph (B) shall be rounded to the nearest 1/10 of 1 percentage point.

''(3) GROSS DOMESTIC PRODUCT DEFLATOR.—The gross domestic product deflator for any calendar quarter is the implicit price deflator for the gross domestic product for such quarter (as shown in the last revision thereof released by the Secretary of Commerce before the close of the following calendar quarter).

''(d) SUSPENSION OF HOLDING PERIOD WHERE DIMINISHED RISK OF LOSS; TREATMENT OF SHORT SALES.—

''(1) IN GENERAL.—If the taxpayer (or a related person) enters into any transaction which substantially reduces the risk of loss from holding any asset, such asset shall not be treated as an indexed asset for the period of such reduced risk.

''(2) SHORT SALES.—

''(A) IN GENERAL.—In the case of a short sale of an indexed asset with a short sale period in excess of 3 years, for purposes of this title, the amount realized shall be an amount equal to the amount realized (determined without regard to this paragraph) increased by the applicable inflation adjustment. In applying subsection (c)(2) for purposes of the preceding sentence, the date on which the property is sold short shall be treated as the date of acquisition and the closing date for the sale shall be treated as the date of disposition.

''(B) SHORT SALE PERIOD.—For purposes of subparagraph (A), the short sale period begins on the day that the property is sold and ends on the closing date for the sale.

''(e) TREATMENT OF REGULATED INVESTMENT COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.—

''(1) ADJUSTMENTS AT ENTITY LEVEL.—

''(A) IN GENERAL.—Except as otherwise provided in this paragraph, the adjustment under subsection (a) shall be allowed to any qualified investment entity (including for purposes of determining the earnings and profits of such entity).

''(B) EXCEPTION FOR CORPORATE SHAREHOLDERS.—Under regulations—

''(i) in the case of a distribution by a qualified investment entity (directly or indirectly) to a corporation—

''(I) the determination of whether such distribution is a dividend shall be made without regard to this section, and

''(II) the amount treated as gain by reason of the receipt of any capital gain dividend shall be increased by the percentage by which the entity's net capital gain for the taxable year (determined without regard to this section) exceeds the entity's net capital gain for such year determined with regard to this section, and

''(ii) there shall be other appropriate adjustments (including deemed distributions) so as to ensure that the benefits of this section are not allowed (directly or indirectly) to corporate shareholders of qualified investment entities.

For purposes of the preceding sentence, any amount includible in gross income under section 852(b)(3)(D) shall be treated as a capital gain dividend and an S corporation shall not be treated as a corporation.

''(C) EXCEPTION FOR QUALIFICATION PURPOSES.—This section shall not apply for purposes of sections 851(b) and 856(c).

''(D) EXCEPTION FOR CERTAIN TAXES IMPOSED AT ENTITY LEVEL.—

''(i) TAX ON FAILURE TO DISTRIBUTE ENTIRE GAIN.—If any amount is subject to tax under section 852(b)(3)(A) for any taxable year, the amount on which tax is imposed under such section shall be increased by the percentage determined under subparagraph (B)(i)(II). A similar rule shall apply in the case of any amount subject to tax under paragraph (2) or (3) of section 857(b) to the extent attributable to the excess of the net capital gain over the deduction for dividends paid determined with reference to capital gain dividends only. The first sentence of this clause shall not apply to so much of the amount subject to tax under section 852(b)(3)(A) as is designated by the company under section 852(b)(3)(D).

''(ii) OTHER TAXES.—This section shall not apply for purposes of determining the amount of any tax imposed by paragraph (4), (5), or (6) of section 857(b).

''(2) ADJUSTMENTS TO INTERESTS HELD IN ENTITY.—

''(A) REGULATED INVESTMENT COMPANIES.—Stock in a regulated investment company (within the meaning of section 851) shall be an indexed asset for any calendar quarter in the same ratio as—

''(i) the average of the fair market values of the indexed assets held by such company at the close of each month during such quarter, bears to

''(ii) the average of the fair market values of all assets held by such company at the close of each such month.

''(B) REAL ESTATE INVESTMENT TRUSTS.—Stock in a real estate investment trust (within the meaning of section 856) shall be an indexed asset for any calendar quarter in the same ratio as—

''(i) the fair market value of the indexed assets held by such trust at the close of such quarter, bears to

''(ii) the fair market value of all assets held by such trust at the close of such quarter.

''(C) RATIO OF 80 PERCENT OR MORE.—If the ratio for any calendar quarter determined under subparagraph (A) or (B) would (but for this subparagraph) be 80 percent or more, such ratio for such quarter shall be 100 percent.

''(D) RATIO OF 20 PERCENT OR LESS.—If the ratio for any calendar quarter determined under subparagraph (A) or (B) would (but for this subparagraph) be 20 percent or less, such ratio for such quarter shall be zero.

''(E) LOOK-THRU OF PARTNERSHIPS.—For purposes of this paragraph, a qualified investment entity which holds a partnership interest shall be treated (in lieu of holding a partnership interest) as holding its proportionate share of the assets held by the partnership.

''(3) TREATMENT OF RETURN OF CAPITAL DISTRIBUTIONS.—Except as otherwise provided

by the Secretary, a distribution with respect to stock in a qualified investment entity which is not a dividend and which results in a reduction in the adjusted basis of such stock shall be treated as allocable to stock acquired by the taxpayer in the order in which such stock was acquired.

''(4) QUALIFIED INVESTMENT ENTITY.—For purposes of this subsection, the term 'qualified investment entity' means—

''(A) a regulated investment company (within the meaning of section 851), and

''(B) a real estate investment trust (within the meaning of section 856).

''(f) OTHER PASS-THRU ENTITIES.—

''(1) PARTNERSHIPS.—

''(A) IN GENERAL.—In the case of a partnership, the adjustment made under subsection (a) at the partnership level shall be passed through to the partners.

''(B) SPECIAL RULE IN THE CASE OF SECTION 754 ELECTIONS.—In the case of a transfer of an interest in a partnership with respect to which the election provided in section 754 is in effect—

''(i) the adjustment under section 743(b)(1) shall, with respect to the transferor partner, be treated as a sale of the partnership assets for purposes of applying this section, and

''(ii) with respect to the transferee partner, the partnership's holding period for purposes of this section in such assets shall be treated as beginning on the date of such adjustment.

''(2) S CORPORATIONS.—In the case of an S corporation, the adjustment made under subsection (a) at the corporate level shall be passed through to the shareholders. This section shall not apply for purposes of determining the amount of any tax imposed by section 1374 or 1375.

''(3) COMMON TRUST FUNDS.—In the case of a common trust fund, the adjustment made under subsection (a) at the trust level shall be passed through to the participants.

''(4) INDEXING ADJUSTMENT DISREGARDED IN DETERMINING LOSS ON SALE OF INTEREST IN ENTITY.—Notwithstanding the preceding provisions of this subsection, for purposes of determining the amount of any loss on a sale or exchange of an interest in a partnership, S corporation, or common trust fund, the adjustment made under subsection (a) shall not be taken into account in determining the adjusted basis of such interest.

''(g) DISPOSITIONS BETWEEN RELATED PERSONS.—

''(1) IN GENERAL.—This section shall not apply to any sale or other disposition of property between related persons except to the extent that the basis of such property in the hands of the transferee is a substituted basis.

''(2) RELATED PERSONS DEFINED.—For purposes of this section, the term 'related persons' means—

''(A) persons bearing a relationship set forth in section 267(b), and

''(B) persons treated as single employer under subsection (b) or (c) of section 414.

''(h) TRANSFERS TO INCREASE INDEXING ADJUSTMENT.—If any person transfers cash, debt, or any other property to another person and the principal purpose of such transfer is to secure or increase an adjustment under subsection (a), the Secretary may disallow part or all of such adjustment or increase.

''(i) SPECIAL RULES.—For purposes of this section—

''(1) TREATMENT OF IMPROVEMENTS, ETC.—If there is an addition to the adjusted basis of any tangible property or of any stock in a corporation during the taxable year by reason of an improvement to such property or a contribution to capital of such corporation—

''(A) such addition shall never be taken into account under subsection (c)(1)(A) if the aggregate amount thereof during the taxable year with respect to such property or stock is less than $1,000, and

''(B) such addition shall be treated as a separate asset acquired at the close of such taxable year if the aggregate amount thereof during the taxable year with respect to such property or stock is $1,000 or more.

A rule similar to the rule of the preceding sentence shall apply to any other portion of an asset to the extent that separate treatment of such portion is appropriate to carry out the purposes of this section.

''(2) ASSETS WHICH ARE NOT INDEXED ASSETS THROUGHOUT HOLDING PERIOD.—The applicable inflation ratio shall be appropriately reduced for periods during which the asset was not an indexed asset.

''(3) TREATMENT OF CERTAIN DISTRIBUTIONS.—A distribution with respect to stock in a corporation which is not a dividend shall be treated as a disposition.

''(4) ACQUISITION DATE WHERE THERE HAS BEEN PRIOR APPLICATION OF SUBSECTION (a)(1) WITH RESPECT TO THE TAXPAYER.—If there has been a prior application of subsection (a)(1) to an asset while such asset was held by the taxpayer, the date of acquisition of such asset by the taxpayer shall be treated as not earlier than the date of the most recent such prior application.

''(5) COLLAPSIBLE CORPORATIONS.—The application of section 341(a) (relating to collapsible corporations) shall be determined without regard to this section.

''(j) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''

(b) CLERICAL AMENDMENT.—The table of sections for part II of subchapter O of chapter 1 is amended by inserting after the item relating to section 1021 the following new item:

''Sec. 1022. Indexing of certain assets acquired after December 31, 1994, for purposes of determining gain.''

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to the disposition of any property the holding period of which begins after December 31, 1994.

(2) CERTAIN TRANSACTIONS BETWEEN RELATED PERSONS.—The amendments made by this section shall not apply to the disposition of any property acquired after December 31, 1994, from a related person (as defined in section 1022(g)(2) of the Internal Revenue Code of 1986, as added by this section) if—

(A) such property was so acquired for a price less than the property's fair market value, and

(B) the amendments made by this section did not apply to such property in the hands of such related person.

(d) ELECTION TO RECOGNIZE GAIN ON ASSETS HELD ON JANUARY 1, 1995.—For purposes of the Internal Revenue Code of 1986—

(1) IN GENERAL.—A taxpayer other than a corporation may elect to treat—

(A) any readily tradable stock (which is an indexed asset) held by such taxpayer on January 1, 1995, and not sold before the next business day after such date, as having been sold on such next business day for an amount equal to its closing market price on such next business day (and as having been reacquired on such next business day for an amount equal to such closing market price), and

(B) any other indexed asset held by the taxpayer on January 1, 1995, as having been sold on such date for an amount equal to its fair market value on such date (and as having been reacquired on such date for an amount equal to such fair market value).

(2) TREATMENT OF GAIN OR LOSS.—

(A) Any gain resulting from an election under paragraph (1) shall be treated as received or accrued on the date the asset is treated as sold under paragraph (1) and shall be recognized notwithstanding any provision of the Internal Revenue Code of 1986.

(B) Any loss resulting from an election under paragraph (1) shall not be allowed for any taxable year.

(3) ELECTION.—An election under paragraph (1) shall be made in such manner as the Secretary may prescribe and shall specify the assets for which such election is made. Such an election, once made with respect to any asset, shall be irrevocable.

(4) READILY TRADABLE STOCK.—For purposes of this subsection, the term ''readily tradable stock'' means any stock which, as of January 1, 1995, is readily tradable on an established securities market or otherwise.

(e) TREATMENT OF PRINCIPAL RESIDENCES.—Property held and used by the taxpayer on January 1, 1995, as his principal residence (within the meaning of section 1034 of the Internal Revenue Code of 1986) shall be treated—

(1) for purposes of subsection (c)(1) of this section and section 1022 of such Code, as having a holding period which begins on January 1, 1995, and

(2) for purposes of section 1022(c)(2)(B)(ii) of such Code, as having been acquired on January 1, 1995.

Subsection (d) shall not apply to property to which this subsection applies.

Subpart B—Capital Gains Reduction for Corporations

SEC. 6311. REDUCTION OF ALTERNATIVE CAPITAL GAIN TAX FOR CORPORATIONS.

(a) IN GENERAL.—Section 1201 is amended to read as follows:

''SEC. 1201. ALTERNATIVE TAX FOR CORPORATIONS.

''(a) GENERAL RULE.—If for any taxable year a corporation has a net capital gain, then, in lieu of the tax imposed by sections 11, 511, and 831 (a) and (b) (whichever is applicable), there is hereby imposed a tax (if such tax is less than the tax imposed by such sections) which shall consist of the sum of—

''(1) a tax computed on the taxable income reduced by the amount of the net capital gain, at the rates and in the manner as if this subsection had not been enacted, plus

''(2) a tax of 25 percent of the net capital gain.

''(b) TRANSITIONAL RULE.—

''(1) IN GENERAL.—In the case of any taxable year ending after December 31, 1994, and beginning before January 1, 1996, subsection (a)(2) shall be applied as if it read as follows:

'' '(2)(A) a tax of 25 percent of the lesser of—

'' '(i) the net capital gain for the taxable year, or

'' '(ii) the net capital gain taking into account only gain or loss properly taken into account for the portion of the taxable year after December 31, 1994, plus

'' '(B) a tax of 35 percent of the excess (if any) of—

'' '(i) the net capital gain for the taxable year, over

'' '(ii) the amount of net capital gain taken into account under subparagraph (A).'

''(2) SPECIAL RULE FOR PASS-THRU ENTITIES.—Section 1202(e)(2) shall apply for purposes of paragraph (1).

''(c) CROSS REFERENCES.—

''For computation of the alternative tax—

''(1) in the case of life insurance companies, see section 801(a)(2),

''(2) in the case of regulated investment companies and their shareholders, see section 852(b)(3)(A) and (D), and

''(3) in the case of real estate investment trusts, see section 857(b)(3)(A).''

(b) TECHNICAL AMENDMENT.—Clause (iii) of section 852(b)(3)(D) is amended by striking ''65 percent'' and inserting ''75 percent''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 1994.

Subpart C—Capital Loss Deduction Allowed With Respect to Sale or Exchange of Principal Residence

SEC. 6316. CAPITAL LOSS DEDUCTION ALLOWED WITH RESPECT TO SALE OR EXCHANGE OF PRINCIPAL RESIDENCE.

(a) IN GENERAL.—Subsection (c) of section 165 (relating to limitation on losses of individuals) is amended by striking ''and'' at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting ''; and'', and by adding at the end the following new paragraph:

''(4) losses arising from the sale or exchange of the principal residence (within the meaning of section 1034) of the taxpayer.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to sales and exchanges after December 31, 1994, in taxable years ending after such date.

PART II—COST RECOVERY PROVISIONS

SEC. 6321. DEPRECIATION ADJUSTMENT FOR CERTAIN PROPERTY PLACED IN SERVICE AFTER DECEMBER 31, 1994.

(a) IN GENERAL.—Section 168 (relating to accelerated cost recovery system) is amended by adding at the end thereof the following new subsection:

''(k) DEDUCTION ADJUSTMENT TO ALLOW EQUIVALENT OF EXPENSING FOR CERTAIN PROPERTY PLACED IN SERVICE AFTER DECEMBER 31, 1994.—

''(1) IN GENERAL.—In the case of tangible property placed in service after December 31, 1994, the deduction under this section with respect to such property—

''(A) shall be determined by substituting '150 percent' for '200 percent' in subsection (b)(1) in the case of property to which the 200 percent declining balance method would otherwise apply, and

''(B) for any taxable year after the taxable year during which the property is placed in service shall be—

''(i) the amount determined under this section for such taxable year without regard to this subparagraph, multiplied by

''(ii) the applicable neutral cost recovery ratio for such taxable year.

''(2) APPLICABLE NEUTRAL COST RECOVERY RATIO.—For purposes of paragraph (1)—

''(A) IN GENERAL.—The applicable neutral cost recovery ratio for the property for any taxable year is the number determined by—

''(i) dividing—

''(I) the gross domestic product deflator for the calendar quarter which includes the mid-point of the taxable year, by

''(II) the gross domestic product deflator for the calendar quarter which includes the mid-point of the taxable year in which the property was placed in service by the taxpayer, and

''(ii) then multiplying the number determined under clause (i) by the number equal to 1.035 to the nth power where 'n' is the number of full years (as of the close of the taxable year referred to in clause (i)(I)) after the date such property was placed in service.

The applicable neutral cost recovery ratio shall never be less than 1. The applicable neutral cost recovery ratio shall be rounded to the nearest 1/1000.

''(B) SPECIAL RULE FOR CERTAIN PROPERTY.—In the case of property described in paragraph (2) or (3) of subsection (b) or in subsection (g), the applicable neutral cost recovery ratio shall be determined without regard to subparagraph (A)(ii).

''(3) GROSS DOMESTIC PRODUCT DEFLATOR.—For purposes of paragraph (2), the gross domestic product deflator for any calendar quarter is the implicit price deflator for the gross domestic product for such quarter (as shown in the last revision thereof released by the Secretary of Commerce before the close of the following calendar quarter).

''(4) COORDINATION WITH INDEXING OF BASIS FOR PURPOSES OF DETERMINING GAIN.—Section 1022 shall not apply to any property to which this subsection applies.

''(5) ELECTION NOT TO HAVE SUBSECTION APPLY.—This subsection shall not apply to any property if the taxpayer elects not to have this subsection apply to such property. Such an election, once made, shall be irrevocable.

''(6) CHURNING TRANSACTIONS.—This subsection shall not apply to any property if this section would not apply to such property were—

''(A) subsection (f)(5)(A)(ii) applied by substituting '1995' for '1987' and '1994' for '1986', and

''(B) subsection (f)(5)(B) not applied.

''(7) ADDITIONAL DEDUCTION NOT TO AFFECT BASIS OR RECAPTURE.—The additional amount determined under this section by reason of this subsection shall not be taken into account in determining the adjusted basis of any property or of any interest in a pass-thru entity (as defined in section 1202(e)(2)) which holds such property and shall not be treated as a deduction for depreciation for purposes of sections 1245 and 1250.''

(b) MINIMUM TAX TREATMENT.—

(1) Paragraph (1) of section 56(a) is amended by adding at the end thereof the following new subparagraph:

''(E) USE OF NEUTRAL COST RECOVERY RATIO.—This paragraph shall not apply to property to which section 168(k) applies.''

(2) Clause (i) of section 56(g)(4)(A) is amended by striking ''(a)(1)(A)'' and inserting ''(a)(1)''.

(3) Subparagraph (C) of section 56(g)(4) is amended by adding at the end the following new clause:

''(v) NEUTRAL COST RECOVERY DEDUCTION.—Clause (i) shall not apply to the additional deduction allowable by reason of section 168(k).''

(c) TECHNICAL AMENDMENTS.—

(1) Clause (i) of section 280F(a)(1)(B) is amended by adding at the end the following new sentence: ''For purposes of this clause, the unrecovered basis of any passenger automobile shall be treated as including the additional amount determined under section 168 by reason of subsection (k) thereof to the extent not allowed as a deduction by reason of this paragraph for any taxable year in the recovery period.''

(2) Subparagraph (B) of section 382(h)(2) is amended by adding at the end the following new sentence: ''The amount of the net unrealized built-in loss shall be increased by the amount of the additional deduction allowable by reason of section 168(k) which is treated under the preceding sentence as a recognized built-in loss.''

(3) Subsection (a) of section 465 is amended by adding at the end the following new paragraph:

''(4) TREATMENT OF NEUTRAL COST RECOVERY DEDUCTION.—

''(A) IN GENERAL.—None of the additional deduction allowable by reason of section 168(k) for the taxable year shall be disallowed under paragraph (1) unless there is a disallowed non-NCR loss for such year.

''(B) PROPORTIONATE DISALLOWANCE.—

''(i) IN GENERAL.—If there is a disallowed non-NCR loss for the taxable year, only the disallowed portion of the additional deduction allowable by reason of section 168(k) shall not be allowed under paragraph (1).

''(ii) DISALLOWED PORTION.—For purposes of clause (i), the disallowed portion is the percentage which the disallowed non-NCR loss's allocable share of non-NCR depreciation is of total non-NCR depreciation.

''(iii) ALLOCABLE SHARE.—For purposes of clause (ii), a disallowed non-NCR loss's allocable share of non-NCR depreciation is the amount which bears the same ratio to the amount of the loss as the amount of non-NCR depreciation for the taxable year bears to the total amount of deductions for such taxable year.

''(C) DEFINITIONS.—For purposes of this paragraph—

''(i) DISALLOWED NON-NCR LOSS.—The term 'disallowed non-NCR loss' means, for any taxable year, the amount of the loss from the activity which would be disallowed under paragraph (1) if such loss were determined without regard to the additional deduction allowable by reason of section 168(k).

''(ii) NON-NCR DEPRECIATION.—The term 'non-NCR depreciation' means the amount allowable as a deduction under section 168 without regard to subsection (k) thereof.''

(4) Subparagraph (A) of section 1503(e)(1) is amended by inserting before the comma ''and shall be determined without regard to section 168(k)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 1994.

SEC. 6322. TREATMENT OF ABANDONMENT OF LESSOR IMPROVEMENTS AT TERMINATION OF LEASE.

(a) IN GENERAL.—Paragraph (8) of section 168(i) is amended to read as follows:

''(8) TREATMENT OF LEASEHOLD IMPROVEMENTS.—

''(A) IN GENERAL.—In the case of any building erected (or improvements made) on leased property, if such building or improvement is property to which this section applies, the depreciation deduction shall be determined under the provisions of this section.

''(B) TREATMENT OF LESSOR IMPROVEMENTS WHICH ARE ABANDONED AT TERMINATION OF LEASE.—An improvement—

''(i) which is made by the lessor of leased property for the lessee of such property, and

''(ii) which is irrevocably disposed of or abandoned by the lessor at the termination of the lease by such lessee,

shall be treated for purposes of determining gain or loss under this title as disposed of by the lessor when so disposed of or abandoned.''

(b) EFFECTIVE DATE.—Subparagraph (B) of section 168(i)(8) of the Internal Revenue Code of 1986, as added by the amendment made by subsection (a), shall apply to improvements disposed of or abandoned after March 13, 1995.

PART III—ALTERNATIVE MINIMUM TAX RELIEF

SEC. 6331. PHASEOUT OF APPLICATION OF ALTERNATIVE MINIMUM TAX TO CORPORATIONS.

(a) TERMINATION.—Subsection (a) of section 55 is amended by adding at the end the following new flush sentence:

''In the case of a corporation, the tentative minimum tax for any taxable year beginning after December 31, 2000, shall be zero.''

(b) EARLIER TERMINATION OF CERTAIN ADJUSTMENTS FOR ALL TAXPAYERS.—

(1) DEPRECIATION.—Clause (i) of section 56(a)(1)(A) is amended by inserting ''and before March 14, 1995,'' after ''December 31, 1986,''.

(2) MINING EXPLORATION AND DEVELOPMENT COSTS.—Paragraph (2) of section 56(a) is amended by inserting ''and before January 1, 1996,'' after ''December 31, 1986,''.

(3) LONG-TERM CONTRACTS.—Paragraph (3) of section 56(a) is amended by inserting ''and before January 1, 1996,'' after ''March 1, 1986,''.

(4) POLLUTION CONTROL FACILITIES.—Paragraph (5) of section 56(a) is amended by inserting ''and before January 1, 1996,'' after ''December 31, 1986,''.

(5) INSTALLMENT SALES.—Paragraph (6) of section 56(a) is amended by inserting ''and before January 1, 1996,'' after ''March 1, 1986,''.

(c) EARLIER TERMINATION OF CIRCULATION AND RESEARCH AND EXPERIMENTAL EXPENDITURE ADJUSTMENT FOR INDIVIDUALS.—Subparagraph (A) of section 56(b)(2) is amended by inserting ''and before January 1, 1996,'' after ''December 31, 1986,''.

(d) EARLIER TERMINATION OF CERTAIN ADJUSTMENTS FOR CORPORATIONS.—

(1) MERCHANT MARINE CAPITAL CONSTRUCTION FUNDS.—Paragraph (2) of section 56(c) is amended—

(A) by inserting ''and before January 1, 1996,'' after ''December 31, 1986,'' each place it appears, and

(B) by striking the last sentence and inserting the following new flush sentence:

''For purposes of this paragraph, any withdrawal of deposit or earnings from the fund shall be treated as allocable to deposits made, and earnings received or accrued, in the order in which made, received, or accrued.''

(2) SECTION 833(b) DEDUCTION.—Paragraph (3) of section 56(c) is amended by adding at the end the following new sentence: ''This paragraph shall not apply to any taxable year beginning after December 31, 1995.''

(3) CERTAIN EARNINGS AND PROFITS ITEMS.—

(A) Subparagraph (B) of section 56(g)(4) is amended by adding at the end the following new clause:

''(iii) TERMINATION.—This subparagraph shall not apply to any taxable year beginning after December 31, 1995.''

(B) Subparagraph (C) of section 56(g)(4) is amended by adding at the end the following new clause:

''(vi) TERMINATION.—This subparagraph shall not apply to any taxable year beginning after December 31, 1995.''

(4) INTANGIBLE DRILLING COSTS.—Clause (i) of section 56(g)(4)(D) is amended by adding at the end the following new sentence: ''This clause shall not apply to any taxable year beginning after December 31, 1995.''

(5) CERTAIN AMORTIZATION PROVISIONS.—Clause (ii) of section 56(g)(4)(D) is amended by adding at the end the following new sentence: ''This clause shall not apply to any expenditure paid or incurred after December 31, 1995.''

(6) LIFO INVENTORY ADJUSTMENTS.—Clause (iii) of section 56(g)(4)(D) is amended by adding at the end the following new sentence: ''This clause shall not apply to any adjustment arising in a taxable year beginning after December 31, 1995.''

(7) INSTALLMENT SALES.—Clause (iv) of section 56(g)(4)(D) is amended by adding at the end the following new sentence: ''This clause shall not apply to any disposition after December 31, 1995.''

(8) DEBT POOLS.—Subparagraph (E) of section 56(g)(4) is amended by adding at the end the following new sentence: ''This subparagraph shall not apply to any exchange after December 31, 1995.''

(9) DEPLETION.—Subparagraph (F) of section 56(g)(4) is amended by adding at the end the following new clause:

''(iii) TERMINATION.—This subparagraph shall not apply to any deduction for depletion for any taxable year beginning after December 31, 1995.''

(10) OWNERSHIP CHANGES.—Subparagraph (G) of section 56(g)(4) is amended by adding at the end the following new sentence: ''This subparagraph shall not apply to any ownership change after December 31, 1995.''

(e) EARLIER TERMINATION OF ITEMS OF TAX PREFERENCE.—

(1) DEPLETION.—Paragraph (1) of section 57(a) is amended by adding at the end the following new sentence: ''This paragraph shall not apply to any taxable year beginning after December 31, 1995.''

(2) INTANGIBLE DRILLING COSTS.—Paragraph (2) of section 57(a) is amended by adding at the end the following new subparagraph:

''(F) TERMINATION.—This paragraph shall not apply to any taxable year beginning after December 31, 1995.''

(3) RESERVES FOR LOSSES ON BAD DEBTS.—Paragraph (4) of section 57(a) is amended by adding at the end the following new sentence: ''This paragraph shall not apply to any taxable year beginning after December 31, 1995.''

(4) TAX-EXEMPT INTEREST.—Paragraph (5) of section 57(a) is amended by adding at the end the following new subparagraph:

''(D) TERMINATION FOR CORPORATIONS.—In the case of a corporation (other than a corporation referred to in section 56(g)(6)), this paragraph shall not apply to interest accruing for periods after December 31, 1995.''

(f) NET OPERATING LOSS DEDUCTION.—Paragraph (1) of section 56(d) is amended by inserting ''(100 percent in the case of taxable years beginning after December 31, 1995)'' after ''90 percent'' each place it appears.

(g) LOSSES.—

(1) Section 58 is amended by adding at the end the following new subsection:

''(d) TERMINATION.—This section shall not apply to any loss incurred for any taxable year beginning after December 31, 1995.''

(2) Subsection (h) of section 59 is amended by inserting ''469,'' after ''465,''.

(h) FOREIGN TAX CREDIT.—Paragraph (2) of section 59(a) is amended by adding at the end the following new subparagraph:

''(D) TERMINATION.—This paragraph shall not apply to any taxable year beginning after December 31, 1995.''

(i) LIMITATION ON USE OF CREDIT FOR PRIOR YEAR MINIMUM TAX LIABILITY.—

(1) IN GENERAL.—Subsection (c) of section 53 is amended to read as follows:

''(c) LIMITATION.—The credit allowable under subsection (a) for any taxable year shall not exceed the lesser of—

''(1) the excess (if any) of—

''(A) the regular tax liability of the taxpayer for such taxable year reduced by the sum of the credits allowable under subparts A, B, D, E, and F of this part, over

''(B) the tentative minimum tax for the taxable year, or

''(2) 90 percent of the amount determined under paragraph (1)(A).''

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to taxable years beginning after December 31, 1995.

PART IV—TAXPAYER DEBT BUY-DOWN

SEC. 6341. DESIGNATION OF AMOUNTS FOR REDUCTION OF PUBLIC DEBT.

(a) IN GENERAL.—Subchapter A of chapter 61 of the Internal Revenue Code of 1986 (relating to returns and records) is amended by adding at the end the following new part:

''PART IX—DESIGNATION FOR REDUCTION OF PUBLIC DEBT

''Sec. 6097. Designation.

''SEC. 6097. DESIGNATION.

''(a) IN GENERAL.—Every individual with adjusted income tax liability for any taxable year may designate that a portion of such liability (not to exceed 10 percent thereof) shall be used to reduce the public debt.

''(b) MANNER AND TIME OF DESIGNATION.—A designation under subsection (a) may be made with respect to any taxable year only at the time of filing the return of tax imposed by chapter 1 for the taxable year. The designation shall be made on the first page of the return or on the page bearing the taxpayer's signature.

''(c) ADJUSTED INCOME TAX LIABILITY.—For purposes of this section, the term 'adjusted income tax liability' means income tax liability (as defined in section 6096(b)) reduced by any amount designated under section 6096 (relating to designation of income tax payments to Presidential Election Campaign Fund).''

(b) CLERICAL AMENDMENT.—The table of parts for such subchapter A is amended by adding at the end the following new item:

''Part IX. Designation for reduction of public debt.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 6342. PUBLIC DEBT REDUCTION TRUST FUND.

(a) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 (relating to trust fund code) is amended by adding at the end the following new section:

''SEC. 9512. PUBLIC DEBT REDUCTION TRUST FUND.

''(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Public Debt Reduction Trust Fund', consisting of any amount appropriated or credited to the Trust Fund as provided in this section or section 9602(b).

''(b) TRANSFERS TO TRUST FUND.—There are hereby appropriated to the Public Debt Reduction Trust Fund amounts equivalent to the amounts designated under section 6097 (relating to designation for public debt reduction).

''(c) EXPENDITURES.—Amounts in the Public Debt Reduction Trust Fund shall be used by the Secretary of the Treasury for purposes of paying at maturity, or to redeem or buy before maturity, any obligation of the Federal Government included in the public debt (other than an obligation held by the Federal Old-Age and Survivors Insurance Trust Fund, the Civil Service Retirement and Disability Fund, or the Department of Defense Military Retirement Fund). Any obligation which is paid, redeemed, or bought with amounts from the Public Debt Reduction Trust Fund shall be canceled and retired and may not be reissued.''

(b) CLERICAL AMENDMENT.—The table of sections for such subchapter is amended by adding at the end the following new item:

''Sec. 9512. Public Debt Reduction Trust Fund.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received after the date of the enactment of this Act.

SEC. 6343. TAXPAYER-GENERATED SEQUESTRATION OF FEDERAL SPENDING TO REDUCE THE PUBLIC DEBT.

(a) SEQUESTRATION TO REDUCE THE PUBLIC DEBT.—Part C of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding after section 253 the following new section:

''SEC. 253A. SEQUESTRATION TO REDUCE THE PUBLIC DEBT.

''(a) SEQUESTRATION.—Notwithstanding sections 255 and 256, within 15 days after Congress adjourns to end a session, and on the same day as a sequestration (if any) under sections 251, 252, and 253, but after any sequestration of budget-year budgetary resources required by those sections, there

shall be a sequestration equivalent to the estimated aggregate amount designated under section 6097 of the Internal Revenue Code of 1986 for the calendar year two years before the year in which that session of Congress started, as estimated by the Department of the Treasury on October 1 in the year after the applicable tax year and as modified by the total of (1) any amounts by which net discretionary spending is reduced by legislation below the discretionary spending limits enacted after the enactment of this section related to the fiscal year subject to the sequestration or, in the absence of such limits, any net reduction below discretionary outlays for fiscal year 1995 and (2) the net deficit change that has resulted from all direct spending legislation enacted after the enactment of this section related to the fiscal year subject to the sequestration, as estimated by OMB. Within 5 days after the enactment of any such direct spending legislation, OMB shall estimate the change in spending resulting from that legislation for the 5-fiscal-year period beginning with the first fiscal year for which that legislation becomes effective and transmit a report to the House of Representatives and the Senate containing that estimate. Only the estimated deficit reduction included in the 5-year estimate made at the time the legislation is enacted shall be used for purposes of determining whether there shall be a sequestration under this subsection. Notwithstanding the preceding two sentences, any estimates of direct spending made by OMB under this subsection for any legislation that first takes effect in fiscal year 1995, 1996, or 1997 shall include estimates of the direct spending effects through fiscal year 2002 and those estimates shall be used for purposes of determining whether there shall be a sequestration under this subsection. If the reduction in spending under paragraphs (1) and (2) for a fiscal year is greater than the estimated aggregate amount designated under section 6097 of the Internal Revenue Code of 1986 respecting that fiscal year, then there shall be no sequestration under this section.

''(b) APPLICABILITY.—

''(1) IN GENERAL.—Except as provided by paragraph (2), each account of the United States shall be reduced by a dollar amount calculated by multiplying the level of budgetary resources in that account at that time by the uniform percentage necessary to carry out subsection (a). All obligational authority reduced under this section shall be done in a manner that makes such reductions permanent.

''(2) EXEMPT ACCOUNTS.—(A) No order issued under this part may—

''(i) reduce benefits payable to the old-age and survivors insurance program established under title II of the Social Security Act;

''(ii) reduce payments for net interest (all of major functional category 900); or

''(iii) make any reduction in the following accounts:

''Federal Deposit Insurance Corporation, Bank Insurance Fund;

''Federal Deposit Insurance Corporation, FSLIC Resolution Fund;

''Federal Deposit Insurance Corporation, Savings Association Insurance Fund;

''National Credit Union Administration, credit union share insurance fund; or

''Resolution Trust Corporation.

''(B) The following budget accounts, activities within accounts, or income shall be exempt from sequestration—

''(i) all payments to trust funds from excise taxes or other receipts or collections properly creditable to those trust funds;

''(ii) offsetting receipts and collections;

''(iii) all payments from one Federal direct spending budget account to another Federal budget account; all intragovernmental funds including those from which funding is derived primarily from other Government accounts, except to the extent that such funds are augmented by direct appropriations for the fiscal year for which the order is in effect; and those obligations of discretionary accounts or activities that are financed by intragovernmental payments from another discretionary account or activity;

''(iv) expenses to the extent they result from private donations, bequests, or voluntary contributions to the Government;

''(v) nonbudgetary activities, including but not limited to—

''(I) credit liquidating and financing accounts;

''(II) the Pension Benefit Guarantee Corporation Trust Funds;

''(III) the Thrift Savings Fund;

''(IV) the Federal Reserve System; and

''(V) appropriations for the District of Columbia to the extent they are appropriations of locally raised funds;

''(vi) payments resulting from Government insurance, Government guarantees, or any other form of contingent liability, to the extent those payments result from contractual or other legally binding commitments of the Government at the time of any sequestration;

''(vii) the following accounts, which largely fulfill requirements of the Constitution or otherwise make payments to which the Government is committed—

''Administration of Territories, Northern Mariana Islands Covenant grants (14–0412–0–1–806);

''Bureau of Indian Affairs, miscellaneous payments to Indians (14–2303–0–1–452);

''Bureau of Indian Affairs, miscellaneous trust funds, tribal trust funds (14–9973–0–7–999);

''Claims, defense;

''Claims, judgments, and relief act (20–1895–0–1–806);

''Compact of Free Association, economic assistance pursuant to Public Law 99–658 (14–0415–0–1–806);

''Compensation of the President (11–0001–0–1–802);

''Customs Service, miscellaneous permanent appropriations (20–9992–0–2–852);

''Eastern Indian land claims settlement fund (14–2202–0–1–806);

''Farm Credit System Financial Assistance Corporation, interest payments (20–1850–0–1–351);

''Internal Revenue collections of Puerto Rico (20–5737–0–2–852);

''Panama Canal Commission, operating expenses and capital outlay (95–5190–0–2–403);

''Payments of Vietnam and USS Pueblo prisoner-of-war claims (15–0104–0–1–153);

''Payments to copyright owners (03–5175–0–2–376);

''Payments to the United States territories, fiscal assistance (14–0418–0–1–801);

''Salaries of Article III judges;

''Soldier's and Airmen's Home, payment of claims (84–8930–0–7–705);

''Washington Metropolitan Area Transit Authority, interest payments (46–0300–0–1–401).

''(viii) the following noncredit special, revolving, or trust-revolving funds—

''Coinage profit fund (20–5811–0–2–803);

''Exchange Stabilization Fund (20–4444–0–3–155);

''Foreign Military Sales trust fund (11–82232–0–7–155); and

''(ix)(I) any amount paid as regular unemployment compensation by a State from its account in the Unemployment Trust Fund (established by section 904(a) of the Social Security Act);

''(II) any advance made to a State from the Federal unemployment account (established by section 904(g) of such Act) under title XII of such Act and any advance appropriated to the Federal unemployment account pursuant to section 1203 of such Act; and

''(III) any payment made from the Federal Employees Compensation Account (as established under section 909 of such Act) for the purpose of carrying out chapter 85 of title 5, United States Code, and funds appropriated or transferred to or otherwise deposited in such Account.

''(3) FEDERAL ADMINISTRATIVE EXPENSES.—

''(A) Administrative expenses incurred by the departments and agencies, including independent agencies, of the Federal Government in connection with any program, project, activity, or account shall be subject to reduction pursuant to any sequestration order, without regard to the exemptions under paragraph (2) and regardless of whether the program, project, activity, or account is self-supporting and does not receive appropriations.

''(B) Payments made by the Federal Government to reimburse or match administrative costs incurred by a State or political subdivision under or in connection with any program, project, activity, or account shall not be considered administrative expenses of the Federal Government for purposes of this section, and shall be subject to sequestration to the extent (and only to the extent) that other payments made by the Federal Government under or in connection with that program, project, activity, or account are subject to that reduction or sequestration; except that Federal payments made to a State as reimbursement of administrative costs incurred by that State under or in connection with the unemployment compensation programs specified in paragraph (2)(ix) shall be subject to reduction or sequestration under this part notwithstanding the exemption otherwise granted to such programs under that paragraph.''.

(b) REPORTS.—Section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in subsection (a), by inserting after the item relating to the GAO compliance report the following:

''October 1 . . . Department of Treasury report to Congress estimating amount of income tax designated pursuant to section 6097 of the Internal Revenue Code of 1986.'';

(2) in subsection (d)(1), by inserting '', and sequestration to reduce the public debt,'';

(3) in subsection (d), by redesignating paragraph (5) as paragraph (6) and by inserting after paragraph (4) the following new paragraph:

''(5) SEQUESTRATION TO REDUCE THE PUBLIC DEBT REPORTS.—The preview reports shall set forth for the budget year estimates for each of the following:

''(A) The aggregate amount designated under section 6097 of the Internal Revenue Code of 1986 for the calendar year two years before the year in which the budget year begins.

''(B) The amount of reductions required under section 253A and the deficit remaining after those reductions have been made.

''(C) The sequestration percentage necessary to achieve the required reduction in accounts under section 253A(b).''; and

(4) in subsection (g), by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively, and by inserting after paragraph (3) the following new paragraph:

''(4) SEQUESTRATION TO REDUCE THE PUBLIC DEBT REPORTS.—The final reports shall contain all of the information contained in the public debt taxation designation report required on October 1.''.

(c) EFFECTIVE DATE.—Notwithstanding section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, the expiration date set forth in that section shall not

apply to the amendments made by this section. The amendments made by this section shall cease to have any effect after the first fiscal year during which there is no public debt.

PART V—SMALL BUSINESS INCENTIVES

SEC. 6351. COST-OF-LIVING ADJUSTMENTS RELATING TO ESTATE AND GIFT TAX PROVISIONS.

(a) INCREASE IN UNIFIED ESTATE AND GIFT TAX CREDIT.—

(1) ESTATE TAX CREDIT.—

(A) Subsection (a) of section 2010 (relating to unified credit against estate tax) is amended by striking ''$192,800'' and inserting ''the applicable credit amount''.

(B) Section 2010 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

''(c) APPLICABLE CREDIT AMOUNT.—For purposes of this section—

''(1) IN GENERAL.—The applicable credit amount is the amount of the tentative tax which would be determined under the rate schedule set forth in section 2001(c) if the amount with respect to which such tentative tax is to be computed were the applicable exclusion amount determined in accordance with the following table:

''In the case of estates of decedents dying, and gifts made, during:	**The applicable exclusion amount is:**
1996	$700,000
1997	$725,000
1998 or thereafter	$750,000.

''(2) COST-OF-LIVING ADJUSTMENTS.—In the case of any decedent dying, and gift made, in a calendar year after 1998, the $750,000 amount set forth in paragraph (1) shall be increased by an amount equal to—

''(A) $750,000, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting 'calendar year 1997' for 'calendar year 1992' in subparagraph (B) thereof.

If any amount as adjusted under the preceding sentence is not a multiple of $10,000, such amount shall be rounded to the nearest multiple of $10,000.''

(C) Paragraph (1) of section 6018(a) is amended by striking ''$600,000'' and inserting ''the applicable exclusion amount in effect under section 2010(c) (as adjusted under paragraph (2) thereof) for the calendar year which includes the date of death''.

(D) Paragraph (2) of section 2001(c) is amended by striking ''$21,040,000'' and inserting ''the amount at which the average tax rate under this section is 55 percent''.

(E) Subparagraph (A) of section 2102(c)(3) is amended by striking ''$192,800'' and inserting ''the applicable credit amount in effect under section 2010(c) for the calendar year which includes the date of death''.

(2) UNIFIED GIFT TAX CREDIT.—Paragraph (1) of section 2505(a) is amended by striking ''$192,800'' and inserting ''the applicable credit amount in effect under section 2010(c) for such calendar year''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to the estates of decedents dying, and gifts made, after December 31, 1995.

(b) ALTERNATE VALUATION OF CERTAIN FARM, ETC., REAL PROPERTY.—Subsection (a) of section 2032A is amended by adding at the end the following new paragraph:

''(3) INFLATION ADJUSTMENT.—In the case of estates of decedents dying in a calendar year after 1998, the $750,000 amount contained in paragraph (2) shall be increased by an amount equal to—

''(A) $750,000, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting 'calendar year 1997' for 'calendar year 1992' in subparagraph (B) thereof.

If any amount as adjusted under the preceding sentence is not a multiple of $10,000, such amount shall be rounded to the nearest multiple of $10,000.''

(c) ANNUAL GIFT TAX EXCLUSION.—Subsection (b) of section 2503 is amended—

(1) by striking the subsection heading and inserting the following:

''(b) EXCLUSIONS FROM GIFTS.—

''(1) IN GENERAL.—'',

(2) by moving the text 2 ems to the right, and

(3) by adding at the end the following new paragraph:

''(2) INFLATION ADJUSTMENT.—In the case of gifts made in a calendar year after 1998, the $10,000 amount contained in paragraph (1) shall be increased by an amount equal to—

''(A) $10,000, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting 'calendar year 1997' for 'calendar year 1992' in subparagraph (B) thereof.

If any amount as adjusted under the preceding sentence is not a multiple of $1,000, such amount shall be rounded to the nearest multiple of $1,000.''

(d) EXEMPTION FROM GENERATION-SKIPPING TAX.—Section 2631 (relating to GST exemption) is amended by adding at the end the following new subsection:

''(c) INFLATION ADJUSTMENT.—In the case of an individual who dies in any calendar year after 1998, the $1,000,000 amount contained in subsection (a) shall be increased by an amount equal to—

''(1) $1,000,000, multiplied by

''(2) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting 'calendar year 1997' for 'calendar year 1992' in subparagraph (B) thereof.

If any amount as adjusted under the preceding sentence is not a multiple of $10,000, such amount shall be rounded to the nearest multiple of $10,000.''

(e) AMOUNT OF TAX ELIGIBLE FOR 4 PERCENT INTEREST RATE ON EXTENSION OF TIME FOR PAYMENT OF ESTATE TAX ON CLOSELY HELD BUSINESS.—

(1) Subparagraph (A) of section 6601(j)(2) is amended by striking ''$345,800'' and inserting ''the applicable limitation amount''.

(2) Subsection (j) of section 6601 is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

''(3) APPLICABLE LIMITATION AMOUNT.—

''(A) IN GENERAL.—For purposes of paragraph (2), the applicable limitation amount is the amount of the tentative tax which would be determined under the rate schedule set forth in section 2001(c) if the amount with respect to which such tentative tax is to be computed were $1,000,000.

''(B) INFLATION ADJUSTMENT.—In the case of estates of decedents dying in a calendar year after 1998, the $1,000,000 amount contained in subparagraph (A) shall be increased by an amount equal to—

''(i) $1,000,000, multiplied by

''(ii) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting 'calendar year 1997' for 'calendar year 1992' in subparagraph (B) thereof.

If any amount as adjusted under the preceding sentence is not a multiple of $10,000, such amount shall be rounded to the nearest multiple of $10,000.''

SEC. 6352. INCREASE IN EXPENSE TREATMENT FOR SMALL BUSINESSES.

(a) GENERAL RULE.—Paragraph (1) of section 179(b) (relating to dollar limitation) is amended to read as follows:

''(1) DOLLAR LIMITATION.—The aggregate cost which may be taken into account under subsection (a) for any taxable year shall not exceed the following applicable amount:

''If the taxable year begins in:	**The applicable amount is:**
1996	$22,500
1997	27,500
1998	32,500
1999 or thereafter	35,000.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1995.

SEC. 6353. CLARIFICATION OF TREATMENT OF HOME OFFICE USE FOR ADMINISTRATIVE AND MANAGEMENT ACTIVITIES.

(a) IN GENERAL.—Paragraph (1) of section 280A(c) is amended by adding at the end the following new sentence: ''For purposes of subparagraph (A), the term 'principal place of business' includes a place of business which is used by the taxpayer for the administrative or management activities of any trade or business of the taxpayer if there is no other fixed location of such trade or business where the taxpayer conducts substantial administrative or management activities of such trade or business.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1995.

SEC. 6354. TREATMENT OF STORAGE OF PRODUCT SAMPLES.

(a) IN GENERAL.—Paragraph (2) of section 280A(c) is amended by striking ''inventory'' and inserting ''inventory or product samples''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1995.

Subtitle D—Family Reinforcement

SEC. 6401. CREDIT FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 is amended by inserting after section 25 the following new section:

''SEC. 25A. ADOPTION EXPENSES.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year the amount of the qualified adoption expenses paid or incurred by the taxpayer during such taxable year.

''(b) LIMITATIONS.—

''(1) DOLLAR LIMITATION.—The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) with respect to the adoption of a child shall not exceed $5,000.

''(2) INCOME LIMITATION.—The amount allowable as a credit under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph but with regard to paragraph (1)) as—

''(A) the amount (if any) by which the taxpayer's adjusted gross income (determined without regard to sections 911, 931, and 933) exceeds $60,000, bears to

''(B) $40,000.

''(3) DENIAL OF DOUBLE BENEFIT.—

''(A) IN GENERAL.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowable under any other provision of this chapter.

''(B) GRANTS.—No credit shall be allowed under subsection (a) for any expense to the extent that funds for such expense are received under any Federal, State, or local

program. The preceding sentence shall not apply to expenses for the adoption of a child with special needs.

''(c) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED ADOPTION EXPENSES.—

''(A) IN GENERAL.—The term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses—

''(i) which are directly related to, and the principal purpose of which is for, the legal adoption of an eligible child by the taxpayer, and

''(ii) which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement.

''(B) EXPENSES FOR ADOPTION OF SPOUSE'S CHILD NOT ELIGIBLE.—The term 'qualified adoption expenses' shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

''(2) ELIGIBLE CHILD.—The term 'eligible child' means any individual—

''(A) who has not attained age 18 as of the time of the adoption, or

''(B) who is physically or mentally incapable of caring for himself.

''(3) CHILD WITH SPECIAL NEEDS.—The term 'child with special needs' means any child if—

''(A) a State has determined that the child cannot or should not be returned to the home of his parents, and

''(B) such State has determined that there exists with respect to the child a specific factor or condition (such as his ethnic background, age, or membership in a minority or sibling group, or the presence of factors such as medical conditions or physical, mental, or emotional handicaps) because of which it is reasonable to conclude that such child cannot be placed with adoptive parents without providing adoption assistance.

''(d) MARRIED COUPLES MUST FILE JOINT RETURNS, ETC.—Rules similar to the rules of paragraphs (2), (3), and (4) of section 21(e) shall apply for purposes of this section.''

(b) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 25 the following new item:

''Sec. 25A. Adoption expenses.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 6402. CREDIT FOR TAXPAYERS WITH CERTAIN PERSONS REQUIRING CUSTODIAL CARE IN THEIR HOUSEHOLDS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 is amended by inserting after section 25A the following new section:

''SEC. 25B. CREDIT FOR TAXPAYERS WITH CERTAIN PERSONS REQUIRING CUSTODIAL CARE IN THEIR HOUSEHOLDS.

''(a) ALLOWANCE OF CREDIT.—In the case of an individual who maintains a household which includes as a member one or more qualified persons, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to $500 for each such person.

''(b) QUALIFIED PERSON.—For purposes of this section, the term 'qualified person' means any individual—

''(1) who is a father or mother of the taxpayer, his spouse, or his former spouse or who is an ancestor of such a father or mother,

''(2) who is physically or mentally incapable of caring for himself,

''(3) who has as his principal place of abode for more than half of the taxable year the home of the taxpayer, and

''(4) whose name and TIN are included on the taxpayer's return for the taxable year.

For purposes of paragraph (1), a stepfather or stepmother shall be treated as a father or mother.

''(c) SPECIAL RULES.—For purposes of this section, rules similar to the rules of paragraphs (1), (2), (3), and (4) of section 21(e) shall apply.''

(b) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 25A the following new item:

''Sec. 25B. Credit for taxpayers with certain persons requiring custodial care in their households.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

Subtitle E—Social Security Earnings Test

SEC. 6501. ADJUSTMENTS IN MONTHLY EXEMPT AMOUNT FOR PURPOSES OF THE SOCIAL SECURITY EARNINGS TEST.

(a) INCREASE IN MONTHLY EXEMPT AMOUNT FOR INDIVIDUALS WHO HAVE ATTAINED RETIREMENT AGE.—Section 203(f)(8)(D) of the Social Security Act (42 U.S.C. 403(f)(8)(D)) is amended to read as follows:

''(D)(i) Notwithstanding any other provision of this subsection, the exempt amount which is applicable to an individual who has attained retirement age (as defined in section 216(1)) before the close of the taxable year involved shall be—

''(I) for the taxable year beginning after 1995 and before 1997, $1,250.00,

''(II) for the taxable year beginning after 1996 and before 1998, $1,583.33⅓,

''(III) for the taxable year beginning after 1997 and before 1999, $1,916.66⅔,

''(IV) for the taxable year beginning after 1998 and before 2000, $2,250.00, and

''(V) for the taxable year beginning after 1999 and before 2001, $2,500.00.

''(ii) For purposes of subparagraph (B)(ii)(II), the increase in the exempt amount provided under clause (i)(V) shall be deemed to have resulted from a determination which shall be deemed to have been made under subparagraph (A) in 1999.''.

(b) CONFORMING AMENDMENT.—The second sentence of section 223(d)(4) of such Act (42 U.S.C. 423(d)(4)) is amended by striking ''the exempt amount under section 203(f)(8) which is applicable to individuals described in subparagraph (D) thereof'' and inserting the following: ''an amount equal to the exempt amount which would have been applicable under section 203(f)(8), to individuals described in subparagraph (D) thereof, if section 6501 of the Contract With America Tax Relief Act of 1995 had not been enacted''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to taxable years beginning after 1995.

Subtitle F—Technical Corrections

SEC. 6601. COORDINATION WITH OTHER SUBTITLES.

For purposes of applying the amendments made by any subtitle of this title other than this subtitle, the provisions of this subtitle shall be treated as having been enacted immediately before the provisions of such other subtitles.

SEC. 6602. AMENDMENTS RELATED TO REVENUE RECONCILIATION ACT OF 1990.

(a) AMENDMENTS RELATED TO SUBTITLE A.—

(1) Subparagraph (B) of section 59(j)(3) is amended by striking ''section 1(i)(3)(B)'' and inserting ''section 1(g)(3)(B)''.

(2) Clause (i) of section 151(d)(3)(C) is amended by striking ''joint of a return'' and inserting ''joint return''.

(b) AMENDMENTS RELATED TO SUBTITLE B.—

(1) Paragraph (1) of section 11212(e) of the Revenue Reconciliation Act of 1990 is amended by striking ''Paragraph (1) of section 6724(d)'' and inserting ''Subparagraph (B) of section 6724(d)(1)''.

(2)(A) Subparagraph (B) of section 4093(c)(2), as in effect before the amendments made by the Revenue Reconciliation Act of 1993, is amended by inserting before the period ''unless such fuel is sold for exclusive use by a State or any political subdivision thereof''.

(B) Paragraph (4) of section 6427(l), as in effect before the amendments made by the Revenue Reconciliation Act of 1993, is amended by inserting before the period ''unless such fuel was used by a State or any political subdivision thereof''.

(3) Paragraph (1) of section 6416(b) is amended by striking ''chapter 32 or by section 4051'' and inserting ''chapter 31 or 32''.

(4) Section 7012 is amended—

(A) by striking ''production or importation of gasoline'' in paragraph (3) and inserting ''taxes on gasoline and diesel fuel'', and

(B) by striking paragraph (4) and redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

(5) Subsection (c) of section 5041 is amended by striking paragraph (6) and by inserting the following new paragraphs:

''(6) CREDIT FOR TRANSFEREE IN BOND.—If—

''(A) wine produced by any person would be eligible for any credit under paragraph (1) if removed by such person during the calendar year,

''(B) wine produced by such person is removed during such calendar year by any other person (hereafter in this paragraph referred to as the 'transferee') to whom such wine was transferred in bond and who is liable for the tax imposed by this section with respect to such wine, and

''(C) such producer holds title to such wine at the time of its removal and provides to the transferee such information as is necessary to properly determine the transferee's credit under this paragraph,

then, the transferee (and not the producer) shall be allowed the credit under paragraph (1) which would be allowed to the producer if the wine removed by the transferee had been removed by the producer on that date.

''(7) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary to carry out the purposes of this subsection, including regulations—

''(A) to prevent the credit provided in this subsection from benefiting any person who produces more than 250,000 wine gallons during a calendar year, and

''(B) to assure proper reduction of such credit for persons producing more than 150,000 wine gallons of wine during a calendar year.''

(6) Paragraph (3) of section 5061(b) is amended to read as follows:

''(3) section 5041(f),''.

(7) Section 5354 is amended by inserting ''(taking into account the appropriate amount of credit with respect to such wine under section 5041(c))'' after ''any one time''.

(c) AMENDMENTS RELATED TO SUBTITLE C.—

(1) Paragraph (4) of section 56(g) is amended by redesignating subparagraphs (I) and (J) as subparagraphs (H) and (I), respectively.

(2) Subparagraph (B) of section 6724(d)(1) is amended—

(A) by striking ''or'' at the end of clause (xii), and

(B) by striking the period at the end of clause (xiii) and inserting '', or''.

(3) Subsection (g) of section 6302 is amended by inserting '', 22,'' after ''chapters 21''.

(4) The earnings and profits of any insurance company to which section 11305(c)(3) of the Revenue Reconciliation Act of 1990 applies shall be determined without regard to

any deduction allowed under such section; except that, for purposes of applying sections 56 and 902, and subpart F of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1986, such deduction shall be taken into account.

(5) Subparagraph (D) of section 6038A(e)(4) is amended—

(A) by striking ''any transaction to which the summons relates'' and inserting ''any affected taxable year'', and

(B) by adding at the end thereof the following new sentence: ''For purposes of this subparagraph, the term 'affected taxable year' means any taxable year if the determination of the amount of tax imposed for such taxable year is affected by the treatment of the transaction to which the summons relates.''.

(6) Subparagraph (A) of section 6621(c)(2) is amended by adding at the end thereof the following new flush sentence:

''The preceding sentence shall be applied without regard to any such letter or notice which is withdrawn by the Secretary.''.

(7) Clause (i) of section 6621(c)(2)(B) is amended by striking ''this subtitle'' and inserting ''this title''.

(d) AMENDMENTS RELATED TO SUBTITLE D.—

(1) Notwithstanding section 11402(c) of the Revenue Reconciliation Act of 1990, the amendment made by section 11402(b)(1) of such Act shall apply to taxable years ending after December 31, 1989.

(2) Clause (ii) of section 143(m)(4)(C) is amended—

(A) by striking ''any month of the 10-year period'' and inserting ''any year of the 4-year period'',

(B) by striking ''succeeding months'' and inserting ''succeeding years'', and

(C) by striking ''over the remainder of such period (or, if lesser, 5 years)'' and inserting ''to zero over the succeeding 5 years''.

(e) AMENDMENTS RELATED TO SUBTITLE E.—

(1)(A) Clause (ii) of section 56(d)(1)(B) is amended to read as follows:

''(ii) appropriate adjustments in the application of section 172(b)(2) shall be made to take into account the limitation of subparagraph (A).''

(B) For purposes of applying sections 56(g)(1) and 56(g)(3) of the Internal Revenue Code of 1986 with respect to taxable years beginning in 1991 and 1992, the reference in such sections to the alternative tax net operating loss deduction shall be treated as including a reference to the deduction under section 56(h) of such Code as in effect before the amendments made by section 1915 of the Energy Policy Act of 1992.

(2) Clause (i) of section 613A(c)(3)(A) is amended by striking ''the table contained in''.

(3) Section 6501 is amended—

(A) by striking subsection (m) (relating to deficiency attributable to election under section 44B) and by redesignating subsections (n) and (o) as subsections (m) and (n), respectively, and

(B) by striking ''section 40(f) or 51(j)'' in subsection (m) (as redesignated by subparagraph (A)) and inserting ''section 40(f), 43, or 51(j)''.

(4) Subparagraph (C) of section 38(c)(2) (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990) is amended by inserting before the period at the end of the first sentence the following: ''and without regard to the deduction under section 56(h)''.

(5) The amendment made by section 1913(b)(2)(C)(i) of the Energy Policy Act of 1992 shall apply to taxable years beginning after December 31, 1990.

(f) AMENDMENTS RELATED TO SUBTITLE F.—

(1)(A) Section 2701(a)(3) is amended by adding at the end thereof the following new subparagraph:

''(C) VALUATION OF QUALIFIED PAYMENTS WHERE NO LIQUIDATION, ETC. RIGHTS.—In the case of an applicable retained interest which is described in subparagraph (B)(i) but not subparagraph (B)(ii), the value of the distribution right shall be determined without regard to this section.''

(B) Section 2701(a)(3)(B) is amended by inserting ''CERTAIN'' before ''QUALIFIED'' in the heading thereof.

(C) Sections 2701 (d)(1) and (d)(4) are each amended by striking ''subsection (a)(3)(B)'' and inserting ''subsection (a)(3) (B) or (C)''.

(2) Clause (i) of section 2701(a)(4)(B) is amended by inserting ''(or, to the extent provided in regulations, the rights as to either income or capital)'' after ''income and capital''.

(3)(A) Section 2701(b)(2) is amended by adding at the end thereof the following new subparagraph:

''(C) APPLICABLE FAMILY MEMBER.—For purposes of this subsection, the term 'applicable family member' includes any lineal descendant of any parent of the transferor or the transferor's spouse.''

(B) Section 2701(e)(3) is amended—

(i) by striking subparagraph (B), and

(ii) by striking so much of paragraph (3) as precedes ''shall be treated as holding'' and inserting:

''(3) ATTRIBUTION OF INDIRECT HOLDINGS AND TRANSFERS.—An individual''.

(C) Section 2704(c)(3) is amended by striking ''section 2701(e)(3)(A)'' and inserting ''section 2701(e)(3)''.

(4) Clause (i) of section 2701(c)(1)(B) is amended to read as follows:

''(i) a right to distributions with respect to any interest which is junior to the rights of the transferred interest,''.

(5)(A) Clause (i) of section 2701(c)(3)(C) is amended to read as follows:

''(i) IN GENERAL.—Payments under any interest held by a transferor which (without regard to this subparagraph) are qualified payments shall be treated as qualified payments unless the transferor elects not to treat such payments as qualified payments. Payments described in the preceding sentence which are held by an applicable family member shall be treated as qualified payments only if such member elects to treat such payments as qualified payments.''

(B) The first sentence of section 2701(c)(3)(C)(ii) is amended to read as follows: ''A transferor or applicable family member holding any distribution right which (without regard to this subparagraph) is not a qualified payment may elect to treat such right as a qualified payment, to be paid in the amounts and at the times specified in such election.''.

(C) The time for making an election under the second sentence of section 2701(c)(3)(C)(i) of the Internal Revenue Code of 1986 (as amended by subparagraph (A)) shall not expire before the due date (including extensions) for filing the transferor's return of the tax imposed by section 2501 of such Code for the first calendar year ending after the date of enactment.

(6) Section 2701(d)(3)(A)(iii) is amended by striking ''the period ending on the date of''.

(7) Subclause (I) of section 2701(d)(3)(B)(ii) is amended by inserting ''or the exclusion under section 2503(b),'' after ''section 2523,''.

(8) Section 2701(e)(5) is amended—

(A) by striking ''such contribution to capital or such redemption, recapitalization, or other change'' in subparagraph (A) and inserting ''such transaction'', and

(B) by striking ''the transfer'' in subparagraph (B) and inserting ''such transaction''.

(9) Section 2701(d)(4) is amended by adding at the end thereof the following new subparagraph:

''(C) TRANSFER TO TRANSFERORS.—In the case of a taxable event described in paragraph (3)(A)(ii) involving a transfer of an applicable retained interest from an applicable family member to a transferor, this subsection shall continue to apply to the transferor during any period the transferor holds such interest.''

(10) Section 2701(e)(6) is amended by inserting ''or to reflect the application of subsection (d)'' before the period at the end thereof.

(11)(A) Section 2702(a)(3)(A) is amended—

(i) by striking ''to the extent'' and inserting ''if'' in clause (i),

(ii) by striking ''or'' at the end of clause (i),

(iii) by striking the period at the end of clause (ii) and inserting '', or'', and

(iv) by adding at the end thereof the following new clause:

''(iii) to the extent that regulations provide that such transfer is not inconsistent with the purposes of this section.''

(B)(i) Section 2702(a)(3) is amended by striking ''incomplete transfer'' each place it appears and inserting ''incomplete gift''.

(ii) The heading for section 2702(a)(3)(B) is amended by striking ''INCOMPLETE TRANSFER'' and inserting ''INCOMPLETE GIFT''.

(g) AMENDMENTS RELATED TO SUBTITLE G.—

(1)(A) Subsection (a) of section 1248 is amended—

(i) by striking '', or if a United States person receives a distribution from a foreign corporation which, under section 302 or 331, is treated as an exchange of stock'' in paragraph (1), and

(ii) by adding at the end thereof the following new sentence: ''For purposes of this section, a United States person shall be treated as having sold or exchanged any stock if, under any provision of this subtitle, such person is treated as realizing gain from the sale or exchange of such stock.''.

(B) Paragraph (1) of section 1248(e) is amended by striking '', or receives a distribution from a domestic corporation which, under section 302 or 331, is treated as an exchange of stock''.

(C) Subparagraph (B) of section 1248(f)(1) is amended by striking ''or 361(c)(1)'' and inserting ''355(c)(1), or 361(c)(1)''.

(D) Paragraph (1) of section 1248(i) is amended to read as follows:

''(1) IN GENERAL.—If any shareholder of a 10-percent corporate shareholder of a foreign corporation exchanges stock of the 10-percent corporate shareholder for stock of the foreign corporation, such 10-percent corporate shareholder shall recognize gain in the same manner as if the stock of the foreign corporation received in such exchange had been—

''(A) issued to the 10-percent corporate shareholder, and

''(B) then distributed by the 10-percent corporate shareholder to such shareholder in redemption or liquidation (whichever is appropriate).

The amount of gain recognized by such 10-percent corporate shareholder under the preceding sentence shall not exceed the amount treated as a dividend under this section.''

(2) Section 897 is amended by striking subsection (f).

(3) Paragraph (13) of section 4975(d) is amended by striking ''section 408(b)'' and inserting ''section 408(b)(12)''.

(4) Clause (iii) of section 56(g)(4)(D) is amended by inserting '', but only with respect to taxable years beginning after December 31, 1989'' before the period at the end thereof.

(5)(A) Paragraph (11) of section 11701(a) of the Revenue Reconciliation Act of 1990 (and the amendment made by such paragraph) are

hereby repealed, and section 7108(r)(2) of the Revenue Reconciliation Act of 1989 shall be applied as if such paragraph (and amendment) had never been enacted.

(B) Subparagraph (A) shall not apply to any building if the owner of such building establishes to the satisfaction of the Secretary of the Treasury or his delegate that such owner reasonably relied on the amendment made by such paragraph (11).

(h) AMENDMENTS RELATED TO SUBTITLE H.—

(1)(A) Clause (vi) of section 168(e)(3)(B) is amended by striking ''or'' at the end of subclause (I), by striking the period at the end of subclause (II) and inserting '', or'', and by adding at the end thereof the following new subclause:

''(III) is described in section 48(l)(3)(A)(ix) (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990).''

(B) Subparagraph (K) of section 168(g)(4) is amended by striking ''section 48(a)(3)(A)(iii)'' and inserting ''section 48(l)(3)(A)(ix) (as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990)''.

(2) Clause (ii) of section 172(b)(1)(E) is amended by striking ''subsection (m)'' and inserting ''subsection (h)''.

(3) Sections 805(a)(4)(E), 832(b)(5)(C)(ii)(II), and 832(b)(5)(D)(ii)(II) are each amended by striking ''243(b)(5)'' and inserting ''243(b)(2)''.

(4) Subparagraph (A) of section 243(b)(3) is amended by inserting ''of'' after ''In the case''.

(5) The subsection heading for subsection (a) of section 280F is amended by striking ''INVESTMENT TAX CREDIT AND''.

(6) Clause (i) of section 1504(c)(2)(B) is amended by inserting ''section'' before ''243(b)(2)''.

(7) Paragraph (3) of section 341(f) is amended by striking ''351, 361, 371(a), or 374(a)'' and inserting ''351, or 361''.

(8) Paragraph (2) of section 243(b) is amended to read as follows:

''(2) AFFILIATED GROUP.—For purposes of this subsection:

''(A) IN GENERAL.—The term 'affiliated group' has the meaning given such term by section 1504(b), except that for such purposes sections 1504(b)(2), 1504(b)(4), and 1504(c) shall not apply.

''(B) GROUP MUST BE CONSISTENT IN FOREIGN TAX TREATMENT.—The requirements of paragraph (1)(A) shall not be treated as being met with respect to any dividend received by a corporation if, for any taxable year which includes the day on which such dividend is received—

''(i) 1 or more members of the affiliated group referred to in paragraph (1)(A) choose to any extent to take the benefits of section 901, and

''(ii) 1 or more other members of such group claim to any extent a deduction for taxes otherwise creditable under section 901.''

(9) The amendment made by section 11813(b)(17) of the Revenue Reconciliation Act of 1990 shall be applied as if the material stricken by such amendment included the closing parenthesis after ''section 48(a)(5)''.

(10) Paragraph (1) of section 179(d) is amended—

(A) by striking ''in a trade or business'' and inserting ''a trade or business'', and

(B) by adding at the end thereof the following new sentence: ''Such term shall not include any property described in section 50(b) and shall not include air conditioning or heating units and horses.''

(11) Subparagraph (E) of section 50(a)(2) is amended by striking ''section 48(a)(5)(A)'' and inserting ''section 48(a)(5)''.

(12) The amendment made by section 11801(c)(9)(G)(ii) of the Revenue Reconciliation Act of 1990 shall be applied as if it struck ''Section 422A(c)(2)'' and inserted ''Section 422(c)(2)''.

(13) Subparagraph (B) of section 424(c)(3) is amended by striking ''a qualified stock option, an incentive stock option, an option granted under an employee stock purchase plan, or a restricted stock option'' and inserting ''an incentive stock option or an option granted under an employee stock purchase plan''.

(14) Subparagraph (E) of section 1367(a)(2) is amended by striking ''section 613A(c)(13)(B)'' and inserting ''section 613A(c)(11)(B)''.

(15) Subparagraph (B) of section 460(e)(6) is amended by striking ''section 167(k)'' and inserting ''section 168(e)(2)(A)(ii)''.

(16) Subparagraph (C) of section 172(h)(4) is amended by striking ''subsection (b)(1)(M)'' and inserting ''subsection (b)(1)(E)''.

(17) Section 6503 is amended—

(A) by redesignating the subsection relating to extension in case of certain summonses as subsection (j), and

(B) by redesignating the subsection relating to cross references as subsection (k).

(18) Paragraph (4) of section 1250(e) is hereby repealed.

(i) EFFECTIVE DATE.—Except as otherwise expressly provided—

(1) the amendments made by this section shall be treated as amendments to the Internal Revenue Code of 1986 as amended by the Revenue Reconciliation Act of 1993; and

(2) any amendment made by this section shall apply to periods before the date of the enactment of this section in the same manner as if it had been included in the provision of the Revenue Reconciliation Act of 1990 to which such amendment relates.

SEC. 6603. AMENDMENTS RELATED TO REVENUE RECONCILIATION ACT OF 1993.

(a) AMENDMENT RELATED TO SECTION 13114.—Paragraph (2) of section 1044(c) is amended to read as follows:

''(2) PURCHASE.—The taxpayer shall be considered to have purchased any property if, but for subsection (d), the unadjusted basis of such property would be its cost within the meaning of section 1012.''

(b) AMENDMENTS RELATED TO SECTION 13142.—

(1) Subparagraph (B) of section 13142(b)(6) of the Revenue Reconciliation Act of 1993 is amended to read as follows:

''(B) FULL-TIME STUDENTS, WAIVER AUTHORITY, AND PROHIBITED DISCRIMINATION.—The amendments made by paragraphs (2), (3), and (4) shall take effect on the date of the enactment of this Act.''

(2) Subparagraph (C) of section 13142(b)(6) of such Act is amended by striking ''paragraph (2)'' and inserting ''paragraph (5)''.

(c) AMENDMENT RELATED TO SECTION 13161.—

(1) IN GENERAL.—Subsection (e) of section 4001 (relating to inflation adjustment) is amended to read as follows:

''(e) INFLATION ADJUSTMENT.—

''(1) IN GENERAL.—The $30,000 amount in subsection (a) and section 4003(a) shall be increased by an amount equal to—

''(A) $30,000, multiplied by

''(B) the cost-of-living adjustment under section 1(f)(3) for the calendar year in which the vehicle is sold, determined by substituting 'calendar year 1990' for 'calendar year 1992' in subparagraph (B) thereof.

''(2) ROUNDING.—If any amount as adjusted under paragraph (1) is not a multiple of $2,000, such amount shall be rounded to the next lowest multiple of $2,000.''

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on the date of the enactment of this Act.

(d) AMENDMENT RELATED TO SECTION 13201.—Clause (ii) of section 135(b)(2)(B) is amended by inserting before the period at the end thereof the following: '', determined by substituting 'calendar year 1989' for 'calendar year 1992' in subparagraph (B) thereof''.

(e) AMENDMENTS RELATED TO SECTION 13203.—Subsection (a) of section 59 is amended—

(1) by striking ''the amount determined under section 55(b)(1)(A)'' in paragraph (1)(A) and (2)(A)(i) and inserting ''the pre-credit tentative minimum tax'',

(2) by striking ''specified in section 55(b)(1)(A)'' in paragraph (1)(C) and inserting ''specified in subparagraph (A)(i) or (B)(i) of section 55(b)(1) (whichever applies)'',

(3) by striking ''which would be determined under section 55(b)(1)(A)'' in paragraph (2)(A)(ii) and inserting ''which would be the pre-credit tentative minimum tax'', and

(4) by adding at the end thereof the following new paragraph:

''(3) PRE-CREDIT TENTATIVE MINIMUM TAX.—For purposes of this subsection, the term 'pre-credit tentative minimum tax' means—

''(A) in the case of a taxpayer other than a corporation, the amount determined under the first sentence of section 55(b)(1)(A)(i), or

''(B) in the case of a corporation, the amount determined under section 55(b)(1)(B)(i).''

(f) AMENDMENT RELATED TO SECTION 13221.—Sections 1201(a) and 1561(a) are each amended by striking ''last sentence'' each place it appears and inserting ''last 2 sentences''.

(g) AMENDMENTS RELATED TO SECTION 13222.—

(1) Subparagraph (B) of section 6033(e)(1) is amended by adding at the end thereof the following new clause:

''(iii) COORDINATION WITH SECTION 527(f).—This subsection shall not apply to any amount on which tax is imposed by reason of section 527(f).''.

(2) Clause (i) of section 6033(e)(1)(B) is amended by striking ''this subtitle'' and inserting ''section 501''.

(h) AMENDMENT RELATED TO SECTION 13225.—Paragraph (3) of section 6655(g) is amended by striking all that follows ''3rd month'' in the sentence following subparagraph (C) and inserting '', subsection (e)(2)(A) shall be applied by substituting '2 months' for '3 months' in clause (i)(I), the election under clause (i) of subsection (e)(2)(C) may be made separately for each installment, and clause (ii) of subsection (e)(2)(C) shall not apply.''.

(i) AMENDMENTS RELATED TO SECTION 13231.—

(1) Subparagraph (G) of section 904(d)(3) is amended by striking ''section 951(a)(1)(B)'' and inserting ''subparagraph (B) or (C) of section 951(a)(1)''.

(2) Paragraph (1) of section 956A(b) is amended to read as follows:

''(1) the amount (not including a deficit) referred to in section 316(a)(1) to the extent such amount was accumulated in prior taxable years beginning after September 30, 1993, and''.

(3) Subsection (f) of section 956A is amended by inserting before the period at the end thereof: ''and regulations coordinating the provisions of subsections (c)(3)(A) and (d)''.

(4) Subsection (b) of section 958 is amended by striking ''956(b)(2)'' each place it appears and inserting ''956(c)(2)''.

(5)(A) Subparagraph (A) of section 1297(d)(2) is amended by striking ''The adjusted basis of any asset'' and inserting ''The amount taken into account under section 1296(a)(2) with respect to any asset''.

(B) The paragraph heading of paragraph (2) of section 1297(d) is amended to read as follows:

''(2) AMOUNT TAKEN INTO ACCOUNT.—''.

(6) Subsection (e) of section 1297 is amended by inserting ''For purposes of this part—'' after the subsection heading.

(j) AMENDMENT RELATED TO SECTION 13241.—Subparagraph (B) of section 40(e)(1) is amended to read as follows:

''(B) for any period before January 1, 2001, during which the rates of tax under section 4081(a)(2)(A) are 4.3 cents per gallon.''

(k) AMENDMENT RELATED TO SECTION 13261.—Clause (iii) of section 13261(g)(2)(A) of the Revenue Reconciliation Act of 1993 is amended by striking ''by the taxpayer'' and inserting ''by the taxpayer or a related person''.

(l) AMENDMENT RELATED TO SECTION 13301.—Subparagraph (B) of section 1397B(d)(5) is amended by striking ''preceding''.

(m) CLERICAL AMENDMENTS.—

(1) Subsection (d) of section 39 is amended—

(A) by striking ''45'' in the heading of paragraph (5) and inserting ''45A'', and

(B) by striking ''45'' in the heading of paragraph (6) and inserting ''45B''.

(2) Subparagraph (A) of section 108(d)(9) is amended by striking ''paragraph (3)(B)'' and inserting ''paragraph (3)(C)''.

(3) Subparagraph (C) of section 143(d)(2) is amended by striking the period at the end thereof and inserting a comma.

(4) Clause (ii) of section 163(j)(6)(E) is amended by striking ''which is a'' and inserting ''which is''.

(5) Subparagraph (A) of section 1017(b)(4) is amended by striking ''subsection (b)(2)(D)'' and inserting ''subsection (b)(2)(E)''.

(6) So much of section 1245(a)(3) as precedes subparagraph (A) thereof is amended to read as follows:

''(3) SECTION 1245 PROPERTY.—For purposes of this section, the term 'section 1245 property' means any property which is or has been property of a character subject to the allowance for depreciation provided in section 167 and is either—''.

(7) Paragraph (2) of section 1394(e) is amended—

(A) by striking ''(i)'' and inserting ''(A)'', and

(B) by striking ''(ii)'' and inserting ''(B)''.

(8) Subsection (m) of section 6501 (as redesignated by section 6602) is amended by striking ''or 51(j)'' and inserting ''45B, or 51(j)''.

(9)(A) The section 6714 added by section 13242(b)(1) of the Revenue Reconciliation Act of 1993 is hereby redesignated as section 6715.

(B) The table of sections for part I of subchapter B of chapter 68 is amended by striking ''6714'' in the item added by such section 13242(b)(2) of such Act and inserting ''6715''.

(10) Paragraph (2) of section 9502(b) is amended by inserting ''and before'' after ''1982,''.

(11) Subsection (a)(3) of section 13206 of the Revenue Reconciliation Act of 1993 is amended by striking ''this section'' and inserting ''this subsection''.

(12) Paragraph (1) of section 13215(c) of the Revenue Reconciliation Act of 1993 is amended by striking ''Public Law 92–21'' and inserting ''Public Law 98–21''.

(13) Paragraph (2) of section 13311(e) of the Revenue Reconciliation Act of 1993 is amended by striking ''section 1393(a)(3)'' and inserting ''section 1393(a)(2)''.

(14) Subparagraph (B) of section 117(d)(2) is amended by striking ''section 132(f)'' and inserting ''section 132(h)''.

(n) EFFECTIVE DATE.—Any amendment made by this section shall take effect as if included in the provision of the Revenue Reconciliation Act of 1993 to which such amendment relates.

SEC. 6604. MISCELLANEOUS PROVISIONS.

(a) APPLICATION OF AMENDMENTS MADE BY TITLE XII OF OMNIBUS BUDGET RECONCILIATION ACT OF 1990.—Except as otherwise expressly provided, whenever in title XII of the Omnibus Budget Reconciliation Act of 1990 an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(b) TREATMENT OF CERTAIN AMOUNTS UNDER HEDGE BOND RULES.—

(1) Clause (iii) of section 149(g)(3)(B) is amended to read as follows:

''(iii) AMOUNTS HELD PENDING REINVESTMENT OR REDEMPTION.—Amounts held for not more than 30 days pending reinvestment or bond redemption shall be treated as invested in bonds described in clause (i).''

(2) The amendment made by paragraph (1) shall take effect as if included in the amendments made by section 7651 of the Omnibus Budget Reconciliation Act of 1989.

(c) TREATMENT OF CERTAIN DISTRIBUTIONS UNDER SECTION 1445.—

(1) IN GENERAL.—Paragraph (3) of section 1445(e) is amended by adding at the end thereof the following new sentence: ''Rules similar to the rules of the preceding provisions of this paragraph shall apply in the case of any distribution to which section 301 applies and which is not made out of the earnings and profits of such a domestic corporation.''

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to distributions after the date of the enactment of this Act.

(d) TREATMENT OF CERTAIN CREDITS UNDER SECTION 469.—

(1) IN GENERAL.—Subparagraph (B) of section 469(c)(3) is amended by adding at the end thereof the following new sentence: ''If the preceding sentence applies to the net income from any property for any taxable year, any credits allowable under subpart B (other than section 27(a)) or D of part IV of subchapter A for such taxable year which are attributable to such property shall be treated as credits not from a passive activity to the extent the amount of such credits does not exceed the regular tax liability of the taxpayer for the taxable year which is allocable to such net income.''

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to taxable years beginning after December 31, 1986.

(e) TREATMENT OF DISPOSITIONS UNDER PASSIVE LOSS RULES.—

(1) IN GENERAL.—Subparagraph (A) of section 469(g)(1) is amended to read as follows:

''(A) IN GENERAL.—If all gain or loss realized on such disposition is recognized, the excess of—

''(i) any loss from such activity for such taxable year (determined after the application of subsection (b)), over

''(ii) any net income or gain for such taxable year from all other passive activities (determined after the application of subsection (b)),

shall be treated as a loss which is not from a passive activity.''

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to taxable years beginning after December 31, 1986.

(f) MISCELLANEOUS AMENDMENTS TO FOREIGN PROVISIONS.—

(1) COORDINATION OF UNIFIED ESTATE TAX CREDIT WITH TREATIES.—Subparagraph (A) of section 2102(c)(3) is amended by adding at the end thereof the following new sentence: ''For purposes of the preceding sentence, property shall not be treated as situated in the United States if such property is exempt from the tax imposed by this subchapter under any treaty obligation of the United States.''

(2) TREATMENT OF CERTAIN INTEREST PAID TO RELATED PERSON.—

(A) IN GENERAL.—Subparagraph (B) of section 163(j)(1) is amended by inserting before the period at the end thereof the following: ''(and clause (ii) of paragraph (2)(A) shall not apply for purposes of applying this subsection to the amount so treated)''.

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall apply as if included in the amendments made by section 7210(a) of the Revenue Reconciliation Act of 1989.

(3) TREATMENT OF INTEREST ALLOCABLE TO EFFECTIVELY CONNECTED INCOME.—

(A) IN GENERAL.—

(i) Subparagraph (B) of section 884(f)(1) is amended by striking ''to the extent'' and all that follows down through ''subparagraph (A)'' and inserting ''to the extent that the allocable interest exceeds the interest described in subparagraph (A)''.

(ii) The second sentence of section 884(f)(1) is amended by striking ''reasonably expected'' and all that follows down through the period at the end thereof and inserting ''reasonably expected to be allocable interest.''

(iii) Paragraph (2) of section 884(f) is amended to read as follows:

''(2) ALLOCABLE INTEREST.—For purposes of this subsection, the term 'allocable interest' means any interest which is allocable to income which is effectively connected (or treated as effectively connected) with the conduct of a trade or business in the United States.''

(B) EFFECTIVE DATE.—The amendments made by subparagraph (A) shall take effect as if included in the amendments made by section 1241(a) of the Tax Reform Act of 1986.

(4) CLARIFICATION OF SOURCE RULE.—

(A) IN GENERAL.—Paragraph (2) of section 865(b) is amended by striking ''863(b)'' and inserting ''863''.

(B) EFFECTIVE DATE.—The amendment made by subparagraph (A) shall take effect as if included in the amendments made by section 1211 of the Tax Reform Act of 1986.

(5) REPEAL OF OBSOLETE PROVISIONS.—

(A) Paragraph (1) of section 6038(a) is amended by striking '', and'' at the end of subparagraph (E) and inserting a period, and by striking subparagraph (F).

(B) Subsection (b) of section 6038A is amended by adding ''and'' at the end of paragraph (2), by striking '', and'' at the end of paragraph (3) and inserting a period, and by striking paragraph (4).

(g) TREATMENT OF ASSIGNMENT OF INTEREST IN CERTAIN BOND-FINANCED FACILITIES.—

(1) IN GENERAL.—Subparagraph (A) of section 1317(3) of the Tax Reform Act of 1986 is amended by adding at the end thereof the following new sentence: ''A facility shall not fail to be treated as described in this subparagraph by reason of an assignment (or an agreement to an assignment) by the governmental unit on whose behalf the bonds are issued of any part of its interest in the property financed by such bonds to another governmental unit.''

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in such section 1317 on the date of the enactment of the Tax Reform Act of 1986.

(h) CLARIFICATION OF TREATMENT OF MEDICARE ENTITLEMENT UNDER COBRA PROVISIONS.—

(1) IN GENERAL.—

(A) Subclause (V) of section 4980B(f)(2)(B)(i) is amended to read as follows:

''(V) MEDICARE ENTITLEMENT FOLLOWED BY QUALIFYING EVENT.—In the case of a qualifying event described in paragraph (3)(B) that occurs less than 18 months after the date the covered employee became entitled to benefits under title XVIII of the Social Security Act, the period of coverage for qualified

beneficiaries other than the covered employee shall not terminate under this clause before the close of the 36-month period beginning on the date the covered employee became so entitled.''

(B) Clause (v) of section 602(2)(A) of the Employee Retirement Income Security Act of 1974 is amended to read as follows:

''(v) MEDICARE ENTITLEMENT FOLLOWED BY QUALIFYING EVENT.—In the case of a qualifying event described in section 603(2) that occurs less than 18 months after the date the covered employee became entitled to benefits under title XVIII of the Social Security Act, the period of coverage for qualified beneficiaries other than the covered employee shall not terminate under this subparagraph before the close of the 36-month period beginning on the date the covered employee became so entitled.''

(C) Clause (iv) of section 2202(2)(A) of the Public Health Service Act is amended to read as follows:

''(iv) MEDICARE ENTITLEMENT FOLLOWED BY QUALIFYING EVENT.—In the case of a qualifying event described in section 2203(2) that occurs less than 18 months after the date the covered employee became entitled to benefits under title XVIII of the Social Security Act, the period of coverage for qualified beneficiaries other than the covered employee shall not terminate under this subparagraph before the close of the 36-month period beginning on the date the covered employee became so entitled.''

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to plan years beginning after December 31, 1989.

(i) TREATMENT OF CERTAIN REMIC INCLUSIONS.—

(1) IN GENERAL.—Subsection (a) of section 860E is amended by adding at the end thereof the following new paragraph:

''(6) COORDINATION WITH MINIMUM TAX.—For purposes of part VI of subchapter A of this chapter—

''(A) the reference in section 55(b)(2) to taxable income shall be treated as a reference to taxable income determined without regard to this subsection,

''(B) the alternative minimum taxable income of any holder of a residual interest in a REMIC for any taxable year shall in no event be less than the excess inclusion for such taxable year, and

''(C) any excess inclusion shall be disregarded for purposes of computing the alternative tax net operating loss deduction.

The preceding sentence shall not apply to any organization to which section 593 applies, except to the extent provided in regulations prescribed by the Secretary under paragraph (2).''

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in the amendments made by section 671 of the Tax Reform Act of 1986 unless the taxpayer elects to apply such amendment only to taxable years beginning after the date of the enactment of this Act.

(j) EXEMPTION FROM HARBOR MAINTENANCE TAX FOR CERTAIN PASSENGERS.—

(1) IN GENERAL.—Subparagraph (D) of section 4462(b)(1) (relating to special rule for Alaska, Hawaii, and possessions) is amended by inserting before the period the following: '', or passengers transported on United States flag vessels operating solely within the State waters of Alaska or Hawaii and adjacent international waters''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in the amendments made by section 1402(a) of the Harbor Maintenance Revenue Act of 1986.

(k) AMENDMENTS RELATED TO REVENUE PROVISIONS OF ENERGY POLICY ACT OF 1992.—

(1) Effective with respect to taxable years beginning after December 31, 1990, subclause (II) of section 53(d)(1)(B)(iv) is amended to read as follows:

''(II) the adjusted net minimum tax for any taxable year is the amount of the net minimum tax for such year increased in the manner provided in clause (iii).''

(2) Subsection (g) of section 179A is redesignated as subsection (f).

(3) Subparagraph (E) of section 6724(d)(3) is amended by striking ''section 6109(f)'' and inserting ''section 6109(h)''.

(4)(A) Subsection (d) of section 30 is amended—

(i) by inserting ''(determined without regard to subsection (b)(3))'' before the period at the end of paragraph (1) thereof, and

(ii) by adding at the end thereof the following new paragraph:

''(4) ELECTION TO NOT TAKE CREDIT.—No credit shall be allowed under subsection (a) for any vehicle if the taxpayer elects to not have this section apply to such vehicle.''

(B) Subsection (m) of section 6501 (as redesignated by section 6602) is amended by striking ''section 40(f)'' and inserting ''section 30(d)(4), 40(f)''.

(5) Subclause (III) of section 501(c)(21)(D)(ii) is amended by striking ''section 101(6)'' and inserting ''section 101(7)'' and by striking ''1752(6)'' and inserting ''1752(7)''.

(6) Paragraph (1) of section 1917(b) of the Energy Policy Act of 1992 shall be applied as if ''at a rate'' appeared instead of ''at the rate'' in the material proposed to be stricken.

(7) Paragraph (2) of section 1921(b) of the Energy Policy Act of 1992 shall be applied as if a comma appeared after ''(2)'' in the material proposed to be stricken.

(8) Subsection (a) of section 1937 of the Energy Policy Act of 1992 shall be applied as if ''Subpart B'' appeared instead of ''Subpart C''.

(l) TREATMENT OF QUALIFIED FOOTBALL COACHES PLAN.—

(1) IN GENERAL.—Section 1022 of title II of the Employee Retirement Income Security Act of 1974 is amended by adding at the end thereof the following new subsection:

''(l) QUALIFIED FOOTBALL COACHES PLAN.—For purposes of determining the qualified plan status of a qualified football coaches plan, section 3(37)(F) shall be treated as part of this title and a qualified football coaches plan shall be treated as a multiemployer collectively bargained plan for purposes of the Internal Revenue Code of 1986.''

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply to years beginning after the date of the enactment of Public Law 100–202.

(m) DETERMINATION OF UNRECOVERED INVESTMENT IN ANNUITY CONTRACT.—

(1) IN GENERAL.—Subparagraph (A) of section 72(b)(4) is amended by inserting ''(determined without regard to subsection (c)(2))'' after ''contract''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect as if included in the amendments made by section 1122(c) of the Tax Reform Act of 1986.

(n) MODIFICATIONS TO ELECTION TO INCLUDE CHILD'S INCOME ON PARENT'S RETURN.—

(1) ELIGIBILITY FOR ELECTION.—Clause (ii) of section 1(g)(7)(A) (relating to election to include certain unearned income of child on parent's return) is amended to read as follows:

''(ii) such gross income is more than the amount described in paragraph (4)(A)(ii)(I) and less than 10 times the amount so described,''.

(2) COMPUTATION OF TAX.—Subparagraph (B) of section 1(g)(7) (relating to income included on parent's return) is amended—

(A) by striking ''$1,000'' in clause (i) and inserting ''twice the amount described in paragraph (4)(A)(ii)(I)'', and

(B) by amending subclause (II) of clause (ii) to read as follows:

''(II) for each such child, 15 percent of the lesser of the amount described in paragraph (4)(A)(ii)(I) or the excess of the gross income of such child over the amount so described, and''.

(3) MINIMUM TAX.—Subparagraph (B) of section 59(j)(1) is amended by striking ''$1,000'' and inserting ''twice the amount in effect for the taxable year under section 63(c)(5)(A)''.

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 1994.

(o) MISCELLANEOUS CLERICAL AMENDMENTS.—

(1) Subclause (II) of section 56(g)(4)(C)(ii) is amended by striking ''of the subclause'' and inserting ''of subclause''.

(2) Paragraph (2) of section 72(m) is amended by inserting ''and'' at the end of subparagraph (A), by striking subparagraph (B), and by redesignating subparagraph (C) as subparagraph (B).

(3) Paragraph (2) of section 86(b) is amended by striking ''adusted'' and inserting ''adjusted''.

(4)(A) The heading for section 112 is amended by striking ''combat pay'' and inserting ''combat zone compensation''.

(B) The item relating to section 112 in the table of sections for part III of subchapter B of chapter 1 is amended by striking ''combat pay'' and inserting ''combat zone compensation''.

(C) Paragraph (1) of section 3401(a) is amended by striking ''combat pay'' and inserting ''combat zone compensation''.

(5) Clause (i) of section 172(h)(3)(B) is amended by striking the comma at the end thereof and inserting a period.

(6) Clause (ii) of section 543(a)(2)(B) is amended by striking ''section 563(c)'' and inserting ''section 563(d)''.

(7) Paragraph (1) of section 958(a) is amended by striking ''sections 955(b)(1) (A) and (B), 955(c)(2)(A)(ii), and 960(a)(1)'' and inserting ''section 960(a)(1)''.

(8) Subsection (g) of section 642 is amended by striking ''under 2621(a)(2)'' and inserting ''under section 2621(a)(2)''.

(9) Section 1463 is amended by striking ''this subsection'' and inserting ''this section''.

(10) Subsection (k) of section 3306 is amended by inserting a period at the end thereof.

(11) The item relating to section 4472 in the table of sections for subchapter B of chapter 36 is amended by striking ''and special rules''.

(12) Paragraph (2) of section 4978(b) is amended by striking the period at the end of subparagraph (A) and inserting a comma, and by striking the period and quotation marks at the end of subparagraph (B) and inserting a comma.

(13) Paragraph (3) of section 5134(c) is amended by striking ''section 6662(a)'' and inserting ''section 6665(a)''.

(14) Paragraph (2) of section 5206(f) is amended by striking ''section 5(e)'' and inserting ''section 105(e)''.

(15) Paragraph (1) of section 6050B(c) is amended by striking ''section 85(c)'' and inserting ''section 85(b)''.

(16) Subsection (k) of section 6166 is amended by striking paragraph (6).

(17) Subsection (e) of section 6214 is amended to read as follows:

''(e) CROSS REFERENCE.—

''For provision giving Tax Court jurisdiction to order a refund of an overpayment and to award sanctions, see section 6512(b)(2).''

(18) The section heading for section 6043 is amended by striking the semicolon and inserting a comma.

(19) The item relating to section 6043 in the table of sections for subpart B of part III of subchapter A of chapter 61 is amended by striking the semicolon and inserting a comma.

(20) The table of sections for part I of subchapter A of chapter 68 is amended by striking the item relating to section 6662.

(21)(A) Section 7232 is amended—

(i) by striking ''LUBRICATING OIL,'' in the heading, and

(ii) by striking ''lubricating oil,'' in the text.

(B) The table of sections for part II of subchapter A of chapter 75 is amended by striking ''lubricating oil,'' in the item relating to section 7232.

(22) Paragraph (1) of section 6701(a) of the Omnibus Budget Reconciliation Act of 1989 is amended by striking ''subclause (IV)'' and inserting ''subclause (V)''.

(23) Clause (ii) of section 7304(a)(2)(D) of such Act is amended by striking ''subsection (c)(2)'' and inserting ''subsection (c)''.

(24) Paragraph (1) of section 7646(b) of such Act is amended by striking ''section 6050H(b)(1)'' and inserting ''section 6050H(b)(2)''.

(25) Paragraph (10) of section 7721(c) of such Act is amended by striking ''section 6662(b)(2)(C)(ii)'' and inserting ''section 6661(b)(2)(C)(ii)''.

(26) Subparagraph (A) of section 7811(i)(3) of such Act is amended by inserting ''the first place it appears'' before ''in clause (i)''.

(27) Paragraph (10) of section 7841(d) of such Act is amended by striking ''section 381(a)'' and inserting ''section 381(c)''.

(28) Paragraph (2) of section 7861(c) of such Act is amended by inserting ''the second place it appears'' before ''and inserting''.

(29) Paragraph (1) of section 460(b) is amended by striking ''the look-back method of paragraph (3)'' and inserting ''the look-back method of paragraph (2)''.

(30) Subparagraph (C) of section 50(a)(2) is amended by striking ''subsection (c)(4)'' and inserting ''subsection (d)(5)''.

(31) Subparagraph (B) of section 172(h)(4) is amended by striking the material following the heading and preceding clause (i) and inserting ''For purposes of subsection (b)(2)—''.

(32) Subparagraph (A) of section 355(d)(7) is amended by inserting ''section'' before ''267(b)''.

(33) Subparagraph (C) of section 420(e)(1) is amended by striking ''mean'' and inserting ''means''.

(34) Paragraph (4) of section 537(b) is amended by striking ''section 172(i)'' and inserting ''section 172(f)''.

(35) Subparagraph (B) of section 613(e)(1) is amended by striking the comma at the end thereof and inserting a period.

(36) Paragraph (4) of section 856(a) is amended by striking ''section 582(c)(5)'' and inserting ''section 582(c)(2)''.

(37) Sections 904(f)(2)(B)(i) and 907(c)(4)(B)(iii) are each amended by inserting ''(as in effect on the day before the date of the enactment of the Revenue Reconciliation Act of 1990)'' after ''section 172(h)''.

(38) Subsection (b) of section 936 is amended by striking ''subparagraphs (D)(ii)(I)'' and inserting ''subparagraphs (D)(ii)''.

(39) Subsection (c) of section 2104 is amended by striking ''subparagraph (A), (C), or (D) of section 861(a)(1)'' and inserting ''section 861(a)(1)(A)''.

(40) Subparagraph (A) of section 280A(c)(1) is amended to read as follows:

''(A) as the principal place of business for any trade or business of the taxpayer,''.

(41) Section 6038 is amended by redesignating the subsection relating to cross references as subsection (f).

(42) Clause (iv) of section 6103(e)(1)(A) is amended by striking all that follows ''provisions of'' and inserting ''section 1(g) or 59(j);''.

(43) The subsection (f) of section 6109 of the Internal Revenue Code of 1986 which was added by section 2201(d) of Public Law 101–624 is redesignated as subsection (g).

(44) Subsection (b) of section 7454 is amended by striking ''section 4955(e)(2)'' and inserting ''section 4955(f)(2)''.

(45) Subsection (d) of section 11231 of the Revenue Reconciliation Act of 1990 shall be applied as if ''comma'' appeared instead of ''period'' and as if the paragraph (9) proposed to be added ended with a comma.

(46) Paragraph (1) of section 11303(b) of the Revenue Reconciliation Act of 1990 shall be applied as if ''paragraph'' appeared instead of ''subparagraph'' in the material proposed to be stricken.

(47) Subsection (f) of section 11701 of the Revenue Reconciliation Act of 1990 is amended by inserting ''(relating to definitions)'' after ''section 6038(e)''.

(48) Subsection (i) of section 11701 of the Revenue Reconciliation Act of 1990 shall be applied as if ''subsection'' appeared instead of ''section'' in the material proposed to be stricken.

(49) Subparagraph (B) of section 11801(c)(2) of the Revenue Reconciliation Act of 1990 shall be applied as if ''section 56(g)'' appeared instead of ''section 59(g)''.

(50) Subparagraph (C) of section 11801(c)(8) of the Revenue Reconciliation Act of 1990 shall be applied as if ''reorganizations'' appeared instead of ''reorganization'' in the material proposed to be stricken.

(51) Subparagraph (H) of section 11801(c)(9) of the Revenue Reconciliation Act of 1990 shall be applied as if ''section 1042(c)(1)(B)'' appeared instead of ''section 1042(c)(2)(B)''.

(52) Subparagraph (F) of section 11801(c)(12) of the Revenue Reconciliation Act of 1990 shall be applied as if ''and (3)'' appeared instead of ''and (E)''.

(53) Subparagraph (A) of section 11801(c)(22) of the Revenue Reconciliation Act of 1990 shall be applied as if ''chapters 21'' appeared instead of ''chapter 21'' in the material proposed to be stricken.

(54) Paragraph (3) of section 11812(b) of the Revenue Reconciliation Act of 1990 shall be applied by not executing the amendment therein to the heading of section 42(d)(5)(B).

(55) Clause (i) of section 11813(b)(9)(A) of the Revenue Reconciliation Act of 1990 shall be applied as if a comma appeared after ''(3)(A)(ix)'' in the material proposed to be stricken.

(56) Subparagraph (F) of section 11813(b)(13) of the Revenue Reconciliation Act of 1990 shall be applied as if ''tax'' appeared after ''investment'' in the material proposed to be stricken.

(57) Paragraph (19) of section 11813(b) of the Revenue Reconciliation Act of 1990 shall be applied as if ''Paragraph (20) of section 1016(a), as redesignated by section 11801,'' appeared instead of ''Paragraph (21) of section 1016(a)''.

(58) Paragraph (5) section 8002(a) of the Surface Transportation Revenue Act of 1991 shall be applied as if ''4481(e)'' appeared instead of ''4481(c)''.

(59) Section 7872 is amended—

(A) by striking ''foregone'' each place it appears in subsections (a) and (e)(2) and inserting ''forgone'', and

(B) by striking ''FOREGONE'' in the heading for subsection (e) and the heading for paragraph (2) of subsection (e) and inserting ''FORGONE''.

(60) Paragraph (7) of section 7611(h) is amended by striking ''approporiate'' and inserting ''appropriate''.

(61) The heading of paragraph (3) of section 419A(c) is amended by striking ''SEVERENCE'' and inserting ''SEVERANCE''.

(62) Clause (ii) of section 807(d)(3)(B) is amended by striking ''Commissoners' '' and inserting ''Commissioners' ''.

(63) Subparagraph (B) of section 1274A(c)(1) is amended by striking ''instument'' and inserting ''instrument''.

(64) Subparagraph (B) of section 724(d)(3) by striking ''Subparagaph'' and inserting ''Subparagraph''.

(65) The last sentence of paragraph (2) of section 42(c) is amended by striking ''of 1988''.

(66) Paragraph (1) of section 9707(d) is amended by striking ''diligence,'' and inserting ''diligence''.

(67) Subsection (c) of section 4977 is amended by striking ''section 132(i)(2)'' and inserting ''section 132(h)''.

(68) The last sentence of section 401(a)(20) is amended by striking ''section 211'' and inserting ''section 521''.

(69) Subparagraph (A) of section 402(g)(3) is amended by striking ''subsection (a)(8)'' and inserting ''subsection (e)(3)''.

(70) The last sentence of section 403(b)(10) is amended by striking ''an direct'' and inserting ''a direct''.

(71) Subparagraph (A) of section 4973(b)(1) is amended by striking ''sections 402(c)'' and inserting ''section 402(c)''.

(72) Paragraph (12) of section 3405(e) is amended by striking ''(b)(3)'' and inserting ''(b)(2)''.

(73) Paragraph (41) of section 521(b) of the Unemployment Compensation Amendments of 1992 shall be applied as if ''section'' appeared instead of ''sections'' in the material proposed to be stricken.

(74) Paragraph (27) of section 521(b) of the Unemployment Compensation Amendments of 1992 shall be applied as if ''Section 691(c)(5)'' appeared instead of ''Section 691(c)''.

(75) Paragraph (5) of section 860F(a) is amended by striking ''paragraph (1)'' and inserting ''paragraph (2)''.

(76) Paragraph (1) of section 415(k) is amended by adding ''or'' at the end of subparagraph (C), by striking subparagraphs (D) and (E), and by redesignating subparagraph (F) as subparagraph (D).

(77) Paragraph (2) of section 404(a) is amended by striking ''(18),''.

(78) Clause (ii) of section 72(p)(4)(A) is amended to read as follows:

''(ii) SPECIAL RULE.—The term 'qualified employer plan' shall not include any plan which was (or was determined to be) a qualified employer plan or a government plan.''

(79) Sections 461(i)(3)(C) and 1274(b)(3)(B)(i) are each amended by striking ''section 6662(d)(2)(C)(ii)'' and inserting ''section 6662(d)(2)(C)(iii)''.

(80) Subsection (a) of section 164 is amended by striking the paragraphs relating to the generation-skipping tax and the environmental tax imposed by section 59A and by inserting after paragraph (3) the following new paragraphs:

''(4) The GST tax imposed on income distributions.

''(5) The environmental tax imposed by section 59A.''

Subtitle G—Tax Reduction Contingent on Deficit Reduction

SEC. 6701. TAX REDUCTION CONTINGENT ON DEFICIT REDUCTION.

Notwithstanding any other provision of this title and any amendment made by this title, no provision of this title shall take effect unless—

(1) the concurrent resolution on the budget for fiscal year 1996, as agreed to, provides that the budget of the United States will be in balance by fiscal year 2002, and

(2) the conference report, as agreed to, on the reconciliation bill for that resolution—

(A) achieves the aggregate amount of deficit reduction to effectuate the reconciliation instructions required for the years covered by that resolution necessary to so balance the budget, and

(B) contains a statement, based on estimates made by the Director of the Congressional Budget Office, that such conference report does so comply.

SEC. 6702. MONITORING.

The Committees on the Budget of the House of Representatives and the Senate shall each monitor progress on achieving a balanced budget consistent with the most recently agreed to concurrent resolution on the budget for fiscal year 1996 or any subsequent fiscal year (and the reconciliation Act for that resolution) or the most recently agreed to concurrent resolution on the budget that would achieve a balanced budget by fiscal year 2002 (and the reconciliation Act for that resolution). After consultation with the Director of the Congressional Budget Office, each such committee shall submit a report of its findings to its House and the President on or before December 15, 1995, and annually thereafter. Each such report shall contain the following:

(1) Estimates of the deficit levels (based on legislation enacted through the date of the report) for each fiscal year through fiscal year 2002.

(2) An analysis of the variance (if any) between those estimated deficit levels and the levels set forth in the concurrent resolution on the budget for fiscal year 1996 or the most recently agreed to concurrent resolution on the budget that would achieve a balanced budget by fiscal year 2002.

(3) Policy options to achieve the additional levels of deficit reduction necessary to balance the budget of the United States by fiscal year 2002.

SEC. 6703. CONGRESSIONAL ACTION.

Each House of Congress shall incorporate the policy options included in the report of its Committee on the Budget under section 6702(a)(3) (or other policy options) in developing a concurrent resolution on the budget for any fiscal year that achieves the additional levels of deficit reduction necessary to balance the budget of the United States by fiscal year 2002.

SEC. 6704. PRESIDENTIAL ACTION.

If the President submits a budget under section 1105(a) of title 31, United States Code, that does not provide for a balanced budget for the United States by fiscal year 2002, then the President shall include with that submission a complete budget that balances the budget by that fiscal year.

The CHAIRMAN. No amendment to the amendment in the nature of a substitute is in order except the further amendment in the nature of a substitute printed in part 2 of the report, which may be offered only by the gentleman from Missouri [Mr. GEPHARDT], or his designee, is considered as having been read, is debatable for one hour, equally divided and controlled by the proponent and an opponent of the amendment, and is not subject to amendment.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. GEPHARDT

Mr. GEPHARDT. Mr. Chairman, I offer an amendment in the nature of a substitute made in order under the rule.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. GEPHARDT.

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''School Act of 1995''.

(b) TABLE OF CONTENTS.—

Sec. 1. Short title; table of contents.

TITLE I—INCENTIVES FOR INVESTMENT IN HIGHER EDUCATION

Sec. 101. Deduction for higher education expenses.
Sec. 102. Deduction for interest on loans for higher education.
Sec. 103. Expansion of education saving bond program.
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Sec. 501. Revision of tax rules on expatriation.
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Sec. 508. Residence of estates and trusts.

TITLE VI—EXTENSION OF AUTHORITY OF FEDERAL COMMUNICATIONS COMMISSION TO USE COMPETITIVE BIDDING

Sec. 601. Extension of authority.

TITLE VII—PRIVATIZATION OF THE UNITED STATES ENRICHMENT CORPORATION

Sec. 701. Short title and reference.
Sec. 702. Production facility.
Sec. 703. Definitions.
Sec. 704. Employees of the corporation.
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Sec. 708. Licensing of other technologies.
Sec. 709. Conforming amendments.

TITLE I—INCENTIVES FOR INVESTMENT IN HIGHER EDUCATION

SEC. 101. DEDUCTION FOR HIGHER EDUCATION EXPENSES.

(a) DEDUCTION ALLOWED.— Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to additional itemized deductions for individuals) is amended by redesignating section 220 as section 221 and by inserting after section 219 the following new section:

''SEC. 220. HIGHER EDUCATION TUITION AND FEES.

''(a) ALLOWANCE OF DEDUCTION.—In the case of an individual, there shall be allowed as a deduction the amount of qualified higher education expenses paid by the taxpayer during the taxable year.

''(b) LIMITATIONS.—

''(1) DOLLAR LIMITATION.—

''(A) IN GENERAL.—The amount allowed as a deduction under subsection (a) for any taxable year shall not exceed $10,000.

''(B) PHASE-IN.—In the case of taxable years beginning in 1996, 1997, or 1998, '$5,000' shall be substituted for '$10,000' in subparagraph (A).

''(2) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—

''(A) IN GENERAL.—The amount which would (but for this paragraph) be taken into account under paragraph (1) shall be reduced (but not below zero) by the amount determined under subparagraph (B).

''(B) AMOUNT OF REDUCTION.—The amount determined under this subparagraph equals the amount which bears the same ratio to the amount which would be so taken into account as—

''(i) the excess of—

''(I) the taxpayer's modified adjusted gross income for such taxable year, over

''(II) $50,000 ($75,000 in the case of a joint return), bears to

''(ii) $10,000.

''(C) MODIFIED ADJUSTED GROSS INCOME.—The term 'modified adjusted gross income' means the adjusted gross income of the taxpayer for the taxable year determined—

''(i) without regard to this section and sections 911, 931, and 933, and

''(ii) after the application of sections 86, 135, 219 and 469.

For purposes of sections 86, 135, 219, and 469, adjusted gross income shall be determined without regard to the deduction allowed under this section.

''(c) QUALIFIED HIGHER EDUCATION EXPENSES.—For purposes of this section—

''(1) QUALIFIED HIGHER EDUCATION EXPENSES.—

''(A) IN GENERAL.—The term 'qualified higher education expenses' means tuition and fees charged by an educational institution and required for the enrollment or attendance of—

''(i) the taxpayer,

''(ii) the taxpayer's spouse, or

''(iii) any dependent of the taxpayer with respect to whom the taxpayer is allowed a deduction under section 151,

as an eligible student at an institution of higher education.

''(B) EXCEPTION FOR EDUCATION INVOLVING SPORTS, ETC.—Such term does not include expenses with respect to any course or other education involving sports, games, or hobbies, unless such expenses—

''(i) are part of a degree program, or

''(ii) are deductible under this chapter without regard to this section.

''(C) EXCEPTION FOR NONACADEMIC FEES.—Such term does not include any student activity fees, athletic fees, insurance expenses, or other expenses unrelated to a student's academic course of instruction.

''(D) ELIGIBLE STUDENT.—For purposes of subparagraph (A), the term 'eligible student' means a student who—

''(i) meets the requirements of section 484(a)(1) of the Higher Education Act of 1965 (20 U.S.C. 1091(a)(1)), as in effect on the date of the enactment of this section, and

''(ii)(I) is carrying at least one-half the normal full-time work load for the course of study the student is pursuing, as determined by the institution of higher education, or

''(II) is enrolled in a course which enables the student to improve the student's job skills or to acquire new job skills.

''(E) IDENTIFICATION REQUIREMENT.—No deduction shall be allowed under subsection (a) to a taxpayer with respect to an eligible student unless the taxpayer includes the name, age, and taxpayer identification number of such eligible student on the return of tax for the taxable year.

''(2) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means an institution which—

''(A) is described in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088), as in effect on the date of the enactment of this section, and

''(B) is eligible to participate in programs under title IV of such Act.

''(d) SPECIAL RULES.—

''(1) NO DOUBLE BENEFIT.—

''(A) IN GENERAL.—No deduction shall be allowed under subsection (a) for qualified higher education expenses with respect to which a deduction is allowable to the taxpayer under any other provision of this chapter unless the taxpayer irrevocably waives his right to the deduction of such expenses under such other provision.

''(B) DEPENDENTS.—No deduction shall be allowed under subsection (a) to any individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins.

''(C) SAVINGS BOND EXCLUSION.—A deduction shall be allowed under subsection (a) for qualified higher education expenses only to the extent the amount of such expenses exceeds the amount excludable under section 135 for the taxable year.

''(2) LIMITATION ON TAXABLE YEAR OF DEDUCTION.—

''(A) IN GENERAL.—A deduction shall be allowed under subsection (a) for any taxable year only to the extent the qualified higher education expenses are in connection with enrollment at an institution of higher education during the taxable year.

''(B) CERTAIN PREPAYMENTS ALLOWED.—Subparagraph (A) shall not apply to qualified higher education expenses paid during a taxable year if such expenses are in connection with an academic term beginning during such taxable year or during the 1st 3 months of the next taxable year.

''(3) ADJUSTMENT FOR CERTAIN SCHOLARSHIPS AND VETERANS BENEFITS.—The amount of qualified higher education expenses otherwise taken into account under subsection (a) with respect to the education of an individual shall be reduced (before the application of subsection (b)) by the sum of the amounts received with respect to such individual for the taxable year as—

''(A) a qualified scholarship which under section 117 is not includable in gross income,

''(B) an educational assistance allowance under chapter 30, 31, 32, 34, or 35 of title 38, United States Code, or

''(C) a payment (other than a gift, bequest, devise, or inheritance within the meaning of section 102(a)) for educational expenses, or attributable to enrollment at an eligible educational institution, which is exempt from income taxation by any law of the United States.

''(4) NO DEDUCTION FOR MARRIED INDIVIDUALS FILING SEPARATE RETURNS.—If the taxpayer is a married individual (within the meaning of section 7703), this section shall apply only if the taxpayer and the taxpayer's spouse file a joint return for the taxable year. The preceeding sentence shall not apply if the taxpayer lives apart from his spouse at all times during the taxable year.

''(5) NONRESIDENT ALIENS.—If the taxpayer is a nonresident alien individual for any portion of the taxable year, this section shall apply only if such individual is treated as a resident alien of the United States for purposes of this chapter by reason of an election under subsection (g) or (h) of section 6013.

''(6) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this section, including regulations requiring recordkeeping and information reporting.''

(b) DEDUCTION ALLOWED IN COMPUTING ADJUSTED GROSS INCOME.—Section 62(a) of such Code is amended by inserting after paragraph (15) the following new paragraph:

''(16) HIGHER EDUCATION TUITION AND FEES.—The deduction allowed by section 220.''

(c) CONFORMING AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking the item relating to section 220 and inserting:

''Sec. 220. Higher education tuition and fees.

''Sec. 221. Cross reference.''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made after December 31, 1995.

SEC. 102. DEDUCTION FOR INTEREST ON LOANS FOR HIGHER EDUCATION.

(a) IN GENERAL.—Paragraph (2) of section 163(h) of the Internal Revenue Code of 1986 (defining personal interest) is amended by striking ''and'' at the end of subparagraph (D), by redesignating subparagraph (E) as subparagraph (F), and by inserting after subparagraph (D) the following new subparagraph:

''(E) any interest on a qualified higher education loan, and''.

(b) QUALIFIED HIGHER EDUCATION LOAN DEFINED.—Paragraph (5) of section 163(h) of such Code (relating to phase-in of limitations) is amended to read as follows:

''(5) QUALIFIED HIGHER EDUCATION LOAN.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified higher education loan' means any loan incurred by the taxpayer under a State or Federal student loan program to pay qualified higher education expenses (as defined in section 220(c))—

''(i) which are paid or incurred within a reasonable period of time before or after the indebtedness is incurred, and

''(ii) which are attributable to education furnished during a period during which the recipient was an eligible student (as defined in such section).

Such term includes indebtedness used to refinance indebtedness which qualifies as a qualified higher education loan.

''(B) REDUCTION OF BENEFIT FOR HIGHER INCOME TAXPAYERS.—

''(i) IN GENERAL.—The amount of interest which would (but for this subparagraph) be taken into account under paragraph (2)(E) for the taxable year shall be reduced (but not below zero) by the amount which bears the same ratio to the amount of such interest as—

''(I) the excess of the taxpayer's modified adjusted gross income for such taxable year over $50,000 ($75,000 in the case of a joint return), bears to

''(II) $10,000.

''(ii) MODIFIED ADJUSTED GROSS INCOME.—For purposes of clause (i), the term 'modified adjusted gross income' means the adjusted gross income of the taxpayer for the taxable year determined—

''(I) without regard to paragraph (2)(E) and sections 911, 931, and 933, and

''(II) after the application of sections 86, 135, 219, 220, and 469.

For purposes of sections 86, 135, 219, 220, and 469, adjusted gross income shall be determined without regard to the deduction allowed by reason of paragraph (2)(E).

''(C) COORDINATION WITH LIMITATION ON HOME EQUITY INDEBTEDNESS.—Any qualified higher education loan shall not be taken into account for purposes of applying the limitation of paragraph (3)(C)(ii).

''(D) COORDINATION WITH SAVINGS BOND EXCLUSION.—The amount of qualified higher education expenses for any taxable year otherwise taken into account under subparagraph (A) shall be reduced by any amount excludable from gross income under section 135 for such taxable year.

''(E) OTHER RULES TO APPLY.—Rules similar to the rules of subparagraphs (B) and (C) of paragraph (1), and paragraphs (3), (4), and (5), of section 220(d), shall apply for purposes of this section.''

(c) DEDUCTION ALLOWED IN COMPUTING ADJUSTED GROSS INCOME.—Section 62(a) of such Code is amended by inserting after paragraph (16) the following new paragraph:

''(17) INTEREST ON LOANS FOR HIGHER EDUCATION.—The deduction allowed by section 163 to the extent attributable to any qualified higher education loan (as defined in section 163(h)(5)).''

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or accrued after December 31, 1995.

SEC. 103. EXPANSION OF EDUCATION SAVING BOND PROGRAM.

(a) HIGHER YIELD ON GUARANTEED EDUCATION PLAN BONDS.—Subsection (b) of section 3101 of title 31, United States Code, is amended by adding at the end the following new paragraph:

''(3)(A) The Secretary shall issue savings bonds which are designated as Guaranteed Education Plan Bonds.

''(B)(i) Except as provided in clause (ii) or by the Secretary, Guaranteed Education Plan Bonds shall have the same terms and conditions as other savings bonds.

''(ii) Guaranteed Education Plan Bonds, if redeemed under circumstances such that the Secretary is reasonably certain that the redemption proceeds will be used to pay the qualified higher education expenses (as defined in section 135 of the Internal Revenue Code of 1986) of the individual holding the bond, shall have an investment yield which is materially greater than the investment yield when not so used.''

(b) REDUCTION OF AGE LIMIT ON INDIVIDUAL TO WHOM BOND ISSUED.—Subparagraph (B) of

section 135(b)(1) is amended by striking ''age 24'' and inserting ''age 21''.

(c) TAXPAYER NEED NOT BE PURCHASER OF BOND.—Nothing in section 135 of the Internal Revenue Code of 1986 shall be construed to require that, in order for a savings bond to be a qualified United States savings bond under such section, the purchaser of the bond must be the individual to whom the bond is issued.

(d) LIMITATION ON INFLATION ADJUSTMENT.—Subparagraph (B) of section 135(b)(2) is amended by adding at the end the following new flush sentence:

''In no event shall be adjustment under this subparagraph increase the $40,000 amount to more than $50,000 or the $60,000 amount to more than $70,000.''

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

(2) SUBSECTION (d).—The amendment made by subsection (d) shall apply to taxable years beginning after December 31, 1995.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for the administrative expenses of the Department of the Treasury to carry out the amendment made by subsection (a)—

(1) $650,000 for the fiscal year beginning after the date of the enactment of this Act, and

(2) $11,900,000 for each following fiscal year.

SEC. 104. DEDUCTION FOR IRA CONTRIBUTIONS AVAILABLE TO ALL MIDDLE-INCOME TAXPAYERS.

(a) IN GENERAL.—Subparagraph (B) of section 219(g)(3) of the Internal Revenue Code of 1986 is amended—

(1) by striking ''$40,000'' in clause (i) and inserting ''$75,000'', and

(2) by striking ''$25,000'' in clause (ii) and inserting ''$50,000''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to contributions for taxable years beginning after December 31, 1995.

SEC. 105. DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT PLANS MAY BE USED WITHOUT PENALTY TO PAY HIGHER EDUCATION EXPENSES.

(a) IN GENERAL.—Paragraph (2) of section 72(t) of the Internal Revenue Code of 1986 (relating to exceptions to 10-percent additional tax on early distributions from qualified retirement plans) is amended by adding at the end thereof the following new subparagraph:

''(D) DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT PLANS FOR HIGHER EDUCATIONAL EXPENSES.—Distributions to an individual from an individual retirement plan to the extent such distributions during the taxable year do not exceed the amount allowed as a deduction under section 220 to the taxpayer for such taxable year.''

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to distributions after December 31, 1995.

SEC. 106. SPOUSAL IRA COMPUTED ON BASIS OF COMPENSATION OF BOTH SPOUSES.

(a) IN GENERAL.—Subsection (c) of section 219 of the Internal Revenue Code of 1986 (relating to special rules for certain married individuals) is amended to read as follows:

''(c) SPECIAL RULES FOR CERTAIN MARRIED INDIVIDUALS.—

''(1) IN GENERAL.—In the case of an individual to whom this paragraph applies for the taxable year, the limitation of subsection (b)(1) shall be equal to the lesser of—

''(A) $2,000, or

''(B) the sum of—

''(i) the compensation includible in such individual's gross income for the taxable year, plus

''(ii) the compensation includible in the gross income of such individual's spouse for the taxable year reduced by the amount allowable as a deduction under subsection (a) to such spouse for such taxable year.

''(2) INDIVIDUALS TO WHOM PARAGRAPH (1) APPLIES.—Paragraph (1) shall apply to any individual if—

''(A) such individual files a joint return for the taxable year, and

''(B) the amount of compensation (if any) includible in such individual's gross income for the taxable year is less than the compensation includible in the gross income of such individual's spouse for the taxable year.

''(3) PHASEIN OF BENEFIT.—The amount determined under paragraph (1)(B)(ii) for any taxable year beginning in a calendar year shall not exceed the sum of—

''(A) $250, plus

''(B) the product of $250 and the number of calendar years which such calendar year is after 1996.''

(b) TECHNICAL AMENDMENT.—Paragraph (2) of section 219(f) of such Code (relating to other definitions and special rules) is amended by striking ''subsections (b) and (c)'' and inserting ''subsection (b)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions for taxable years beginning after December 31, 1995.

TITLE II—NONDEDUCTIBLE TAX-FREE INDIVIDUAL RETIREMENT ACCOUNTS

SEC. 201. ESTABLISHMENT OF NONDEDUCTIBLE TAX-FREE INDIVIDUAL RETIREMENT ACCOUNTS.

(a) IN GENERAL.—Subpart A of part I of subchapter D of chapter 1 of the Internal Revenue Code of 1986 (relating to pension, profit-sharing, stock bonus plans, etc.) is amended by inserting after section 408 the following new section:

''SEC. 408A. SPECIAL INDIVIDUAL RETIREMENT ACCOUNTS.

''(a) GENERAL RULE.—Except as provided in this chapter, a special individual retirement account shall be treated for purposes of this title in the same manner as an individual retirement plan.

''(b) SPECIAL INDIVIDUAL RETIREMENT ACCOUNT.—For purposes of this title, the term 'special individual retirement account' means an individual retirement plan which is designated at the time of establishment of the plan as a special individual retirement account.

''(c) TREATMENT OF CONTRIBUTIONS.—

''(1) NO DEDUCTION ALLOWED.—No deduction shall be allowed under section 219 for a contribution to a special individual retirement account.

''(2) CONTRIBUTION LIMIT.—The aggregate amount of contributions for any taxable year to all special individual retirement accounts maintained for the benefit of an individual shall not exceed the excess (if any) of—

''(A) the maximum amount allowable as a deduction under section 219 with respect to such individual for such taxable year, over

''(B) the amount so allowed.

''(3) SPECIAL RULES FOR QUALIFIED TRANSFERS.—

''(A) IN GENERAL.—No rollover contribution may be made to a special individual retirement account unless it is a qualified transfer.

''(B) LIMIT NOT TO APPLY.—The limitation under paragraph (2) shall not apply to a qualified transfer to a special individual retirement account.

''(d) TAX TREATMENT OF DISTRIBUTIONS.—

''(1) IN GENERAL.—Except as provided in this subsection, any amount paid or distributed out of a special individual retirement account shall not be included in the gross income of the distributee.

''(2) EXCEPTION FOR EARNINGS ON CONTRIBUTIONS HELD LESS THAN 5 YEARS.—

''(A) IN GENERAL.—Any amount distributed out of a special individual retirement account which consists of earnings allocable to contributions made to the account during the 5-year period ending on the day before such distribution shall be included in the gross income of the distributee for the taxable year in which the distribution occurs.

''(B) ORDERING RULE.—

''(i) FIRST-IN, FIRST-OUT RULE.—Distributions from a special individual retirement account shall be treated as having been made—

''(I) first from the earliest contribution (and earnings allocable thereto) remaining in the account at the time of the distribution, and

''(II) then from other contributions (and earnings allocable thereto) in the order in which made.

''(ii) ALLOCATIONS BETWEEN CONTRIBUTIONS AND EARNINGS.—Any portion of a distribution allocated to a contribution (and earnings allocable thereto) shall be treated as allocated first to the earnings and then to the contribution.

''(iii) ALLOCATION OF EARNINGS.—Earnings shall be allocated to a contribution in such manner as the Secretary may by regulations prescribe.

''(iv) CONTRIBUTIONS IN SAME YEAR.—Except as provided in regulations, all contributions made during the same taxable year may be treated as 1 contribution for purposes of this subparagraph.

''(C) CROSS REFERENCE.—

''For additional tax for early withdrawal, see section 72(t).

''(3) QUALIFIED TRANSFER.—

''(A) IN GENERAL.—Paragraph (2) shall not apply to any distribution which is transferred in a qualified transfer to another special individual retirement account.

''(B) CONTRIBUTION PERIOD.—For purposes of paragraph (2), the special individual retirement account to which any contributions are transferred shall be treated as having held such contributions during any period such contributions were held (or are treated as held under this subparagraph) by the special individual retirement account from which transferred.

''(4) SPECIAL RULES RELATING TO CERTAIN TRANSFERS.—

''(A) IN GENERAL.—Notwithstanding any other provision of law, in the case of a qualified transfer to a special individual retirement account from an individual retirement plan which is not a special individual retirement account—

''(i) there shall be included in gross income any amount which, but for the qualified transfer, would be includible in gross income, but

''(ii) section 72(t) shall not apply to such amount.

''(B) TIME FOR INCLUSION.—In the case of any qualified transfer which occurs before January 1, 1997, any amount includible in gross income under subparagraph (A) with respect to such contribution shall be includible ratably over the 4-taxable year period beginning in the taxable year in which the amount was paid or distributed out of the individual retirement plan.

''(e) QUALIFIED TRANSFER.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified transfer' means a transfer to a special individual retirement account from another such account or from an individual retirement plan but only if such transfer meets the requirements of section 408(d)(3).

''(2) LIMITATION.—A transfer otherwise described in paragraph (1) shall not be treated

as a qualified transfer if the taxpayer's adjusted gross income for the taxable year of the transfer exceeds the sum of—

''(A) the applicable dollar amount, plus

''(B) the dollar amount applicable for the taxable year under section 219(g)(2)(A)(ii).

This paragraph shall not apply to a transfer from a special individual retirement account to another special individual retirement account.

''(3) DEFINITIONS.—For purposes of this subsection, the terms 'adjusted gross income' and 'applicable dollar amount' have the meanings given such terms by section 219(g)(3), except subparagraph (A)(ii) thereof shall be applied without regard to the phrase 'or the deduction allowable under this section'.''

(b) EARLY WITHDRAWAL PENALTY.—Section 72(t) of such Code is amended by adding at the end the following new paragraph:

''(6) RULES RELATING TO SPECIAL INDIVIDUAL RETIREMENT ACCOUNTS.—In the case of a special individual retirement account under section 408A—

''(A) this subsection shall only apply to distributions out of such account which consist of earnings allocable to contributions made to the account during the 5-year period ending on the day before such distribution, and

''(B) paragraph (2)(A)(i) shall not apply to any distribution described in subparagraph (A).''

(c) EXCESS CONTRIBUTIONS.—Section 4973(b) of such Code is amended by adding at the end the following new sentence: ''For purposes of paragraphs (1)(B) and (2)(C), the amount allowable as a deduction under section 219 shall be computed without regard to section 408A.''

(d) CONFORMING AMENDMENT.—The table of sections for subpart A of part I of subchapter D of chapter 1 of such Code is amended by inserting after the item relating to section 408 the following new item:

''Sec. 408A. Special individual retirement accounts.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

TITLE III—TAX BENEFITS CONTINGENT ON FEDERAL BUDGET

SEC. 301. EFFECTIVE DATES OF TAX BENEFITS DELAYED UNTIL FEDERAL BUDGET PROJECTED TO BE IN BALANCE.

(a) IN GENERAL.—Notwithstanding any provision of title I or II of this Act and any amendment made by such titles, except as otherwise provided in this section—

(1) any reference in this such titles (or in any amendment made by such titles) to 1995 shall be treated as a reference to the calendar year ending in the first successful deficit reduction year, and

(2) any reference in such titles (or in any amendment made by such titles) to any later calendar year shall be treated as a reference to the calendar year which is the same number of years after such first calendar year as such later year is after 1995.

(b) FIRST SUCCESSFUL DEFICIT REDUCTION YEAR.—For purposes of this section and section 302—

(1) IN GENERAL.—The term ''first successful deficit reduction year'' means the first fiscal year beginning after the date of the enactment of this Act with respect to which there is an OMB certification before the beginning of such fiscal year that the budget of the United States will be in balance by fiscal year 2002 based upon estimates of enacted legislation, including the amendments made by this Act.

(2) OMB CERTIFICATION.—The term ''OMB certification'' means a written certification by the Director of the Office of Management and Budget to the President and the Congress.

(c) CERTIFICATION DURING 1995.—Subsection (a) shall not apply if there is an OMB certification made during 1995 that the budget of the United States will be in balance by fiscal year 2002 based upon estimates of enacted legislation, including the amendments made by this Act.

SEC. 302. TERMINATION OF TAX BENEFITS IF FEDERAL BUDGET DEFICIT REDUCTION TARGETS ARE NOT MET.

(a) NO CREDITS, DEDUCTIONS, EXCLUSIONS, PREFERENTIAL RATE OF TAX, ETC.—No tax benefit provided by any provision of the Internal Revenue Code of 1986 added by title I or II of this Act shall apply to any taxable year beginning after the calendar year in which the first failed deficit reduction year ends.

(b) FIRST FAILED DEFICIT REDUCTION YEAR.—For purposes of this section, the term ''first failed deficit reduction year'' means the first fiscal year (beginning after the earliest date on which any amendment made by title I or II takes effect) with respect to which there is an OMB certification during the 3-month period after the close of such fiscal year that the actual deficit in the budget of the United States for such fiscal year was greater than the deficit target for such fiscal year specified in the following table:

''In the case of fiscal year:	The deficit target (in billions) is:
1996	$150
1997	125
1998	100
1999	75
2000	50
2001	25
2002 or thereafter	0.

TITLE IV—REVISIONS TO DISCRETIONARY SPENDING LIMITS AND BUDGET PROCESS

SEC. 401. SHORT TITLE.

This title may be cited as the ''Discretionary Spending Reduction and Control Act of 1995''.

SEC. 402. DISCRETIONARY SPENDING LIMITS.

(a) LIMITS.—Section 601(a)(2) of the Congressional Budget Act of 1974 is amended by striking subparagraphs (A), (B), (C), (D), and (F), by redesignating subparagraph (E) as subparagraph (A) and by striking ''and'' at the end of that subparagraph, and by inserting after subparagraph (A) the following new subparagraphs:

''(B) with respect to fiscal year 1996, for the discretionary category: $516,478,000,000 in new budget authority and $549,054,000,000 in outlays;

''(C) with respect to fiscal year 1997, for the discretionary category: $522,894,000,000 in new budget authority and $544,051,000,000 in outlays;

''(D) with respect to fiscal year 1998, for the discretionary category: $528,810,000,000 in new budget authority and $545,548,000,000 in outlays;

''(E) with respect to fiscal year 1999, for the discretionary category: $527,753,000,000 in new budget authority and $544,402,000,000 in outlays; and

''(F) with respect to fiscal year 2000, for the discretionary category: $527,040,000,000 in new budget authority and $543,357,000,000 in outlays;''.

(b) COMMITTEE ALLOCATIONS AND ENFORCEMENT.—Section 602 of the Congressional Budget Act of 1974 is amended—

(1) in subsection (c), by striking ''1995'' and inserting ''2000'' and by striking its last sentence; and

(2) in subsection (d), by striking ''1992 TO 1995'' in the side heading and inserting ''1995 TO 2000'' and by striking ''1992 through 1995'' and inserting ''1995 through 2000''.

(c) FIVE-YEAR BUDGET RESOLUTIONS.—Section 606 of the Congressional Budget Act of 1974 is amended—

(1) in subsection (a), by striking ''1992, 1993, 1994, or 1995'' and inserting ''1995, 1996, 1997, 1998, 1999, or 2000''; and

(2) in subsection (d)(1), by striking ''1992, 1993, 1994, and 1995'' and inserting ''1995, 1996, 1997, 1998, 1999, and 2000'', and by striking ''(i) and (ii)''.

(d) EFFECTIVE DATE.—Section 607 of the Congressional Budget Act of 1974 is amended by striking ''1991 to 1998'' and inserting ''1995 to 2000''.

(e) SEQUESTRATION REGARDING CRIME TRUST FUND.—Section 251A(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking its last sentence and inserting the following:

''(E) For fiscal year 1999, $5,639,000,000.

''(F) For fiscal year 2000, $6,225,000,000.

SEC. 403. GENERAL STATEMENT AND DEFINITIONS.

(a) GENERAL STATEMENT.—Section 250(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking the first sentence and inserting the following: ''This part provides for the enforcement of deficit reduction through discretionary spending limits and pay-as-you-go requirements for fiscal years 1995 through 2000.''.

(b) DEFINITIONS.—Section 250(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) by striking paragraph (4) and inserting the following:

''(4) The term 'category' means all discretionary appropriations.'';

(2) by striking paragraph (6) and inserting the following:

''(6) The term 'budgetary resources' means new budget authority, unobligated balances, direct spending authority, and obligation limitations.'';

(3) in paragraph (9), by striking ''1992'' and inserting ''1995'';

(4) in paragraph (14), by striking ''1995'' and inserting ''2000''; and

(5) by striking paragraph (17) and by redesignating paragraphs (18) through (21) as paragraphs (17) through (20), respectively.

SEC. 404. ENFORCING DISCRETIONARY SPENDING LIMITS.

Section 251 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in the side heading of subsection (a), by striking ''1991–1998'' and inserting ''1995–2000'';

(2) in the first sentence of subsection (b)(1), by striking ''1992, 1993, 1994, 1995, 1996, 1997 or 1998'' and inserting ''1995, 1996, 1997, 1998, 1999, or 2000'' and by striking ''through 1998'' and inserting ''through 2000'';

(3) in subsection (b)(1), by striking subparagraphs (B) and (C) and by striking ''the following:'' and all that follows through ''The adjustments'' and inserting ''the following: the adjustments'';

(4) in subsection (b)(2), by striking ''1991, 1992, 1993, 1994, 1995, 1996, 1997, or 1998'' and inserting ''1995, 1996, 1997, 1998, 1999, or 2000'' and by striking ''through 1998'' and inserting ''through 2000'';

(5) by striking subparagraphs (A), (B), and (C) of subsection (b)(2);

(6) in subsection (b)(2)(E), by striking clauses (i), (ii), and (iii) and by striking ''(iv) if, for fiscal years 1994, 1995, 1996, 1997, and 1998'' and inserting ''If, for fiscal years 1995, 1996, 1997, 1998, 1999, and 2000''; and

(7) in subsection (b)(2)(F), strike everything after ''the adjustment in outlays'' and insert ''for a category for a fiscal year shall not exceed 0.5 percent of the adjusted discretionary spending limit on outlays for that fiscal year in fiscal year 1996, 1997, 1998, 1999, or 2000.''.

SEC. 405. ENFORCING PAY-AS-YOU-GO.

Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in the side heading of subsection (a), by striking ''1992–1998'' and inserting ''1995–2000'';

(2) in subsection (d), by striking ''1998'' each place it appears and inserting ''2000''; and

(3) in subsection (e), by striking ''1991 through 1998'' and inserting ''1995 through 2000'' and by striking ''through 1995'' and inserting ''through 2000''.

SEC. 406. REPORTS AND ORDERS.

Section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended—

(1) in subsection (d)(2), by striking ''1998'' and inserting ''2000''; and

(2) in subsection (g), by striking ''1998'' each place it appears and inserting ''2000''.

SEC. 407. TECHNICAL CORRECTION.

Section 258 of the Balanced Budget and Emergency Deficit Control Act of 1985, entitled ''Modification of Presidential Order'', is repealed.

SEC. 408. EFFECTIVE DATE.

(a) EXPIRATION.—Section 275(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking ''1995'' and inserting ''2000''.

(b) EXPIRATION.—Section 14002(c)(3) of the Omnibus Budget Reconciliation Act of 1993 (2 U.S.C. 900 note; 2 U.S.C. 665 note) is repealed.

SEC. 409. SAVINGS FROM PROVISIONS OF THIS TITLE REDUCING DISCRETIONARY SPENDING TO BE ADDED TO PAY-AS-YOU-GO SCORECARD.

(a)(1) The net change in outlays for any fiscal year through fiscal year 2000 estimated to result from provisions of this title revising or extending limits on discretionary spending and spending from the Violent Crime Reduction Trust Fund shall be considered a change in direct spending for purposes of section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985.

(2) In applying paragraph (1), the change in outlays resulting from provisions of this title revising and extending the limits on discretionary spending set forth in section 601(a)(2) of the Congressional Budget Act of 1974 shall be computed as follows:

(A) For fiscal years 1996 through 1998, by comparing the outlay limit resulting from this title for each year with the outlay limit for that year in effect immediately prior to enactment of this Act.

(B) For fiscal years 1999 and 2000, by comparing the outlay limit resulting from this title for each year with the limit for fiscal year 1998 in effect immediately prior to enactment of this Act.

(3) In applying paragraph (1), the change in outlays resulting from provisions of this title extending the limits on spending from the Violent Crime Reduction Trust Fund set forth in section 251A(b)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985 shall be computed by comparing the outlay limit resulting from this title for each year with the level of outlays for that year referred to in the last 2 sentences of section 251A(b)(1) of such Act as in effect immediately before the enactment of this Act.

(b) Except as provided in subsection (a), no statutory reduction in the discretionary spending limits shall be counted in estimates under section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 410. CLARIFICATION OF ORDER IN WHICH ADJUSTMENTS TO DISCRETIONARY SPENDING LIMITS ARE TO BE MADE.

In the OMB final sequestration report for fiscal year 1996—

(1) all adjustments required by section 251(b)(2) made after the preview report for fiscal year 1996 shall be made to the discretionary spending limits set forth in 601(a)(2) of the Congressional Budget Act of 1974 as amended by section 402; and

(2) all statutory changes in the discretionary spending limits made by the Personal Responsibility Act of 1995 or by the Act entitled ''An Act making emergency supplemental appropriations for additional disaster assistance and making rescissions for the fiscal year ending September 30, 1995, and for other purposes'' shall be made to those limits.

TITLE V—PROVISIONS RELATING TO INTERNATIONAL TAXATION

SEC. 501. REVISION OF TAX RULES ON EXPATRIATION.

(a) IN GENERAL.—Subpart A of part II of subchapter N of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 877 the following new section:

''SEC. 877A. TAX RESPONSIBILITIES OF EXPATRIATION.

''(a) GENERAL RULES.—For purposes of this subtitle—

''(1) CITIZENS.—If any United States citizen relinquishes his citizenship during a taxable year, all property held by such citizen at the time immediately before such relinquishment shall be treated as sold at such time for its fair market value and any gain or loss shall be taken into account for such taxable year.

''(2) CERTAIN RESIDENTS.—If any long-term resident of the United States ceases to be subject to tax as a resident of the United States for any portion of any taxable year, all property held by such resident at the time of such cessation shall be treated as sold at such time for its fair market value and any gain or loss shall be taken into account for the taxable year which includes the date of such cessation.

''(b) EXCLUSION FOR CERTAIN GAIN.—The amount which would (but for this subsection) be includible in the gross income of any taxpayer by reason of subsection (a) shall be reduced (but not below zero) by $600,000.

''(c) PROPERTY TREATED AS HELD.—For purposes of this section, except as otherwise provided by the Secretary, an individual shall be treated as holding—

''(1) all property which would be includible in his gross estate under chapter 11 were such individual to die at the time the property is treated as sold,

''(2) any other interest in a trust which the individual is treated as holding under the rules of section 679(e) (determined by treating such section as applying to foreign and domestic trusts), and

''(3) any other interest in property specified by the Secretary as necessary or appropriate to carry out the purposes of this section.

''(d) EXCEPTIONS.—The following property shall not be treated as sold for purposes of this section:

''(1) UNITED STATES REAL PROPERTY INTERESTS.—Any United States real property interest (as defined in section 897(c)(1)), other than stock of a United States real property holding corporation which does not, on the date the individual relinquishes his citizenship or ceases to be subject to tax as a resident, meet the requirements of section 897(c)(2).

''(2) INTEREST IN CERTAIN RETIREMENT PLANS.—

''(A) IN GENERAL.—Any interest in a qualified retirement plan (as defined in section 4974(d)), other than any interest attributable to contributions which are in excess of any limitation or which violate any condition for tax-favored treatment.

''(B) FOREIGN PENSION PLANS.—

''(i) IN GENERAL.—Under regulations prescribed by the Secretary, interests in foreign pension plans or similar retirement arrangements or programs.

''(ii) LIMITATION.—The value of property which is treated as not sold by reason of this subparagraph shall not exceed $500,000.

''(e) DEFINITIONS.—For purposes of this section—

''(1) RELINQUISHMENT OF CITIZENSHIP.—A citizen shall be treated as relinquishing his United States citizenship on the date the United States Department of State issues to the individual a certificate of loss of nationality or on the date a court of the United States cancels a naturalized citizen's certificate of naturalization.

''(2) LONG-TERM RESIDENT.—

''(A) IN GENERAL.—The term 'long-term resident' means any individual (other than a citizen of the United States) who is a lawful permanent resident of the United States and, as a result of such status, has been subject to tax as a resident in at least 10 taxable years during the period of 15 taxable years ending with the taxable year during which the sale under subsection (a) is treated as occurring.

''(B) SPECIAL RULE.—For purposes of subparagraph (A), there shall not be taken into account—

''(i) any taxable year during which any prior sale is treated under subsection (a) as occurring, or

''(ii) any taxable year prior to the taxable year referred to in clause (i).

''(f) TERMINATION OF DEFERRALS, ETC.—On the date any property held by an individual is treated as sold under subsection (a)—

''(1) any period deferring recognition of income or gain shall terminate, and

''(2) any extension of time for payment of tax shall cease to apply and the unpaid portion of such tax shall be due and payable.

''(g) ELECTION BY EXPATRIATING RESIDENTS.—Solely for purposes of determining gain under subsection (a)—

''(1) IN GENERAL.—At the election of a resident not a citizen of the United States, property—

''(A) which was held by such resident on the date the individual first became a resident of the United States during the period of long-term residency to which the treatment under subsection (a) relates, and

''(B) which is treated as sold under subsection (a),

shall be treated as having a basis on such date of not less than the fair market value of such property on such date.

''(2) ELECTION.—Such an election shall apply to all property described in paragraph (1), and, once made, shall be irrevocable.

''(h) DEFERRAL OF TAX ON CLOSELY HELD BUSINESS INTERESTS.—The District Director may enter into an agreement with any individual which permits such individual to defer payment for not more than 5 years of any tax imposed by subsection (a) by reason of holding any interest in a closely held business (as defined in section 6166(b)) other than a United States real property interest described in subsection (d)(1).

''(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.

''(j) CROSS REFERENCE.—

''For termination of United States citizenship for tax purposes, see section 7701(a)(47).''

(b) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—Section 7701(a) of such Code is amended by adding at the end the following new paragraph:

''(47) TERMINATION OF UNITED STATES CITIZENSHIP.—An individual shall not cease to be treated as a United States citizen before the

date on which the individual's citizenship is treated as relinquished under section 877A(e)(1).''

(c) CONFORMING AMENDMENTS.—

(1) Section 877 of such Code is amended by adding at the end the following new subsection:

''(f) TERMINATION.—This section shall not apply to any individual who is subject to the provisions of section 877A.''

(2) Paragraph (10) of section 7701(b) of such Code is amended by adding at the end the following new sentence: ''This paragraph shall not apply to any individual who is subject to the provisions of section 877A.''

(d) CLERICAL AMENDMENT.—The table of sections for subpart A of part II of subchapter N of chapter 1 of such Code is amended by inserting after the item relating to section 877 the following new item:

''Sec. 877A. Tax responsibilities of expatriation.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to—

(1) United States citizens who relinquish (within the meaning of section 877A(e)(1) of the Internal Revenue Code of 1986, as added by this section) United States citizenship on or after February 6, 1995, and

(2) long-term residents (as defined in such section) who cease to be subject to tax as residents of the United States on or after such date.

SEC. 502. IMPROVED INFORMATION REPORTING ON FOREIGN TRUSTS.

(a) IN GENERAL.—Section 6048 of the Internal Revenue Code of 1986 (relating to returns as to certain foreign trusts) is amended to read as follows:

''SEC. 6048. INFORMATION WITH RESPECT TO CERTAIN FOREIGN TRUSTS.

''(a) NOTICE OF CERTAIN EVENTS.—

''(1) GENERAL RULE.—On or before the 90th day (or such later day as the Secretary may prescribe) after any reportable event, the responsible party shall—

''(A) notify each trustee of the trust of the requirements of subsection (b), and

''(B) provide written notice of such event to the Secretary in accordance with paragraph (2).

''(2) CONTENTS OF NOTICE.—The notice required by paragraph (1)(B) shall contain such information as the Secretary may prescribe, including—

''(A) the amount of money or other property (if any) transferred to the trust in connection with the reportable event,

''(B) the identity of the trust and of each trustee and beneficiary (or class of beneficiaries) of the trust, and

''(C) a statement that each trustee of the trust has been informed of the requirements of subsection (b).

''(3) REPORTABLE EVENT.—For purposes of this subsection, the term 'reportable event' means—

''(A) the creation of any foreign trust by a United States person,

''(B) the transfer of any money or property to a foreign trust by a United States person, including a transfer by reason of death,

''(C) a domestic trust becoming a foreign trust,

''(D) the death of a citizen or resident of the United States who is a grantor of a foreign trust, and

''(E) the residency starting date (within the meaning of section 7701(b)(2)(A)) of a grantor of a foreign trust subject to tax under section 679(a)(3).

Subparagraphs (A) and (B) shall not apply with respect to a trust described in section 404(a)(4) or 404A.

''(4) RESPONSIBLE PARTY.—For purposes of this subsection, the term 'responsible party' means—

''(A) the grantor in the case of a reportable event described in subparagraph (A) or (E) of paragraph (3),

''(B) the transferor in the case of a reportable event described in paragraph (3)(B) other than a transfer by reason of death,

''(C) the trustee of the domestic trust in the case of a reportable event described in paragraph (3)(C), and

''(D) the executor of the decedent's estate in the case of a transfer by reason of death.

''(b) TRUST REPORTING REQUIREMENTS.—If a foreign trust, at any time during a taxable year of such trust—

''(1) has a grantor who is a United States person and—

''(A) such grantor is treated as the owner of any portion of such trust under the rules of subpart E of part I of subchapter J of chapter 1, or

''(B) any portion of such trust would be included in the gross estate of such grantor if the grantor were to die at such time, or

''(2) directly or indirectly distributes, credits, or allocates money or property to any United States person (whether or not the trust has a grantor described in paragraph (1)),

then such trust shall meet the requirements of subsection (c) (relating to trust information and agent) and subsection (d) (relating to annual return).

''(c) CONTENTS OF SECTION 6048 STATEMENT.—

''(1) IN GENERAL.—The requirements of this subsection are met if the trust files with the Secretary a statement which contains such information as the Secretary may prescribe and which—

''(A) identifies a United States person who is the trust's limited agent to provide the Secretary with such information that reasonably should be available to the trust for purposes of applying sections 7602, 7603, and 7604 with respect to any request by the Secretary to examine trust records or produce testimony related to any transaction by the trust or with respect to any summons by the Secretary for such records or testimony, and

''(B) contains an agreement to comply with the requirements of subsection (d).

''(2) SPECIAL RULE.—A foreign trust which appoints an agent described in paragraph (1)(A) shall not be considered to have an office or a permanent establishment in the United States solely because of the activities of such agent pursuant to this section. For purposes of this section, the appearance of persons or production of records by reason of the creation of the agency shall not subject such persons or records to legal process for any purpose other than determining the correct treatment under this title of the activities and operations of the trust.

''(d) ANNUAL RETURNS AND STATEMENTS.—The requirements of this subsection are met if—

''(1) the trust makes a return for the taxable year which sets forth a full and complete accounting of all trust activities and operations for the taxable year, and contains such other information as the Secretary may prescribe; and

''(2) the trust furnishes such information as the Secretary may prescribe to each United States person—

''(A) who is treated as the owner of any portion of such trust under the rules of subpart E of part I of subchapter J of chapter 1,

''(B) to whom any item with respect to the taxable year is credited or allocated, or

''(C) who receives a distribution from such trust with respect to the taxable year.

''(e) TIME AND MANNER OF FILING INFORMATION.—Any notice, statement, or return required under this section shall be made at such time and in such manner as the Secretary shall prescribe.

''(f) MODIFICATION OF RETURN REQUIREMENTS.—The Secretary is authorized to suspend or modify any requirement of this section if the Secretary determines that the United States has no significant tax interest in obtaining the required information.''

(b) PENALTIES.—Section 6677 of such Code (relating to failure to file information returns with respect to certain foreign trusts) is amended to read as follows:

''SEC. 6677. FAILURE TO FILE INFORMATION WITH RESPECT TO CERTAIN FOREIGN TRUSTS.

''(a) FAILURE TO REPORT CERTAIN EVENTS.—

''(1) IN GENERAL.—In the case of a reportable event described in any subparagraph of section 6048(a)(3) for which a responsible party does not file a written notice meeting the requirements of section 6048(a)(2) within the time specified in section 6048(a)(1), the responsible party shall pay a penalty of $10,000. If any failure described in the preceding sentence continues for more than 90 days after the day on which the Secretary mails notice of such failure to the responsible party, such party shall pay a penalty (in addition to the $10,000 amount) of $10,000 for each 30-day period (or fraction thereof) during which such failure continues after the expiration of such 90-day period.

''(2) 35-PERCENT PENALTY.—In the case of a reportable event described in subparagraph (A), (B), or (C) of section 6048(a)(3) (other than a transfer by reason of death), the aggregate amount of the penalties under paragraph (1) shall not be less than an amount equal to 35 percent of the gross value of the property involved in such event (determined as of the date of the event).

''(3) RESPONSIBLE PARTY.—For purposes of this subsection, the term 'responsible party' has the meaning given to such term by section 6048(a)(4).

''(b) FAILURE TO MAKE CERTAIN STATEMENTS AND RETURNS.—

''(1) IN GENERAL.—In the case of any failure to meet the requirements of section 6048(b), the appropriate tax treatment of any trust transactions or operations shall be determined by the Secretary in the Secretary's sole discretion from the Secretary's own knowledge or from such information as the Secretary may obtain through testimony or otherwise.

''(2) MONETARY PENALTY.—In the case of any failure to meet the requirements of section 6048(b) with respect to a trust described in such section by reason of paragraph (1) thereof, the grantor described in such paragraph (1) shall pay a penalty of $10,000 for each taxable year with respect to which the foreign trust fails to meet such requirements. If any failure described in the preceding sentence continues for more than 90 days after the day on which the Secretary mails notice of such failure to such grantor, such grantor shall pay a penalty (in addition to any other penalty) of $10,000 for each 30-day period (or fraction thereof) during which such failure continues after the expiration of such 90-day period.

''(c) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed by this section on any failure which is shown to be due to reasonable cause and not due to willful neglect. The fact that a foreign jurisdiction would impose a civil or criminal penalty on the taxpayer (or any other person) for disclosing the requested documentation is not reasonable cause.

''(d) DEFICIENCY PROCEDURES NOT TO APPLY.—Subchapter B of chapter 63 (relating to deficiency procedures for income, estate, gift, and certain excise taxes) shall not apply in respect of the assessment or collection of any penalty imposed by this section.''

(c) CLERICAL AMENDMENTS.—

(1) The table of sections for subpart B of part III of subchapter A of chapter 61 of such Code is amended by striking the item relating to section 6048 and inserting the following new item:

''Sec. 6048. Information with respect to certain foreign trusts.''

(2) The table of sections for part I of subchapter B of chapter 68 of such Code is amended by striking the item relating to section 6677 and inserting the following new item:

''Sec. 6677. Failure to file information with respect to certain foreign trusts.''

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply—

(A) to reportable events occurring on or after February 6, 1995, and

(B) to the extent such amendments require reporting for any taxable year under section 6048(b) of the Internal Revenue Code of 1986 (as added by this section), to taxable years beginning after the date of the enactment of this Act.

(2) NOTICES.—For purposes of section 6048(a) of such Code, the 90th day referred to therein shall in no event be treated as being earlier than the 90th day after the date of the enactment of this Act.

SEC. 503. MODIFICATION OF RULES RELATING TO FOREIGN TRUSTS HAVING ONE OR MORE UNITED STATES BENEFICIARIES.

(a) IN GENERAL.—Section 679 of the Internal Revenue Code of 1986 (relating to foreign trusts having one or more United States beneficiaries) is amended to read as follows:

''SEC. 679. FOREIGN TRUSTS HAVING ONE OR MORE UNITED STATES BENEFICIARIES.

''(a) TRANSFEROR TREATED AS OWNER.—

''(1) IN GENERAL.—A United States person who directly or indirectly transfers property to a foreign trust (other than a trust described in section 404(a)(4) or section 404A) shall be treated as the owner for his taxable year of the portion of such trust attributable to such property if for such year there is a United States beneficiary of such trust.

''(2) EXCEPTION.—

''(A) IN GENERAL.—Paragraph (1) shall not apply to any sale or exchange of property to a trust if—

''(i) the trust pays fair market value for such property, and

''(ii) all of the gain to the transferor is recognized at the time of transfer.

''(B) CERTAIN OBLIGATIONS NOT TAKEN INTO ACCOUNT.—For purposes of subparagraph (A), in determining whether the transferor received fair market value, there shall not be taken into account—

''(i) any obligation of—

''(I) the trust,

''(II) any grantor or beneficiary of the trust, or

''(III) any person who is related (within the meaning of section 643(i)(3)) to any grantor or beneficiary of the trust, and

''(ii) except as provided in regulations, any obligation which is guaranteed by a person described in clause (i).

''(C) TREATMENT OF DEEMED SALE ELECTION UNDER SECTION 1057.—For purposes of subparagraph (A), a transfer with respect to which an election under section 1057 is made shall not be treated as a sale or exchange.

''(3) SPECIAL RULES APPLICABLE TO FOREIGN GRANTOR WHO LATER BECOMES A UNITED STATES PERSON.—A nonresident alien individual who becomes a United States resident within 5 years after directly or indirectly transferring property to a foreign trust shall be treated for purposes of this section and section 6048 as having transferred such property, and any undistributed income (including all realized and unrealized gains) attributable thereto, to the foreign trust immediately after becoming a United States resident. For this purpose, a nonresident alien shall be treated as becoming a resident of the United States on the residency starting date (within the meaning of section 7701(b)(2)(A)).

''(b) BENEFICIARIES TREATED AS TRANSFERORS IN CERTAIN CASES.—For purposes of this section and section 6048, if—

''(1) a citizen or resident of the United States who is treated as the owner of any portion of a trust under subsection (a) dies,

''(2) property is transferred to a foreign trust by reason of the death of a citizen or resident of the United States, or

''(3) a domestic trust to which any United States person made a transfer becomes a foreign trust,

then, except as otherwise provided in regulations, the trust beneficiaries shall be treated as having transferred to such trust (as of the date of the applicable event under paragraph (1), (2), or (3)) their respective interests (as determined under subsection (e)) in the property involved.

''(c) TRUSTS ACQUIRING UNITED STATES BENEFICIARIES.—If—

''(1) subsection (a) applies to a trust for the transferor's taxable year, and

''(2) subsection (a) would have applied to the trust for the transferor's immediately preceding taxable year but for the fact that for such preceding taxable year there was no United States beneficiary for any portion of the trust,

then, for purposes of this subtitle, the transferor shall be treated as having received as an accumulation distribution taxable under subpart D an amount equal to the undistributed net income (as determined under section 665(a) as of the close of such immediately preceding taxable year) attributable to the portion of the trust referred to in subsection (a).

''(d) TRUSTS TREATED AS HAVING A UNITED STATES BENEFICIARY.—

''(1) IN GENERAL.—For purposes of this section, a trust shall be treated as having a United States beneficiary for the taxable year unless—

''(A) under the terms of the trust, no part of the income or corpus of the trust may be paid or accumulated during the taxable year to or for the benefit of a United States person, and

''(B) if the trust were terminated at any time during the taxable year, no part of the income or corpus of such trust could be paid to or for the benefit of a United States person.

To the extent provided by the Secretary, for purposes of this subsection, the term 'United States person' includes any person who was a United States person at any time during the existence of the trust.

''(2) ATTRIBUTION OF OWNERSHIP.—For purposes of paragraph (1), an amount shall be treated as paid or accumulated to or for the benefit of a United States person if such amount is paid to or accumulated for a foreign corporation, foreign partnership, or foreign trust or estate, and—

''(A) in the case of a foreign corporation, more than 50 percent of the total combined voting power of all classes of stock of such corporation entitled to vote is owned (within the meaning of section 958(a)) or is considered to be owned (within the meaning of section 958(b)) by United States shareholders (as defined in section 951(b)),

''(B) in the case of a foreign partnership, a United States person is a partner of such partnership, or

''(C) in the case of a foreign trust or estate, such trust or estate has a United States beneficiary (within the meaning of paragraph (1)).

''(e) DETERMINATION OF BENEFICIARIES' INTERESTS IN TRUST.—

''(1) GENERAL RULE.—For purposes of this section, a beneficiary's interest in a foreign trust shall be based upon all relevant facts and circumstances, including the terms of the trust instrument and any letter of wishes or similar document, historical patterns of trust distributions, and the existence of and functions performed by a trust protector or any similar advisor.

''(2) SPECIAL RULE.—In the case of beneficiaries whose interests in a trust cannot be determined under paragraph (1)—

''(A) the beneficiary having the closest degree of kinship to the grantor shall be treated as holding the remaining interests in the trust not determined under paragraph (1) to be held by any other beneficiary, and

''(B) if 2 or more beneficiaries have the same degree of kinship to the grantor, such remaining interests shall be treated as held equally by such beneficiaries.

''(3) CONSTRUCTIVE OWNERSHIP.—If a beneficiary of a foreign trust is a corporation, partnership, trust, or estate, the shareholders, partners, or beneficiaries shall be deemed to be the trust beneficiaries for purposes of this section.

''(4) TAXPAYER RETURN POSITION.—A taxpayer shall clearly indicate on its income tax return—

''(A) the methodology used to determine that taxpayer's trust interest under this section, and

''(B) if the taxpayer knows (or has reason to know) that any other beneficiary of such trust is using a different methodology to determine such beneficiary's trust interest under this section.

''(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to taxable years ending on or after February 6, 1995.

(2) SECTION 679(a).—Paragraphs (2) and (3) of section 679(a) of the Internal Revenue Code of 1986 (as added by this section) shall apply to—

(A) any trust created on or after February 6, 1995, and

(B) the portion of any trust created before such date which is attributable to actual transfers of property to the trust on or after such date.

(3) SECTION 679(b).—

(A) IN GENERAL.—Paragraphs (1) and (2) of section 679(b) of such Code (as so added) shall apply to—

(i) any trust created on or after the date of the enactment of this Act, and

(ii) the portion of any trust created before such date which is attributable to actual transfers of property to the trust on or after such date.

(B) SECTION 679(b)(3).—Section 679(b)(3) of such Code (as so added) shall take effect on February 6, 1995, without regard to when the property was transferred to the trust.

SEC. 504. FOREIGN PERSONS NOT TO BE TREATED AS OWNERS UNDER GRANTOR TRUST RULES.

(a) IN GENERAL.—So much of section 672(f) of the Internal Revenue Code of 1986 (relating to special rule where grantor is foreign person) as precedes paragraph (2) is amended to read as follows:

''(f) SUBPART NOT TO RESULT IN FOREIGN OWNERSHIP.—

''(1) IN GENERAL.—Notwithstanding any other provision of this subpart, this subpart shall apply only to the extent such application results in an amount being included (directly or through 1 or more entities) in the gross income of a citizen or resident of the United States or a domestic corporation. The preceding sentence shall not apply to any portion of an investment trust if such trust is treated as a trust for purposes of this title and the grantor of such portion is the sole beneficiary of such portion.''

(b) CREDIT FOR CERTAIN TAXES.—Paragraph (2) of section 665(d) of such Code is amended by adding at the end the following new sentence: ''Under rules or regulations prescribed by the Secretary, in the case of any foreign trust of which the settlor or another person would be treated as owner of any portion of the trust under subpart E but for section 672(f), the term 'taxes imposed on the trust' includes the allocable amount of any income, war profits, and excess profits taxes imposed by any foreign country or possession of the United States on the settlor or such other person in respect of trust income.''

(c) DISTRIBUTIONS BY CERTAIN FOREIGN TRUSTS THROUGH NOMINEES.—

(1) Section 643 of such Code is amended by adding at the end the following new subsection:

''(h) DISTRIBUTIONS BY CERTAIN FOREIGN TRUSTS THROUGH NOMINEES.—For purposes of this part, any amount paid to a United States person which is derived directly or indirectly from a foreign trust of which the payor is not the grantor shall be deemed in the year of payment to have been directly paid by the foreign trust to such United States person.''

(2) Section 665 of such Code is amended by striking subsection (c).

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(e) TRANSITIONAL RULE.—If—

(1) by reason of the amendments made by this section, any person other than a United States person ceases to be treated as the owner of a portion of a domestic trust, and

(2) before January 1, 1996, such trust becomes a foreign trust, or the assets of such trust are transferred to a foreign trust,

no tax shall be imposed by section 1491 of the Internal Revenue Code of 1986 by reason of such trust becoming a foreign trust or the assets of such trust being transferred to a foreign trust.

SEC. 505. GRATUITOUS TRANSFERS BY PARTNERSHIPS AND FOREIGN CORPORATIONS.

(a) IN GENERAL.—Subchapter C of chapter 80 of the Internal Revenue Code of 1986 (relating to provisions affecting more than one subtitle) is amended by adding at the end the following new section:

''SEC. 7874. PURPORTED GIFTS BY PARTNERSHIPS AND FOREIGN CORPORATIONS.

''(a) IN GENERAL.—Any property (including money) that is purportedly a direct or indirect gift by a partnership or a foreign corporation to a person who is not a partner of the partnership or a shareholder of the corporation, respectively, may be recharacterized by the Secretary to prevent the avoidance of tax. The Secretary may not recharacterize gifts made for bona fide business or charitable purposes.

''(b) STATEMENTS ON RECIPIENT'S RETURN.—A taxpayer who receives a purported gift subject to subsection (a) shall attach a statement to his income tax return for the year of receipt that identifies the property received and describes fully the circumstances surrounding the purported gift.

''(c) EXEMPTION.—Subsection (a) shall not apply to purported gifts received by any person during any taxable year if the amount thereof is less than $2,500.

''(d) REGULATIONS.—The Secretary may prescribe such rules as may be necessary or appropriate to carry out the purposes of this section.''

(b) CLERICAL AMENDMENT.—The table of sections for such subchapter C is amended by adding at the end the following new item:

''Sec. 7874. Purported gifts by partnerships and foreign corporations.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received after the date of the enactment of this Act.

SEC. 506. INFORMATION REPORTING REGARDING LARGE FOREIGN GIFTS.

(a) IN GENERAL.—Subpart A of part III of subchapter A of chapter 61 of the Internal Revenue Code of 1986 is amended by inserting after section 6039E the following new section:

''SEC. 6039F. NOTICE OF LARGE GIFTS RECEIVED FROM FOREIGN PERSONS.

''(a) IN GENERAL.—If the value of the aggregate foreign gifts received by a United States person (other than an organization described in section 501(c) and exempt from tax under section 501(a)) during any taxable year exceeds $100,000, such United States person shall furnish (at such time and in such manner as the Secretary shall prescribe) such information as the Secretary may prescribe regarding each foreign gift received during such year.

''(b) FOREIGN GIFT.—For purposes of this section, the term 'foreign gift' means any amount received from a person other than a United States person which the recipient treats as a gift or bequest. Such term shall not include any qualified transfer (within the meaning of section 2503(e)(2)).

''(c) PENALTY FOR FAILURE TO FILE INFORMATION.—

''(1) IN GENERAL.—If a United States person fails to furnish the information required by subsection (a) with respect to any foreign gift within the time prescribed therefor (including extensions)—

''(A) the tax consequences of the receipt of such gift shall be determined by the Secretary in the Secretary's sole discretion from the Secretary's own knowledge or from such information as the Secretary may obtain through testimony or otherwise, and

''(B) such United States person shall pay (upon notice and demand by the Secretary and in the same manner as tax) an amount equal to 5 percent of the amount of such foreign gift for each month for which the failure continues (not to exceed 25 percent of such amount in the aggregate).

''(2) REASONABLE CAUSE EXCEPTION.— Paragraph (1) shall not apply to any failure to report a foreign gift if the United States person shows that the failure is due to reasonable cause and not due to willful neglect.

''(d) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this section.''.

(b) CLERICAL AMENDMENT.—The table of sections for such subpart is amended by inserting after the item relating to section 6039E the following new item:

''Sec. 6039F. Notice of large gifts received from foreign persons.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received after the date of the enactment of this Act in taxable years ending after such date.

SEC. 507. MODIFICATION OF RULES RELATING TO FOREIGN TRUSTS WHICH ARE NOT GRANTOR TRUSTS.

(a) MODIFICATION OF INTEREST CHARGE ON ACCUMULATION DISTRIBUTIONS.—Subsection (a) of section 668 of the Internal Revenue Code of 1986 (relating to interest charge on accumulation distributions from foreign trusts) is amended to read as follows:

''(a) GENERAL RULE.—For purposes of the tax determined under section 667(a)—

''(1) SUM OF INTEREST CHARGES FOR EACH THROWBACK YEAR.—The interest charge (determined under paragraph (2)) with respect to any distribution is the sum of the interest charges for each of the throwback years to which such distribution is allocated under section 666(a).

''(2) INTEREST CHARGE FOR YEAR.—Except as provided in paragraph (6), the interest charge for any throwback year on such year's allocable share of the partial tax computed under section 667(b) with respect to any distribution shall be determined for the period—

''(A) beginning on the due date for the throwback year, and

''(B) ending on the due date for the taxable year of the distribution,

by using the rates and method applicable under section 6621 for underpayments of tax for such period. For purposes of the preceding sentence, the term 'due date' means the date prescribed by law (determined without regard to extensions) for filing the return of the tax imposed by this chapter for the taxable year.

''(3) ALLOCABLE PARTIAL TAX.—For purposes of paragraph (2), a throwback year's allocable share of the partial tax is an amount equal to such partial tax multiplied by the fraction—

''(A) the numerator of which is the amount deemed by section 666(a) to be distributed on the last day of such throwback year, and

''(B) the denominator of which is the accumulation distribution taken into account under section 666(a).

''(4) THROWBACK YEAR.—For purposes of this subsection, the term 'throwback year' means any taxable year to which a distribution is allocated under section 666(a).

''(5) PERIODS OF NONRESIDENCE.—The period under paragraph (2) shall not include any portion thereof during which the beneficiary was not a citizen or resident of the United States.

''(6) THROWBACK YEARS BEFORE 1996.—In the case of any throwback year beginning before 1996—

''(A) interest for the portion of the period described in paragraph (2) which occurs before the first taxable year beginning after 1995 shall be determined by using an interest rate of 6 percent and no compounding, and

''(B) interest for the remaining portion of such period shall be determined as if the partial tax computed under section 667(b) for the throwback year were increased (as of the beginning of such first taxable year) by the amount of the interest determined under subparagraph (A).''

(b) RULE WHEN INFORMATION NOT AVAILABLE.—Subsection (d) of section 666 of such Code is amended by adding at the end the following: ''In the case of a distribution from a foreign trust to which section 6048(b) applies, adequate records shall not be considered to be available for purposes of the preceding sentence unless such trust meets the requirements referred to in such section. If a taxpayer is not able to demonstrate when a trust was created, the Secretary may use any reasonable approximation based on available evidence.''

(c) ABUSIVE TRANSACTIONS.—Section 643(a) of such Code is amended by inserting after paragraph (6) the following new paragraph:

''(7) ABUSIVE TRANSACTIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this part, including regulations to prevent avoidance of such purposes.''

(d) TREATMENT OF USE OF TRUST PROPERTY.—Section 643 of such Code (relating to definitions applicable to subparts A, B, C, and D) is amended by adding at the end the following new subsection:

''(i) USE OF FOREIGN TRUST PROPERTY.—

''(1) GENERAL RULE.—For purposes of subparts B, C, and D, if, during a taxable year of a foreign trust a trust participant of such trust directly or indirectly uses any of the trust's property, the use value for such taxable year shall be treated as an amount paid to such participant (other than from income for the taxable year) within the meaning of sections 661(a)(2) and section 662(a)(2).

''(2) EXEMPTION.—Paragraph (1) shall not apply to any trust participant as to whom the aggregate use value during the taxable year does not exceed $2,500.

''(3) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

''(A) USE VALUE.—Except as provided in subparagraph (B), the term 'use value' means the fair market value of the use of property reduced by any amount paid for such use by the trust participant or by any person who is related to such participant.

''(B) SPECIAL RULE FOR CASH AND CASH EQUIVALENT.—A direct or indirect loan of cash, or cash equivalent, by a foreign trust shall be treated as a use of trust property by the borrower and the full amount of the loan principal shall be the use value.

''(C) USE BY RELATED PARTY.—

''(i) Use by a person who is related to a trust participant shall be treated as use by the participant.

''(ii) If property is used by any person who is a related person with respect to more than one trust participant, then the property shall be treated as used by the trust participant most closely related, by blood or otherwise, to such person.

''(D) PROPERTY INCLUDES CASH AND CASH EQUIVALENTS.—The term 'property' includes cash and cash equivalents.

''(E) TRUST PARTICIPANT.—The term 'trust participant' means each grantor and beneficiary of the trust.

''(F) RELATED PERSON.—A person is related to a trust participant if the relationship between such persons would result in a disallowance of losses under section 267(b) or 707(b). In applying section 267 for purposes of the preceding sentence—

''(i) section 267(e) shall be applied as if such person or the trust participant were a passthru entity,

''(ii) section 267(b) shall be applied by substituting 'at least 10 percent' for 'more than 50 percent' each place it appears, and

''(iii) in determining the family of an individual under section 267(c)(4), such section shall be treated as including the spouse (and former spouse) of such individual and of each other person who is treated under such section as being a member of the family of such individual or spouse.

''(G) SUBSEQUENT TRANSACTIONS REGARDING LOAN PRINCIPAL.—If any loan described in subparagraph (B) is taken into account under paragraph (1), any subsequent transaction between the trust and the original borrower regarding the principal of the loan (by way of complete or partial repayment, satisfaction, cancellation, discharge, or otherwise) shall be disregarded for purposes of this title.''

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

(2) INTEREST CHARGE.—The amendment made by subsection (a) shall apply to interest for throwback years beginning before, on, or after the date of the enactment of this Act.

SEC. 508. RESIDENCE OF ESTATES AND TRUSTS.

(a) TREATMENT AS UNITED STATES PERSON.—Paragraph (30) of section 7701(a) of the Internal Revenue Code of 1986 is amended by striking subparagraph (D) and by inserting after subparagraph (C) the following:

''(D) any estate or trust if—

''(i) a court within the United States is able to exercise primary supervision over the administration of the estate or trust, and

''(ii) in the case of a trust, one or more United States fiduciaries have the authority to control all substantial decisions of the trust.''

(b) CONFORMING AMENDMENT.—Paragraph (31) of section 7701(a) of such Code is amended to read as follows:

''(31) FOREIGN ESTATE OR TRUST.—The term 'foreign estate' or 'foreign trust' means any estate or trust other than an estate or trust described in section 7701(a)(30)(D).''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply—

(1) to taxable years beginning after December 31, 1996, and

(2) at the election of the trustee of a trust, to taxable years beginning after the date of the enactment of this Act and on or before December 31, 1996.

Such an election, once made, shall be irrevocable.

TITLE VI—EXTENSION OF AUTHORITY OF FEDERAL COMMUNICATIONS COMMISSION TO USE COMPETITIVE BIDDING

SEC. 601. EXTENSION OF AUTHORITY.

Section 309(j)(11) of the Communications Act of 1934 (47 U.S.C. 309(j)(11)) is amended by striking ''September 30, 1998'' and inserting ''September 30, 2000''.

TITLE VII—PRIVATIZATION OF THE UNITED STATES ENRICHMENT CORPORATION

SEC. 701. SHORT TITLE AND REFERENCE.

(a) SHORT TITLE.—This title may be cited as the ''USEC Privatization Act''.

(b) REFERENCE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.).

SEC. 702. PRODUCTION FACILITY.

Paragraph v. of section 11 (42 U.S.C. 2014 v.) is amended by striking ''or the construction and operation of a uranium enrichment production facility using Atomic Vapor Laser Isotope Separation technology''.

SEC. 703. DEFINITIONS.

Section 1201 (42 U.S.C. 2297) is amended—

(1) in paragraph (4), by inserting before the period the following: ''and any successor corporation established through privatization of the Corporation'';

(2) by redesignating paragraphs (10) through (13) as paragraphs (14) through (17), respectively, and by inserting after paragraph (9) the following new paragraphs:

''(10) The term 'low-level radioactive waste' has the meaning given such term in section 102(9) of the Low-Level Radioactive Waste Policy Amendments Act of 1985 (42 U.S.C. 2021b(9)).

''(11) The term 'mixed waste' has the meaning given such term in section 1004(41) of the Solid Waste Disposal Act (42 U.S.C. 6903(41)).

''(12) The term 'privatization' means the transfer of ownership of the Corporation to private investors pursuant to chapter 25.

''(13) The term 'privatization date' means the date on which 100 percent of ownership of the Corporation has been transferred to private investors.'';

(3) by inserting after paragraph (17) (as redesignated) the following new paragraph:

''(18) The term 'transition date' means July 1, 1993.''; and

(4) by redesignating the unredesignated paragraph (14) as paragraph (19).

SEC. 704. EMPLOYEES OF THE CORPORATION.

(a) PARAGRAPH (2).—Paragraphs (1) and (2) of section 1305(e) (42 U.S.C. 2297b–4(e)(1)(2)) are amended to read as follows:

''(1) IN GENERAL.—It is the purpose of this subsection to ensure that the privatization of the Corporation shall not result in any adverse effects on the pension benefits of employees at facilities that are operated, directly or under contract, in the performance of the functions vested in the Corporation.

''(2) APPLICABILITY OF EXISTING COLLECTIVE BARGAINING AGREEMENT.—The Corporation shall abide by the terms of the collective bargaining agreement in effect on the privatization date at each individual facility.''.

(b) PARAGRAPH (4).—Paragraph (4) of section 1305(e) (42 U.S.C. 2297b–4(e)(4)) is amended—

(1) by striking ''AND DETAILEES'' in the heading;

(2) by striking the first sentence;

(3) in the second sentence, by inserting ''from other Federal employment'' after ''transfer to the Corporation''; and

(4) by striking the last sentence.

SEC. 705. MARKETING AND CONTRACTING AUTHORITY.

(a) MARKETING AUTHORITY.—Section 1401(a) (42 U.S.C. 2297c(a)) is amended effective on the privatization date (as defined in section 1201(13) of the Atomic Energy Act of 1954)—

(1) by amending the subsection heading to read ''MARKETING AUTHORITY.—''; and

(2) by striking the first sentence.

(b) TRANSFER OF CONTRACTS.—Section 1401(b) (42 U.S.C. 2297c(b)) is amended—

(1) in paragraph (2)(B), by adding at the end the following: ''The privatization of the Corporation shall not affect the terms of, or the rights or obligations of the parties to, any such power purchase contract.''; and

(2) by adding at the end the following:

''(3) EFFECT OF TRANSFER.—

''(A) As a result of the transfer pursuant to paragraph (1), all rights, privileges, and benefits under such contracts, agreements, and leases, including the right to amend, modify, extend, revise, or terminate any of such contracts, agreements, or leases were irrevocably assigned to the Corporation for its exclusive benefit.

''(B) Notwithstanding the transfer pursuant to paragraph (1), the United States shall remain obligated to the parties to the contracts, agreements, and leases transferred pursuant to paragraph (1) for the performance of the obligations of the United States thereunder during the term thereof. The Corporation shall reimburse the United States for any amount paid by the United States in respect of such obligations arising after the privatization date to the extent such amount is a legal and valid obligation of the Corporation then due.

''(C) After the privatization date, upon any material amendment, modification, extension, revision, replacement, or termination of any contract, agreement, or lease transferred under paragraph (1), the United States shall be released from further obligation under such contract, agreement, or lease, except that such action shall not release the United States from obligations arising under

such contract, agreement, or lease prior to such time.''.

(c) PRICING.—Section 1402 (42 U.S.C. 2297c–1) is amended to read as follows:

''SEC. 1402. PRICING.

''The Corporation shall establish prices for its products, materials, and services provided to customers on a basis that will allow it to attain the normal business objectives of a profitmaking corporation.''.

(d) LEASING OF GASEOUS DIFFUSION FACILITIES OF DEPARTMENT.—Effective on the privatization date (as defined in section 1201(13) of the Atomic Energy Act of 1954), section 1403 (42 U.S.C. 2297c–2) is amended by adding at the end the following:

''(h) LOW-LEVEL RADIOACTIVE WASTE AND MIXED WASTE.—

''(1) RESPONSIBILITY OF THE DEPARTMENT; COSTS.—

''(A) With respect to low-level radioactive waste and mixed waste generated by the Corporation as a result of the operation of the facilities and related property leased by the Corporation pursuant to subsection (a) or as a result of treatment of such wastes at a location other than the facilities and related property leased by the Corporation pursuant to subsection (a) the Department, at the request of the Corporation, shall—

''(i) accept for treatment or disposal of all such wastes for which treatment or disposal technologies and capacities exist, whether within the Department or elsewhere; and

''(ii) accept for storage (or ultimately treatment or disposal) all such wastes for which treatment and disposal technologies or capacities do not exist, pending development of such technologies or availability of such capacities for such wastes.

''(B) All low-level wastes and mixed wastes that the Department accepts for treatment, storage, or disposal pursuant to subparagraph (A) shall, for the purpose of any permits, licenses, authorizations, agreements, or orders involving the Department and other Federal agencies or State or local governments, be deemed to be generated by the Department and the Department shall handle such wastes in accordance with any such permits, licenses, authorizations, agreements, or orders. The Department shall obtain any additional permits, licenses, or authorizations necessary to handle such wastes, shall amend any such agreements or orders as necessary to handle such wastes, and shall handle such wastes in accordance therewith.

''(C) The Corporation shall reimburse the Department for the treatment, storage, or disposal of low-level radioactive waste or mixed waste pursuant to subparagraph (A) in an amount equal to the Department's costs but in no event greater than an amount equal to that which would be charged by commercial, State, regional, or interstate compact entities for treatment, storage, or disposal of such waste.

''(2) AGREEMENTS WITH OTHER PERSONS.—The Corporation may also enter into agreements for the treatment, storage, or disposal of low-level radioactive waste and mixed waste generated by the Corporation as a result of the operation of the facilities and related property leased by the Corporation pursuant to subsection (a) with any person other than the Department that is authorized by applicable laws and regulations to treat, store, or dispose of such wastes.''.

(e) LIABILITIES.—

(1) Subsection (a) of section 1406 (42 U.S.C. 2297c–5(a)) is amended—

(A) by inserting ''AND PRIVATIZATION'' after ''TRANSITION'' in the heading; and

(B) by adding at the end the following: ''As of the privatization date, all liabilities attributable to the operation of the Corporation from the transition date to the privatization date shall be direct liabilities of the United States.''.

(2) Subsection (b) of section 1406 (42 U.S.C. 2297c–5(b)) is amended—

(A) by inserting ''AND PRIVATIZATION'' after ''TRANSITION'' in the heading; and

(B) by adding at the end the following: ''As of the privatization date, any judgment entered against the Corporation imposing liability arising out of the operation of the Corporation from the transition date to the privatization date shall be considered a judgment against the United States.''.

(3) Subsection (d) of section 1406 (42 U.S.C. 2297c–5(d)) is amended—

(A) by inserting ''AND PRIVATIZATION'' after ''TRANSITION'' in the heading; and

(B) by striking ''the transition date'' and inserting ''the privatization date (or, in the event the privatization date does not occur, the transition date)''.

(f) TRANSFER OF URANIUM.—Title II (42 U.S.C. 2297 et seq.) is amended by redesignating section 1408 as section 1409 and by inserting after section 1407 the following:

''SEC. 1408. TRANSFER OF URANIUM.

''The Secretary may, before the privatization date, transfer to the Corporation without charge raw uranium, low-enriched uranium, and highly enriched uranium.''.

SEC. 706. PRIVATIZATION OF THE CORPORATION.

(a) ESTABLISHMENT OF PRIVATE CORPORATION.—Chapter 25 (42 U.S.C. 2297d et seq.) is amended by adding at the end the following new section:

''SEC. 1503. ESTABLISHMENT OF PRIVATE CORPORATION.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—In order to facilitate privatization, the Corporation may provide for the establishment of a private corporation organized under the laws of any of the several States. Such corporation shall have among its purposes the following:

''(A) To help maintain a reliable and economical domestic source of uranium enrichment services.

''(B) To undertake any and all activities as provided in its corporate charter.

''(2) AUTHORITIES.—The corporation established pursuant to paragraph (1) shall be authorized to—

''(A) enrich uranium, provide for uranium to be enriched by others, or acquire enriched uranium (including low-enriched uranium derived from highly enriched uranium);

''(B) conduct, or provide for conducting, those research and development activities related to uranium enrichment and related processes and activities the corporation considers necessary or advisable to maintain itself as a commercial enterprise operating on a profitable and efficient basis;

''(C) enter into transactions regarding uranium, enriched uranium, or depleted uranium with—

''(i) persons licensed under section 53, 63, 103, or 104 in accordance with the licenses held by those persons;

''(ii) persons in accordance with, and within the period of, an agreement for cooperation arranged under section 123; or

''(iii) persons otherwise authorized by law to enter into such transactions;

''(D) enter into contracts with persons licensed under section 53, 63, 103, or 104, for as long as the corporation considers necessary or desirable, to provide uranium or uranium enrichment and related services;

''(E) enter into contracts to provide uranium or uranium enrichment and related services in accordance with, and within the period of, an agreement for cooperation arranged under section 123 or as otherwise authorized by law; and

''(F) take any and all such other actions as are permitted by the law of the jurisdiction of incorporation of the corporation.

''(3) TRANSFER OF ASSETS.—For purposes of implementing the privatization, the Corporation may transfer some or all of its assets and obligations to the corporation established pursuant to this section, including—

''(A) all of the Corporation's assets, including all contracts, agreements, and leases, including all uranium enrichment contracts and power purchase contracts;

''(B) all funds in accounts of the Corporation held by the Treasury or on deposit with any bank or other financial institution;

''(C) all of the Corporation's rights, duties, and obligations, accruing subsequent to the privatization date, under the power purchase contracts covered by section 1401(b)(2)(B); and

''(D) all of the Corporation's rights, duties, and obligations, accruing subsequent to the privatization date, under the lease agreement between the Department and the Corporation executed by the Department and the Corporation pursuant to section 1403.

''(4) MERGER OR CONSOLIDATION.—For purposes of implementing the privatization, the Corporation may merge or consolidate with the corporation established pursuant to subsection (a)(1) if such action is contemplated by the plan for privatization approved by the President under section 1502(b). The Board shall have exclusive authority to approve such merger or consolidation and to take all further actions necessary to consummate such merger or consolidation, and no action by or in respect of shareholders shall be required. The merger or consolidation shall be effected in accordance with, and have the effects of a merger or consolidation under, the laws of the jurisdiction of incorporation of the surviving corporation, and all rights and benefits provided under this title to the Corporation shall apply to the surviving corporation as if it were the Corporation.

''(5) TAX TREATMENT OF PRIVATIZATION.—

''(A) TRANSFER OF ASSETS OR MERGER.—No income, gain, or loss shall be recognized by any person by reason of the transfer of the Corporation's assets to, or the Corporation's merger with, the corporation established pursuant to subsection (a)(1) in connection with the privatization.

''(B) CANCELLATION OF DEBT AND COMMON STOCK.—No income, gain, or loss shall be recognized by any person by reason of any cancellation of any obligation or common stock of the Corporation in connection with the privatization.

''(b) OSHA REQUIREMENTS.—For purposes of the regulation of radiological and nonradiological hazards under the Occupational Safety and Health Act of 1970, the corporation established pursuant to subsection (a)(1) shall be treated in the same manner as other employers licensed by the Nuclear Regulatory Commission. Any interagency agreement entered into between the Nuclear Regulatory Commission and the Occupational Safety and Health Administration governing the scope of their respective regulatory authorities shall apply to the corporation as if the corporation were a Nuclear Regulatory Commission licensee.

''(c) LEGAL STATUS OF PRIVATE CORPORATION.—

''(1) NOT FEDERAL AGENCY.—The corporation established pursuant to subsection (a)(1) shall not be an agency, instrumentality, or establishment of the United States Government and shall not be a Government corporation or Government-controlled corporation.

''(2) NO RECOURSE AGAINST UNITED STATES.—Obligations of the corporation established

pursuant to subsection (a)(1) shall not be obligations of, or guaranteed as to principal or interest by, the Corporation or the United States, and the obligations shall so plainly state.

''(3) NO CLAIMS COURT JURISDICTION.—No action under section 1491 of title 28, United States Code, shall be allowable against the United States based on the actions of the corporation established pursuant to subsection (a)(1).

''(d) BOARD OF DIRECTOR'S ELECTION AFTER PUBLIC OFFERING.—In the event that the privatization is implemented by means of a public offering, an election of the members of the board of directors of the Corporation by the shareholders shall be conducted before the end of the 1-year period beginning the date shares are first offered to the public pursuant to such public offering.

''(e) ADEQUATE PROCEEDS.—The Secretary of Energy shall not allow the privatization of the Corporation unless before the sale date the Secretary determines that the estimated sum of the gross proceeds from the sale of the Corporation will be an adequate amount.''.

(b) OWNERSHIP LIMITATIONS.—Chapter 25 (as amended by subsection (a)) is amended by adding at the end the following new section:

''SEC. 1504. OWNERSHIP LIMITATIONS.

''(a) SECURITIES LIMITATION.—In the event that the privatization is implemented by means of a public offering, during a period of 3 years beginning on the privatization date, no person, directly or indirectly, may acquire or hold securities representing more than 10 percent of the total votes of all outstanding voting securities of the Corporation.

''(b) APPLICATION.—Subsection (a) shall not apply—

''(1) to any employee stock ownership plan of the Corporation,

''(2) to underwriting syndicates holding shares for resale, or

''(3) in the case of shares beneficially held for others, to commercial banks, broker-dealers, clearing corporations, or other nominees.

''(c) No director, officer, or employee of the Corporation may acquire any securities, or any right to acquire securities, of the Corporation—

''(1) in the public offering of securities of the Corporation in the implementation of the privatization,

''(2) pursuant to any agreement, arrangement, or understanding entered into before the privatization date, or

''(3) before the election of directors of the Corporation under section 1503(d) on any terms more favorable than those offered to the general public.''.

(c) EXEMPTION FROM LIABILITY.—Chapter 25 (as amended by subsection (b)) is amended by adding at the end the following new section:

''SEC. 1505. EXEMPTION FROM LIABILITY.

''(a) IN GENERAL.—No director, officer, employee, or agent of the Corporation shall be liable, for money damages or otherwise, to any party if, with respect to the subject matter of the action, suit, or proceeding, such person was fulfilling a duty, in connection with any action taken in connection with the privatization, which such person in good faith reasonably believed to be required by law or vested in such person.

''(b) EXCEPTION.—The privatization shall be subject to the Securities Act of 1933 and the Securities Exchange Act of 1934. The exemption set forth in subsection (a) shall not apply to claims arising under such Acts or under the Constitution or laws of any State, territory, or possession of the United States relating to transactions in securities, which claims are in connection with a public offering implementing the privatization.''.

(d) RESOLUTION OF CERTAIN ISSUES.—Chapter 25 (as amended by subsection (c)) is amended by adding at the end the following new section:

''SEC. 1506. RESOLUTION OF CERTAIN ISSUES.

''(a) CORPORATION ACTIONS.—Notwithstanding any provision of any agreement to which the Corporation is a party, the Corporation shall not be considered to be in breach, default, or violation of any such agreement because of any provision of this chapter or any action the Corporation is required to take under this chapter.

''(b) RIGHT TO SUE WITHDRAWN.—The United States hereby withdraws any stated or implied consent for the United States, or any agent or officer of the United States, to be sued by any person for any legal, equitable, or other relief with respect to any claim arising out of, or resulting from, acts or omissions under this chapter.''.

(e) APPLICATION OF PRIVATIZATION PROCEEDS.—Chapter 25 (as amended by subsection (d)) is amended by adding at the end the following new section:

''SEC. 1507. APPLICATION OF PRIVATIZATION PROCEEDS.

''The proceeds from the privatization shall be included in the budget baseline required by the Balanced Budget and Emergency Deficit Control Act of 1985 and shall be counted as an offset to direct spending for purposes of section 252 of such Act, notwithstanding section 257(e) of such Act.''.

(f) CONFORMING AMENDMENT.—The table of contents for chapter 25 is amended by inserting after the item for section 1502 the following:

''Sec. 1503. Establishment of Private Corporation.
''Sec. 1504. Ownership Limitations.
''Sec. 1505. Exemption from Liability.
''Sec. 1506. Resolution of Certain Issues.
''Sec. 1507. Application of Privatization Proceeds.''.

(g) Section 193 (42 U.S.C. 2243) is amended by adding at the end the following:

''(f) LIMITATION.—If the privatization of the United States Enrichment Corporation results in the Corporation being—

''(1) owned, controlled, or dominated by a foreign corporation or a foreign government, or

''(2) otherwise inimical to the common defense or security of the United States,

any license held by the Corporation under sections 53 and 63 shall be terminated.''.

(h) PERIOD FOR CONGRESSIONAL REVIEW.—Section 1502(d) (42 U.S.C. 2297d–1(d)) is amended by striking ''less than 60 days after notification of the Congress'' and inserting ''less than 60 days after the date of the report to Congress by the Comptroller General under subsection (c)''.

SEC. 707. PERIODIC CERTIFICATION OF COMPLIANCE.

Section 1701(c)(2) (42 U.S.C. 2297f(c)(2)) is amended by striking ''ANNUAL APPLICATION FOR CERTIFICATE OF COMPLIANCE.—The Corporation shall apply at least annually to the Nuclear Regulatory Commission for a certificate of compliance under paragraph (1).'' and inserting ''PERIODIC APPLICATION FOR CERTIFICATE OF COMPLIANCE.—The Corporation shall apply to the Nuclear Regulatory Commission for a certificate of compliance under paragraph (1) periodically, as determined by the Nuclear Regulatory Commission, but not less than every 5 years.''.

SEC. 708. LICENSING OF OTHER TECHNOLOGIES.

Subsection (a) of section 1702 (42 U.S.C. 2297f–1(a)) is amended by striking ''other than'' and inserting ''including''.

SEC. 709. CONFORMING AMENDMENTS.

(a) REPEALS IN ATOMIC ENERGY ACT OF 1954 AS OF THE PRIVATIZATION DATE.—

(1) REPEALS.—As of the privatization date (as defined in section 1201(13) of the Atomic Energy Act of 1954), the following sections (as in effect on such privatization date) of the Atomic Energy Act of 1954 are repealed:

(A) Section 1202.

(B) Sections 1301 through 1304.

(C) Sections 1306 through 1316.

(D) Sections 1404 and 1405.

(E) Section 1601.

(F) Sections 1603 through 1607.

(2) CONFORMING AMENDMENT.—The table of contents of such Act is amended by repealing the items referring to sections repealed by paragraph (1).

(b) STATUTORY MODIFICATIONS.—As of such privatization date, the following shall take effect:

(1) For purposes of title I of the Atomic Energy Act of 1954, all references in such Act to the ''United States Enrichment Corporation'' shall be deemed to be references to the corporation established pursuant to section 1503 of the Atomic Energy Act of 1954 (as added by section 6(a)).

(2) Section 1018(1) of the Energy Policy Act of 1992 (42 U.S.C. 2296b–7(1)) is amended by striking ''the United States'' and all that follows through the period and inserting ''the corporation referred to in section 1201(4) of the Atomic Energy Act of 1954.''.

(3) Section 9101(3) of title 31, United States Code, is amended by striking subparagraph (N), as added by section 902(b) of Public Law 102–486.

(c) REVISION OF SECTION 1305.—As of such privatization date, section 1305 of the Atomic Energy Act of 1954 (42 U.S.C 2297b–4) is amended—

(1) by repealing subsections (a), (b), (c), and (d), and

(2) in subsection (e)—

(A) by striking the subsection designation and heading,

(B) by redesignating paragraphs (1) and (2) (as added by section 4(a)) as subsections (a) and (b) and by moving the margins 2-ems to the left,

(C) by striking paragraph (3), and

(D) by redesignating paragraph (4) (as amended by section 4(b)) as subsection (c), and by moving the margins 2-ems to the left.

The CHAIRMAN. Pursuant to the rule, the gentleman from Missouri [Mr. GEPHARDT] will be recognized for 30 minutes, and a Member opposed will be recognized for 30 minutes.

The Chair recognizes the gentleman from Missouri [Mr. GEPHARDT].

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

Mr. Chairman, I come before you today not to engage in partisan finger pointing, but to appeal to basic common sense and to common decency.

This Republican tax bill is wrong. It awards billions of dollars to the wealthiest Americans, and it pays for it by cutting school lunches, child nutrition, and heat for low income elderly, hurting the very people that we should be helping.

For 16 years all but the top fifth of Americans have seen their wages fall and their standard of living decay. We have the ability tonight to do something about that, to offer a modest amount of tax relief to families that are struggling to simply stay in place. And we have more than the ability. We have the obligation to do something about it.

Each of us was elected to serve the greater good, not to come here and line the pockets of the most powerful Americans. But that is exactly what the Republican bill does. More than half of its benefits go to families earning $100,000 or more.

Think about the struggling young couple, trying to get by on $20,000 or $25,000 a year. Under the Republican plan they get a $5 a week tax cut. But they lose school lunch subsidies, low income heat assistance, food stamps, and summer jobs for their children. On balance, this Republican bill hurts them and it means that they may never have a chance at a better future. But for the most privileged and powerful, people earning $200,000 a year and above, the Republican plan gives them a massive $11,000 tax break.

Mr. Chairman, you and I both know that America does not want that, and I dare say that most Members of Congress do not want that. More than 100 Members of the Republican Party even tried to buck their own leadership to make this tax plan fairer to the middle class, but they lost that fight. And the Republican leadership is forcing them to vote for it anyway.

I believe that we should be voting our conscience, our principles, not our party registration. I believe the day that we put blind party loyalty ahead of what is right for the American people is a sad day for the U.S. Congress.

We can do better. We can pass the Democratic tax plan, which gives every penny, every penny of this plan, to families who earn less than $100,000 a year. It gives big tax breaks for education, so struggling families can lift themselves up and build our country and our economy. It lets middle income families deduct up to $10,000 a year in educational expenses. It lets students deduct interest payments on their student loans, because an investment in education is an investment in America's future, and we should reward it.

It establishes a new guaranteed education plan bond, so that families can put aside as little as $25 a month to save as much as $16,000 dollars for their children's education when they need it. And, above all, it is built on the profoundly moral principle that in a just, decent society, we do not take away from those who need our help to give it to those who need nothing at all.

It is not too late for us to come together tonight on this tax plan, to stand for fairness, to stand for the middle class, Republicans and Democrats alike. It is not too late to say to America we stand for that young struggling family and the privileged can take care of themselves.

The Republican bill is wrong, but we can make it right. And would that not be a proud moment for the American people, the moment we said we can change our minds and work together for the good of the country; the day we put our people ahead of our party.

Support this substitute; reject the Republican tax bill; and just this one time, let us vote as one party for tax fairness and justice for all.

Mr. ARCHER. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Texas [Mr. ARCHER] IS recognized for 30 minutes.

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

Mr. Chairman, I will try not to speak in chivalrous adjectives or rhetoric, but I would like to speak in fact about this proposal. After all, it is the third version of the Gephardt tax proposal that we have seen in recent times. In December, the minority leader offered a $66 billion tax relief plan. Last week, it had been cut in half. Today, the House is debating his substitute, which contains little tax relief, and with it tax increases of nearly $3 billion.

Yet with all of that, under CBO scoring, the substitute does not reduce the deficit at all, compared to a reduction in the deficit under H.R. 1215 of $30 billion.

It also seems strange to me that the gentleman is the leader of the Democrat Party in the House of Representatives, and yet has not chosen to offer the President's own tax proposal. His substitute offers benefits that affect far fewer families than in H.R. 1215. Moreover, the substitute is conspicuously silent on capital gains tax reduction, relief for small business, and incentives for job creation.

It does not contain a family tax credit. In fact, the only tax break in the substitute will benefit less than 4 percent of families with dependent children, compared to our family tax credit which benefits 75 percent of families with children. The substitute in actuality gives zero help to families with children in elementary and secondary schools.

The Gephardt substitute does embrace several provisions already contained in H.R. 1215, namely, the spousal IRA and nondeductible IRA provisions. We believe in both of those. Unfortunately, the savings provisions in the Gephardt substitute are less effective and more complicated than in the base bill, and, unlike H.R. 1215, the Gephardt substitute allows a $2,000 contribution to deductible or nondeductible IRA's but not both as the base bill does.

For those who like to gamble, the substitute offers a cheap crap shoot: Namely, all bets are off for a tax reduction if the OMB Director estimates Congress has not precisely met the deficit reduction targets set in the law. If the Congress fails to meet them by only a small amount, the taxes go away.

Imagine a family trying to pick an affordable college under this on-again, off-again tax policy. Worse yet, imagine a student halfway through the school year finding out the tax break is now gone. Many Americans simply will not take the risk and the supposed benefits of the proposal will vanish.

Under these conditions, why would savers establish an IRA knowing they might suddenly find themselves with taxable income? OMB will be under tremendous pressure to fudge on the deficit numbers in order to prevent the ensuing chaos caused by this proposal. So in the end we will see the worst of all worlds, a combination of phony deficit estimates, no benefit for taxpayers, and more business for tax consultants.

This substitute does not deserve further debate. The Contract With America is the real thing, accept no substitutes. I urge my colleagues to reject this third and inferior rendition by the minority leader.

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

Mr. GEPHARDT. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan [Mr. BONIOR] be permitted to manage the remainder of my time on this substitute.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BONIOR. Mr. Chairman, I yield 2½ minutes to the distinguished chairman of the Democratic Caucus, the gentleman from California [Mr. FAZIO].

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Mr. FAZIO of California. Mr. Chairman, I rise in support of the Gephardt substitute, because the Republican proposal hurts us as a country in too many ways. It creates more problems down the road by adding to the deficit, and it divides the middle class from the wealthy by sacrificing long-term investment in education and training for a short-term gain for far too many who do not need it.

Instead of helping the middle class, Republicans are helping big corporations. Instead of helping families send their kids to college, they are giving people earning $200,000 a year a $500 per child tax credit.

This package includes a new form of the Individual Retirement Account and raises the portion of an inheritance tax that is exempt up to $750,000. Ninety-five percent of the benefits of this new IRA would go to the wealthiest 20 percent of Americans.

The family earning $35,000 a year will not have the savings to invest in an Individual Retirement Account. They do not have a $750,000 estate to pass along to their children. They do not have stocks to sell. They do not need a $500 tax credit. They need a college student loan to build their future.

We are helping these big corporations and wealthy individuals at what cost? This country will suffer revenue losses of $180 billion over 5 years, mushrooming to $630 billion over 10 years, a real balloon payment for all American taxpayers.

What I do not support in this kind of legislation is the sort of thing that we cannot afford when in fact we are having to cut school lunches, student

loans and job training to make available tax cuts for the very wealthy.

This package is much more costly than mere dollar figures. It comes at the price of this country's future. It takes away the very tools that will help to turn our children into productive adults. The Gephardt substitute will provide that future.

Let's invest in the long-term goals with lasting benefits. Let's educate our children while making sure they receive proper nutrition in school. Let's train our workers for a changing world marketplace that requires high-tech skills. Let's reduce the deficit which will accomplish much more to put money in the pockets of the middle class through lower interest rates for every American family.

Under this bill, households earning $200,000 a year would receive an average tax cut of $11,000, while those earning under $30,000 would receive just $124. That is compounding the class warfare that has been waged on the middle class for far too long. Let's support the Gephardt alternative and defeat this bill.

Mr. ARCHER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. DELAY], the majority whip.

Mr. DELAY. Mr. Chairman, I want to congratulate the chairman of the Committee on Ways and Means for an excellent job in bringing real tax relief to the American citizens of this country, to allow American families to keep more of what they earn.

Right now, Mr. Chairman, 53 percent of the American families' income goes to government. If you add up the taxes of the local, State and Federal Government, you add to that the cost of litigation and regulation, 53 percent, 53 cents out of every dollar that the American family earns today, goes to the governments.

And what the minority leader and the Democrats want to do is to protect their ability to confiscate the income of the American family to pay for their failed welfare state.

I want to talk about their substitute. First off, they have no intention of offering a budget that gets us to balance by the year 2002. Yet they offer a so-called tax cut that depends on a balanced budget. This substitute provides income tax deductions for interest payments on student loans and education expenses up to $5,000 and $10,000 thereafter.

So if you are an American family that does not have a child in college or a child going to vocational school, you get no relief. You still pay for the failed welfare state. Deductions will be phased out. Class warfare. Between $50,000 and $60,000 for individuals and between $75,000 and $85,000 for couples. Marriage penalty.

In our bill, we try to lessen the marriage penalty, because in the present Tax Code, you are penalized for creating and starting a family.

The Democrat substitute allows penalty-free IRA withdrawal for education and creates new education savings bonds.

Education is a very laudable goal, and that is what we ought to be striving for. But the problem is that the Democrats are putting up this sham that they are giving tax relief as long as you have children in college or are participating in education. The phaseout of this deduction will increases the marginal income tax rate by 50 percent, from 28 percent to 42 percent for those in the income phaseout range. More class warfare.

Deductions for education are contingent on OMB certifying that the Federal budget will be balanced by the year 2002, yet they are not even going to offer us a budget that does balance. Since the Democrat leadership has not announced any plans to offer a balanced budget, we can only assume that their tax cuts will never take effect.

Even if the tax cuts do take effect, they would be repealed in any subsequent year in which annual deficit targets are not met. In other words, the Democrats, who claim to care so much about students, would hold these very same students hostages every year to Congress's ability to meet deficit targets that they will not even offer.

If Congress misses those targets, who gets punished? Not Congress. Not the big spenders. Not the people that want to continue making Americans dependent on government. No, it will be the very students that they claim they want to help.

Finally, the Gephardt substitute contains the expatriation tax. I ask the minority leader, did the minority leader vote for Jackson-Vanik? Did he vote and condemn Russia for charging such a huge exit tax that Russian Jews could not get out of Russia?

Where is freedom in this country? We just throw freedom aside, as if it means nothing. When an American citizen wants to leave this country, they want to charge a tax. That is what this is all about. They want to charge a tax. They care nothing for freedom. What we care about is the American family, the American family holding onto their own income. What they want to do is charge Americans for leaving America. Yet they want Russians to stay there.

Mr. BONIOR. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. GIBBONS], the distinguished ranking member of the committee, to talk a little bit about this issue.

Mr. GIBBONS. Mr. Chairman, I get a little resentful when I hear Members of Congress comparing the United States, my United States, your United States——

Mr. DELAY. Mr. Chairman, will the gentleman yield?

Mr. GIBBONS. I have only got a minute. You get time from the gentleman from Texas [Mr. ARCHER].

Mr. DELAY. Did the gentleman vote for Jackson-Vanik?

Mr. GIBBONS. Will you shut up and listen while I talk?

The CHAIRMAN. The gentleman from Florida has the time.

Mr. GIBBONS. Please respect that. I respect your time.

But you insult me, you insult this Congress, you insult the American Government when you compare this Government to the Government of Russia You ought to be ashamed of yourself.

Mr. ARCHER. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. DELAY].

Mr. DELAY. I appreciate the gentleman's yielding time.

Mr. Chairman, I ask the distinguished ranking member, did he vote for Jackson-Vanik or not?

The gentleman has left the floor. He does not want to answer the question. Because I am sure the gentleman as well as many Members of this Congress were outraged at the notion that the Soviet Union charged their people huge taxes to leave the government that they so despised.

The problem with people leaving this Government is that the welfare state and the taxes charged and the regulations charged in this country have forced people to leave.

Mr. BONIOR. Mr. Chairman, I yield myself 1 minute.

I address my comments to my friend, and he is my friend from Texas. I do so because I really want to set the record straight for those who are listening.

What this issue that we are talking about is all about, there was a provision that was brought to this House of Representatives very recently, last Thursday, concerning very wealthy individuals in America who are renouncing their U.S. citizenship in order to avoid paying taxes. As incredible as that may seem, these are the people who used the security of this country to gain their wealth, who used the workers, the men and women of this country, to gain their wealth.

When it came time for them to pay their fair share, they said, ''No, I am going to renounce my U.S. citizenship so I can avoid paying taxes.''

You know what that cost the American taxpayers over 10 years, estimated? $3.6 billion a year. And for my friend from Texas to compare that to Jackson-Vanik and what happens with those in Russia who are trying to emigrate from Russia, this is just an outrage. There is no comparison at all. It is just the opposite.

I commend my friend, the gentleman from Florida, for taking a strong stand on this issue.

Mr. ARCHER. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. WELDON].

Mr. WELDON of Florida. Mr. Chairman, while Republicans take positive steps to reduce the marriage penalty, Democrats are giving America's families one more incentive not to stay together. Under their substitute, a family making $75,000 can deduct up to $5,000 per year for educational expenses. However, a divorced couple or

an unmarried couple living together, each earning $50,000 or $100,000 combined, can deduct up to $5,000 each, or a total of $10,000. In other words, Mr. Chairman, Democrats reward families that stay together with a $5,000 tax penalty.

Anti-family policies like this one, simply put, are destructive to families and should be rejected. I urge that we vote ''no'' on the substitute.

Mr. BONIOR. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Massachusetts [Mr. NEAL].

(Mr. NEAL of Massachusetts asked and was given permission to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Mr. Chairman, let me say at the outset, this is a Member on the Democratic side who favored a targeted capital gains package, who has been the author with the gentleman from California [Mr. THOMAS] of the Individual Retirement Account, its tax advantage restoration, and who favors the idea of allowing seniors to earn and keep more despite Social Security obligations.

Most of the Members on this side would have voted for those provisions tonight if it was not an all-or-nothing package. But let me get to the point at hand. The favorite refrain heard on this side of the aisle these days is this: I did not write the contract. The second most well-heard refrain on this side of the aisle these days is, ''The Senate will correct it.''

Let me say tonight, there are 133,000 students in Massachusetts, and I represent an area with some of the finest colleges in America who are going to begin to pay a lot more at the end of this contractual day for their student loans when this House gets done.

We had an opportunity in this House to find middle ground on most of these issues where most of the Members on both sides rest.

Don't heed my warning tonight. Heed the warning of George Bush who called it voodoo economics. And heed the warning of David Stockman who said it was the triumph of politics.

Let me close on this note. There is one thing that NEWT GINGRICH, RICHIE NEAL, DICK ARMEY, and PHIL GRAMM all have in common. We all had student loans guaranteed by the Federal Government, and it has paid a huge dividend for the American people. Do not deny the next generation that same opportunity.

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Mr. ARCHER. Mr. Chairman, I yield 6 minutes to a respected Member, the gentleman from California [Mr. THOMAS], chairman of the Health Subcommittee of the Committee on Ways and Means.

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

Mr. THOMAS. Mr. Chairman, the American people in November decided to put their trust in our party in this House after 40 years. In large part I believe it was because we told them what we were for. We offered a contract with the American people. They know what we are for.

We know what you are against. You have indicated that over and over and over. We know what you are against.

The 2 great parties in this county should be for something. The American people know where we are. We have our contract. Let us try to determine where the Democrats are.

Following the November election the President of the United States went on television and told the American people, and this is from the administration's revenue proposals, Department of the Treasury, it says ''tax relief for middle class families has been and continues to be an important goal of this Administration.'' The proposal: ''A nonrefundable tax credit granted for only those children under 13 to ultimately reach $500 per child.'' Marvelous new idea. I wonder where the President got it?

When we debated this bill in the Committee on Ways and Means, and the Democrats had an opportunity to offer a substitute at the end of the debate in the Committee on Ways and Means over our middle-class tax proposal, this was the amendment that the Democrats offered. The amendment in its entirety as a substitute for our proposal laid out to the American people before the election was not what the President said he was for. Their amendment as a substitute in toto was one word, one word: Insert after section 1 the following new section, section 2, ''sunset.'' ''It is not that we are against what you are proposing,'' the Democrats said in the Committee on Ways and Means, we just do not think it ought to be open-ended for the American people. We think it ought to be sunsetted, stopped at a given time, should not apply after January 1, 2001.

The President said he has been for a long time for middle-class tax relief. The Democrats said, yeah well, it is okay, but sunset it.

And then we have in front of us tonight the minority leader's substitute. Does it look like the President's bill as he said he wanted it and as the gentleman from Missouri [Mr. GEPHARDT] introduced along with the gentleman from Florida [Mr. GIBBONS] in February called H.R. 980 which had the middle-class tax cut in it? No. What this proposal has in it is one of the most onerous provisions that has ever come to this floor.

We heard the gentleman from Michigan give a representation about this business of taxing people because they have decided to give up their United States citizenship. Many people in this country are born here and get citizenship by birth, others acquire it after birth. It is something that you can get, and it has always been something that you can give up.

We have had a law on the books for years that says if you are going to give up your citizenship to avoid paying taxes, then there are actions that can be taken. That is not what is in the proposal by the minority leader, and let me turn to the testimony in the Oversight Subcommittee of just a few short days ago when Chairman JOHNSON, the gentlewoman from Connecticut, inquired of the Treasury representative, Mr. Guttentag, What is it that you are proposing, how many people have given up their citizenship? Mr. Guttentag then went through numbers over the last several years, several hundred people. She then said, How many of them have given up their citizenship to avoid taxes? The representative of the administration of the Department of Treasury said, ''We do not know''.

She then said, ''How in the world can you have a revenue estimate about how much money you are going to make if in fact you do not know how many people voluntarily gave up their citizenship to avoid taxes?'' Listen to the reply of the Administration's representative, and see if it is not chilling. ''The Clinton-Gephardt proposal,'' he indicated, ''does not require an intent to avoid taxes.''

He said, ''The Administration's proposal does not require an intent to avoid taxes.'' The fact that you would have the audacity to decide that you were voluntarily giving up your citizenship would result in tax penalties and we have heard these Members taking the floor saying there is no way you can compare yourself with the Soviet Union. Outrageous to do that. The Soviet Union used to make people pay a penalty for leaving their country voluntarily. You had to pay through the nose.

We have historically said if you are trying to avoid taxes, then we are going to get you. What this proposal says, and which is included in the new substitute, is we are going to get you even if it is not to avoid taxes.

We have lost the high moral ground. Do not let this substitute pass with this onerous provision.

Mr. BONIOR. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Maryland [Mr. MFUME].

Mr. MFUME. Mr. Chairman, I said earlier that Ringling Brothers and Barnum & Bailey came to town today and put on a great performance of elephants and clowns outside of this building, but it does not come close to the high wire act that is being performed here by the daredevils of the high wire of this legislation who are attempting through blue smoke and mirrors to pull a rabbit out of a hat and dangle the American taxpayer from the high trapeze bar, suggesting that this bill somehow will achieve deficit reduction.

For the average Federal employee earning $40,000 a year the Republican proposal imposes an additional $1,000 in taxes resulting from increased contributions to their pension system, and I have yet to hear somebody on the

other side talk about the plight of Federal employees regarding this.

More than half of the tax benefits will go to families with incomes between $100,000 and $200,000. Is $200,000 a year middle class? You go figure.

If you earn $100,000 you get $11,000 in tax reductions, but if you earn $30,000 you get $124 in tax reductions.

This bill increases the deficit. It rewards the wealthy, it punishes working Americans, and I do not care what people say, when you take money out of their pocket, $1,000 per Federal employee, that is a punishment.

So in the end, the difference between last year's Republican rhetoric and this year's Republican rhetoric is a matter of Tweedledee and Tweedledum. The party that gave us voodoo economics is now giving us Robin Hood in reverse. I said it earlier, so let me repeat it for those who did not hear. The giant sucking sound we will hear from now on will not be NAFTA, it will be AFTA, angry, frustrated Americans who are carrying the brunt of this and carrying the biggest weight as a result of what I consider to be foolishness on the part of those who have designed it.

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

Mr. HASTERT. Mr. Chairman, I thank the gentleman from Texas for yielding me the time.

Mr. Chairman, I am amazed here to sit and listen to this debate here tonight and see how fact and fiction is twisted and turned and twisted. I would like to set the record straight.

First of all, I have a letter here from Abraham Chayes who is a professor of law at Harvard University. He says:

I am writing to express my concern about the current proposal before the U.S. House to impose a tax on persons leaving the United States who renounce their citizenship. I understand this proposal is now in the House in debate. I am the Felix Frankfurther Professor of Law emeritus at Harvard Law School where I teach international law. From 1961 to 1964, I was the Legal Adviser to the department of State.

In my opinion, the proposed expatriation tax raises serious questions under the Constitution and international law involving the fundamental right of voluntary expatriation and immigration. As you may know, the International Law Section of the ABA in its statement of March 8, concluded that the proposed expatriation tax ''may be an illegal restriction on the fundamental right to emigrate.''

I go on.

The proposed tax, which applies without regard to the individual's motivation, imposes much more than a nominal penalty on citizens who wish to emigrate. Thus, it has serious human rights implications and is inconsistent with longstanding U.S. policies with respect to the right of free emigration expressed in the Jackson-Vanik Amendment to the Trade Act of 1974.

And he goes on, and it is signed sincerely, Abraham Chayes, Harvard School of Law.

Mr. Chairman, I include for the RECORD the letter in its entirety

HARVARD LAW SCHOOL,
Cambridge, March 30, 1995.

Hon. NANCY L. THOMPSON,
U.S. House of Representatives,
Washington, DC.

DEAR CONGRESSMAN JOHNSON: I am writing to express my concern about the current proposal in the Senate version of H.R. 831 to impose a tax on persons leaving the United States who renounce their citizenship. I understand this proposal is now in House-Senate conference. I am the Felix Frankfurter Professor of Law emeritus at Harvard Law School where I teach international law. From 1961 to 1964, I was the Legal Adviser to the Department of State.

In my opinion, the proposed expatriation tax raises serious questions under the Constitution and international law involving the fundamental right of voluntary expatriation and emigration. As you may know, the International Law Section of the ABA in its statement of March 8, concluded that the proposed expatriation tax ''may be an illegal restriction on the fundamental right to emigrate.'' It also appears to burden the constitutionally based right of voluntary expatriation. See *Richards* v. *Secretary of State*, 752 F.2d 1413, 1422 (9th Cir. 1985).

The proposed tax, which applies without regard to the individual's motivation, imposes much more than a nominal penalty on citizens who wish to emigrate. Thus, it has serious human rights implications and is inconsistent with long-standing. U.S. policies with respect to the right of free emigration expressed in the Jackson-Vanick Amendment to the Trade Act of 1974 and elsewhere. Indeed, this policy was a centerpiece of our effective opposition to the Soviet Union during the 1970s and 1980s. If the United States now adopts this restrictive approach, it will give oppressive foreign governments an excuse to retain or erect barriers to expatriation and emigration.

I strongly urge you to protect these important freedoms by rejecting the proposed expatriation tax in the Conference Committee.

Sincerely,

ABRAM CHAYES.

You know, Mr. Chairman, after 40 years of Democrat rule, the people need a break from high taxes, higher spending and hyperbole. Last November they got that break. They voted in a Republican majority that promised change and in this tax bill we have delivered this change.

I ask for a negative vote on this piece of legislation. The Gephardt substitute is not change. It is the same old story. It contains no real tax relief for middle-class Americans, it contains no real breaks for senior citizens, it contains no incentives for job creation.

It is as if the Democrats do not really believe that the American people have had enough of tax-and-spend politics for the last 40 years.

Well, I have news for the Democrat leadership. The American people are sick and tired of being taxed and spent to death. The Gephardt substitute proves a point I have believed for some time. The Democrat leadership wants to raise taxes. The Republican Party wants to cut taxes. I urge my colleagues on both sides of the aisle to vote against the Gephardt substitute and vote for tax fairness and deficit reduction.

Mr. BONIOR. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from the State of Rhode Island [Mr. KENNEDY].

(Mr. KENNEDY of Rhode Island asked and was given permission to revise and extend his remarks.)

Mr. KENNEDY of Rhode Island. Mr. Chairman, I want to thank the gentleman from Michigan for yielding time to me.

Mr. Chairman, the debate is about students, students and their futures. The cost of a college education is rising faster than middle-income families can afford. In fact, paying for college now ranks second only to buying a home as the most expensive investment for the average family.

Last week in my State of Rhode Island, three colleges announced once again that they were raising their tuition. In the last 5 years the University of Rhode Island has raised tuition 83 percent. Rhode Island College and the Community College of Rhode Island tuition has gone up 67 percent and 66 percent respectively since 1990.

What makes matters worse, the balance of aid that students have used in the past to help them afford these rising costs has shifted. In the early 1980s it was 75 percent grants and 25 percent loans. Today, the reverse is true. It is 75 percent loans and 25 percent grants.

□ 2045

And the Republicans now want to eliminate the interest subsidy for student loans. That compounds the already difficult problem that middle-class families are having in affording an education because of the elimination on the deduction on student loans that was put through in the 1980's.

Mr. Chairman, ladies and gentleman of the House, I ask my colleagues to support the Gephardt substitute, because the Republicans keep talking about jobs, but they are not going to be able to get the high-paying jobs without a high-skills education that they are going to need if they do not go to college.

Mr. Chairman, the question before us today is what kind of tax relief are we going to give to the American people? Are we going to hand out huge tax breaks to the wealthiest Americans, open loopholes so big some of our most profitable companies will be able to avoid paying any tax at all, or are we going to give some help to middle income Americans, to young people who are struggling to pay for their education? The choice is clear—it is between the past and the future. The Contract plan is a return to the failed, unfair policies of the past. The Democratic alternative is about investing in our future. It is about making sure we have the high skill workers for the high skill, high wage jobs of tomorrow.

Middle income families need the tax relief offered by the Democratic alternative. The cost of post-secondary education is rising faster than middle income families can afford. In fact, paying for college now ranks second only to buying a home as the most expensive investment for the average family. Last week, in my State of Rhode Island, three different colleges announced once again that they were

raising their tuition. In the last 5 years the University of Rhode Island has raised its tuition 83 percent. At Rhode Island College, and the Community College of Rhode Island, tuition has gone up 67 percent and 66 percent, respectively since 1990. What makes matters worse, the balance of aid that students have used in the past to help afford these rising costs has shifted. Fifteen years ago the mix of Federal student financial aid was 75 percent grants and 25 percent loans. In 1995 those figures are reversed. I submit to my colleagues, that if the Federal Government does not take some course of action, the middle class will soon be shut out of higher education. These are the people who need tax relief, not the Fortune 500 singled out in the GOP proposal.

The Republican party offers tax cuts that will send more than 58 percent of total capital gains tax breaks to those making more than $200,000 a year—the top 2.6 percent of all tax fliers. Households earning $200,000 would receive an average cut of over $11,000 a year, whereas those under $30,000 would receive less than $150 per year. The Contract On America tax bill will cost the American people almost $700 billion over the next 10 years. It is clear what interests the Republicans represent.

Under the Republicans, who is going to pay? Students—our future. They give loopholes to the rich and roadblocks to students. Simply put, they are standing on the backs of students to support the wealthy. In addition to their tax cut, the Republicans plan to severely cut aid to students.

Fact: The GOP is poised to eliminate the interest-deferral on the Stafford Loan program. Currently, the interest on the Stafford Loan is deferred until 6 months after graduation. Under the Republican plan, interest would begin accruing on the loan immediately.

Fact: By removing the interest deferral, American students will face a $9.6 billion increase in the cost of post-secondary education over the next 5 years. That's over $4,000 added to the loan repayments for each student.

Fact: The GOP is poised to eliminate the Perkins Loan program. Post-secondary institutions use the Perkins program to help low income students take out low interest loans to pay for college. Eliminating this program will add $785 million to the cost of going to college over the next 5 years.

In short, the Republican plan will kill the dream of higher education for thousands of middle income students. The Democrats however, have a plan that will help that dream come true. The Democratic plan identifies our students as our Nation's most precious commodity. It helps them achieve their goals by creating incentives to save and methods by which students will find it easier to payback their loan debts.

During the last Congress, President Clinton's Direct Lending Program took an important step in helping young adults realize their education dreams. The Direct Lending program made it easier for students to take on the cost of higher education by simplifying the loan process and creating new ways for students to payback their loans. Ultimately, Direct Lending is a step in the right direction but it falls short of easing the burden of paying back the loans. For this reason I introduced the Student Loan Affordability Act of 1995. This bill grants a deduction for the payment of interest on student loans. Just like that provided for mortgage interest. Today, I am proud to say that Democratic Leader GEPHARDT has incorporated this idea into his education tax cut plan for the middle class citizens of this country.

The Democratic alternative is affordable, and does not explode the deficit. Moreoever, it does not simply cut taxes, but it represents a real investment for the American taxpayer. Last year the Government paid out an estimated $2 billion to cover defaulted student loan costs. This is money that we can never retrieve and results in higher costs to the taxpayers. The Democratic proposal encourages students to work within the system, payback their loans, and one day make additional investments in the economy.

I urge my colleagues to vote for the plan that represents real savings for the middle class of this country. Eighty-nine percent of the American people oppose cuts to student financial aid programs. They want their children to pursue higher education and achieve their dreams. The Republicans offer a tax cut to the rich and then try to pay for it on the backs of students. We can't afford trickle down 2. Support the tax cut that invests in our future—not the one which repeats the mistakes of the past. Support the plan that opens doors for our students—not the plan that shuts them out. Support the Democratic substitute and invest in the future of those who will lead America tomorrow.

Mr. BONIOR. Mr. Chairman, I yield 1½ minutes to the gentleman from New Mexico [Mr. RICHARDSON], the distinguished chief deputy whip.

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

Mr. RICHARDSON. Mr. Chairman, the Democratic substitute is about investing in people and education.

Too many Americans between the ages of 25 and 40 are not able to invest extra money or buy a house because they have to repay school loans. Our best-educated citizens are handed diplomas and then pushed into a huge pool of debt.

We are bombarded with calls from the private sector to educate a work force that can compete in the global arena, yet we are unwilling to provide any tax incentives for education. Instead, we offer General Motors generous value-added tax writeoffs to guarantee returns on their investments.

Mr. Chairman, the Democratic substitute stands for middle-class families, for education benefit, a $10,000 deduction per family for education expenses, making student loans deductible, an IRA plan for education expenses, education plan savings bond, and it is paid for. It is paid for through savings in government reform and closing billionaires' loopholes.

Unlike the Republicans fig leaf, the Democratic tax benefits would not be provided until deficit targets have been achieved.

Mr. Chairman, let us have tax cuts, but let us be responsible. Let us pay for them. Let us give them to those Americans that deserve them, that have been shouldering the blame and expense for the last 50 years. Let us not give it to millionaires and corporations.

We stand for the middle class, and they are the ones that should benefit.

Mr. BONIOR. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Louisiana [Mr. JEFFERSON].

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

Mr. Chairman, I wish to rise in support of the Gephardt amendment and to voice concern regarding the Republican tax bill.

One of the immutable principles of tax law is fairness. Unfortunately, the only place fairness appears in this Republican tax bill is in the title.

Tax fairness would mean that the so-called reform bill before us would benefit not just the privileged few but the majority of American taxpayers by providing for an across-the-board set of sacrifices shouldered proportionately by every taxpayer based on his or her ability to pay. In this regard, with regard to unfairness, the Republican tax bill is doubly guilty. First, it pays for the $630 billion cost on the small shoulders of the most vulnerable Americans, our Nation's children, through cuts in programs that support children and families.

Secondly, the Republican bill hands its tax benefits over to the wealthiest Americans.

Finally, it disregards our responsibility to reduce the Federal deficit.

Mr. Chairman, the Gephardt amendment sets things right. It represents a more uniform way to help eliminate the current budget deficit. It is fair to the middle-class taxpayer and promotes education and savings and is overall good for our families, and it will ensure that deficit reduction is made before any tax cuts take effect.

Finally, Mr. Chairman, America needs the Gephardt amendment. It has no hidden set of agendas. It singles out no special-interest group. Giving tax breaks to the middle class while reducing our deficit, keeping intact programs for our children and for the elderly, for students, and for families is why Gephardt makes sense.

I urge you to approve the Gephardt amendment.

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

Mr. Chairman, this body has heard over and over again the programmed rhetoric that clearly is assigned to every Democrat Member of the House, that the benefits of these taxes go to the wealthy.

The benefits of these taxes go to senior citizens who have retirement income of $34,000. Is that wealthy?

When we reduce the 85-percent tax on their Social Security benefits put on by the Clinton budget in 1993, I say, is that wealthy?

Seventy-five percent of the child tax credit goes to family income of less than $75,000. That can be wage earners.

Is that wealthy? That is 75 percent. I say, is that wealthy?

Adoption tax credits go to all taxpayers up to a limited amount. Is that wealthy. No. It is not.

The overwhelming majority of the tax benefits in this bill go to working Americans who are not wealthy.

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

Mr. BONIOR. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New Jersey [Mr. MENENDEZ].

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

Mr. MENENDEZ. Mr. Chairman, it is clear everyone here would like to be able to pass a tax cut, but with a deficit looming, tax cuts cannot simply be distributed as free gifts that have no costs. The costs hang on all of our necks as an albatross until the deficit has been brought under control.

Cuts, if any, should be given to those in need, and clearly families earning the median income, in my district, as an example, are in need. We can help them with the Gephardt substitute.

The tax cuts in the Republican bill would be paid for by putting families in my district out on the street when their public housing crumbles from neglect and by snatching away hot lunches from their children. In return, the bill affords them an average tax cut of $10 a month, $10 a month.

By contrast, families earning $200,000 or more will reach nearly $1,000 a month in cuts. Mr. Chairman, that is clearly a raw deal.

And as for seniors, if they are going to lose their housing, senior housing repairs, their security patrols, their home energy assistance, their Medicaid being slashed, that is not a good deal for them either.

The family vote, the 13th District vote in New Jersey, the one that makes sense and does not hang on the deficit is the Gephardt substitute.

Mr. BONIOR. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Pennsylvania [Mr. KLINK].

Mr. KLINK. Mr. Chairman, we have often heard those who do not learn from history are doomed to repeat it. Usually there is a lot more time that passes than just 14 years.

But for those of us that remember 1981 and that famous Reagan tax cut that was going to bring us all prosperity, that trickle-down economics, we remember later that David Stockman said it was a Trojan horse just designed to bring down the top rate. I would suggest, if that was a Trojan horse, then the Republican tax cut bill we are faced with tonight is a Trojan elephant.

I can remember the results in the Pittsburgh area and much of the industrial Northeast of trickle-down economics. I remember standing outside plant gates when plants were shutting down and tens of thousands of workers were put out in the street. Now we are coming back for a second bite. We have got a tax-reduction bill that they are calling that in my State of Pennsylvania will cause 343,000 college students to pay more for college loans, that will cause 473 school districts across Pennsylvania to lose money for safe schools and drug-free schools, that will cause 68,000 Pennsylvania kids to lose summer jobs. That is what the Republican proposal is about. It is about 1 million kids in Pennsylvania that will lose their school lunches. It is about 311,000 Pennsylvania senior citizens that will not get help paying their electric bill and may have to freeze and may have to make some hard choices.

This is not about a Republican tax break. This is about a Republican rape of the poor and the middle class in order to reward the wealthy.

Mr. BONIOR. Mr. Chairman, I yield 1 minute to the distinguished gentleman from New York [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, I rise in strong support of the Gephardt bill which embraces middle-class values and middle-class families.

While the Republicans are trying to cut and eliminate student loans, this bill will enable more middle-class college students to go to college.

You know, it reminds me of Robin Hood; at least, Robin Hood stole from the rich to give to the poor. This steals from the poor and the middle class to give to the rich, and let us call it the way it is.

This Gephardt substitute is the only substitute or amendment that was allowed. The Republicans would not allow any other amendments, because they know that it would pass.

What I would like to know is how 102 of my Republican colleagues can sign a letter saying no tax breaks for the wealthy and they just fold under the Speaker's juggernaut, how 30 Members on the other side of the aisle, 30 Republican Members, say there must be deficit reduction before there are tax cuts, and then they just fold and vote for the rule and vote for the bill.

This bill says all tax breaks, this substitute, all tax breaks are revoked if deficit targets are not met. That is what we should do.

And look how we are beating up on Federal workers. It is bad enough we have no respect for ourselves apparently. But why beat up on the Federal workers? I guess if you are wealthy and you are millionaires, it does not matter. But most of America is not.

Support the Gephardt substitute. It helps the middle class.

Mr. ARCHER. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, the real truth is that Democrats do not like this bill because Democrats like to tax nearly everything, and they love taxes.

And I found just an absolutely fascinating quote from a senior member of the Democratic Party who was on the floor last night speaking to us, and the gentleman gives us a quote here that I think is absolutely fascinating. He is prepared to tax the air we breathe.

Let me quote to you from what he says. He says,

> Technology has brought us to this point. The technology was produced by the genius of people over many, many years, but it has brought us to the point where suddenly the atmosphere above or heads is valuable. It is worth a great deal of money. Let us find a way to tax that for the benefit of all Americans. That is just one of the taxes.

That is right, Democrats have suddenly realized they may be able to tax the air we breathe. No wonder they do not want tax cuts. They want more taxes.

Mr. BONIOR. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. COLEMAN].

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

Mr. COLEMAN. Mr. Chairman, I rise in opposition to the tax, cutting off the air we breathe.

Mr. Chairman, I rise to state my strong opposition to the Republican tax cut bill that is being considered today.

Mr. Chairman, this bill will increase interest payments on the national debt and shackle our economy. It will add to the mountain of debt which our children will inherit.

There are a few popular tax benefits in the Republican plan, namely the tax credit for children, the repeal of the marriage tax, the capital gains tax cut, and the raising of the earnings limit for elderly Americans. I only regret that they are attached to such a bad bill.

I do believe that American families deserve tax relief. The tax credit for children is a laudable goal. I also believe that the marriage penalty in our current tax laws is something that we should eliminate. Current law adds a disincentive for couples to stay together and become contributors to American society. I was a cosponsor of various measures in the last Congress which would have rectified this. I also support a capital gains tax cut because I believe, and studies show, that it spurs economic growth, especially in depressed areas. But this cut at this time is a mistake. Finally, I also believe that the earnings limit on elderly Americans should be raised. I have supported these provisions before and will gladly do so again.

However, these popular segments far from balance the massive cost of this tax package, $189 billion in spending cuts over 5 years. During this time of high deficits, we cannot continue to add to the debt. Our children will suffer later when they will be forced to pay for our spending. In addition, working families will bear the brunt of these cuts needed to pay for the wealthy's tax breaks.

This bill is like a hand grenade with the pin pulled out. While it gives away almost $189 billion in the first 5 years, the Treasury Department estimates it will actually cost $630 billion over a 10-year period. That will be a true explosion.

Mr. Chairman, the tax cuts the bill calls for mainly benefit the rich. A Treasury Department study shows that a working family making between $30,000 and $50,000 a year would receive $569 in tax relief under this bill. This

pales in comparison to the $11,266 in tax relief the legislation gives to a family with an income over $200,000. The Treasury Department also estimates that corporations and only the top 12 percent of the wealthiest taxpayers would get more than half of the tax break. Seventy-six percent of the $31 billion, 5-year cost of the capital gains tax cut would go to families making over $100,000. In my district these families are not considered middle class, Mr. Chairman.

This bill is also tough on Federal employees numbering about 30,000 in the El Paso area, which I represent. This bill will increase the payroll withholding for older Federal employees by 33 percent and for newer Federal employees by 313 percent. Under this legislation, middle-class Federal employees will pay an additional $905 in taxes to receive $125 in tax cuts.

The Republicans failed to obtain approval of this retirement contribution change in the committee of jurisdiction; the Government Reform and Oversight Committee. Thus, they subverted the legislative process and inserted this change in the Rules Committee. The leadership's promises to address this in later legislation is simply a fig leaf that we have seen before such as the lock-box/deficit-reduction mechanism in the welfare reform debate.

There are other ways in which middle- and low-income working families will pay if we enact this bill. For example, there will be large cuts in the welfare system and in nutrition programs which will significantly reduce benefits of 2.8 million needy families by the year 2000 according to the CBO; and higher Medicare costs will be borne by millions of older Americans.

I also want to remind my colleagues of the illustrative list of spending cuts released by Budget Committee Chairman KASICH the other day for the express purpose of paying for today's tax cuts. As you know, the Budget Committee reported legislation that cuts discretionary spending by $100 billion over the next 5 years (H.R. 1219). Yet, these suggested cuts do not even cover the $189 billion cost of this tax cut bill. Again, these cuts are aimed at working American families. These include; elimination of the Low Income Heating Program [LIHEAP], elimination of many job training programs including those aimed at displaced workers like the Trade Adjustment Assistance and NAFTA Adjustment Assistance, elimination of summer youth jobs programs, reduced funding for school-to-work programs and Goals 2000, elimination of Federal efforts in vocational and adult education, elimination of the Legal Services Corporation, elimination of PBS, and repealing the Davis-Bacon Act.

Even more, these illustrative cuts include several programs that are cut or eliminated in the 1995 rescission bill. This means the cuts already made in the rescission package are not available to meet the new $100 billion cut. Therefore, this is double-counting, Mr. Chairman. Like Reagan-era budget wizards of yesteryear the other party is once again engaging in funny math.

Under the Republican tax cut bill, these cuts will only be used to pay for the tax benefits going to mostly upper income Americans and the business community. The proposed spending reductions do nothing to reduce the Federal deficit. That means additional and even deeper cuts will come later in the year.

Mr. Chairman, the American people are looking at the Congress today and they see two incongruous goals: tax cuts and reducing the deficit. They have been rightly critical of Congress in the last few years. We must reject this bill because of the mixed message we continue to send to the American people.

In the 103d Congress, the Democrats and the President put before the American people tough and painful choices that were necessary to reduce the deficit. We imposed tough spending and entitlement caps. As a result, we will reduce the annual deficits of 1994–95 by more than $600 billion over 5 years. The economy has responded to our medicine by giving us one of the largest post WWII expansions in history. Some say the Democrats paid a high price for what we did in last November; if so, then so be it. Our country is better for it.

Finally, Mr. Chairman, the actions we are taking by approving this tax cut plan will send shudders around world financial markets. The dollar continues its downward slide. Americans are still uneasy about the future. Approval of this tax cut bill could send our economy into a tailspin.

Mr. Chairman, this is not the jewel our Speaker constantly refers to, but rather fools gold. This represents a return to the failed supply-side economics of Ronald Reagan—trickle-down economics. Well, Mr. Chairman, America has been trickled on quite enough. I urge my colleagues to resist this invitation to fiscal and economic disaster. Oppose the Republican tax cut bill.

Mr. BONIOR. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Maine [Mr. BALDACCI].

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

Mr. BALDACCI. Mr. Chairman, I support the Gephardt substitute which provides $31.6 billion in tax relief to American families earning primarily between $20,000 and $85,000 per year, and encourages investments in education and training to strengthen our economy. This is a responsible, fully paid for, and carefully targeted plan, and I applaud the efforts of the Democratic leader in bringing this to the House today.

I am opposed to the underlying deficit-busting tax legislation proposed by our Republican colleagues. It hurts middle- and low-income families, businesses, many States, and children. It benefits the wealthiest Americans instead of those who need relief the most. It costs too much and will likely add billions to our Nation's deficit and debt.

H.R. 1215 is simply another tax giveaway for the well-off. Under this legislation, households earning $200,000 a year would receive an average tax cut of $11,266, while those earning under $30,000 a year would receive on average only $124. This is patently unfair.

H.R. 1215 hurts middle- and low-income American families. They are unlikely to see any significant benefits from the bill's provisions. In fact, because the bill's centerpiece—a $500 tax credit for each child—is nonrefundable, it is estimated that 24 million children would not qualify for the credit because their families' income is too low to have any tax liability.

Contrary to our colleagues' claims, this bill will not necessarily help small business. In fact, because this plan may lead to increases in interest rates, the plan may in fact hurt small businesses. Higher interest rates make the loans needed for expansion, upgrading equipment, or making other infrastructure improvements more expensive for businesses.

H.R. 1215 will hurt the States. Many States, including Maine, use Federal adjusted gross income to calculate taxable income for State income tax purposes. Unless States cease to conform to Federal depreciation and capital gains provisions, they will be faced with enormous revenue losses. In Maine, those losses are estimated to be $370 million. It is ironic that this legislation is offered by the party that also offered legislation to curb unfunded mandates. This is just another example of how some of our colleagues are willing to say one thing and then do another for the sake of political expediency.

Finally, H.R. 1215 will hurt our children, our Nation's most precious natural resource. The bill uses savings achieved at the expense of schools lunches, WIC, and other programs which benefit children to help fund tax breaks for those earning more than $100,000. This bill will lead to cuts in student financial aid, public housing, and education.

Moreover, this bill is a budget-buster. The Congressional Budget Office estimates that it will cost our country $630 billion over the next 10 years. The proposed spending cuts don't even come close to paying for this cost explosion. The result, or course, will be even higher deficits and debts. Once again, we are mortgaging our children's future.

Mr. Chairman, H.R. 1215 is irresponsible. It fails to target the families that have been overburdened by taxes for too long. Instead, it gives tremendous tax breaks to wealthy Americans and to corporations. It hurts middle- and low-income families, small businesses, the States, and our children. It ignores our deficit and debt, and explodes in cost after 5 years.

We need tax relief. But we need responsible, targeted tax relief. I urge my colleagues to support the Gephardt substitute, and to vote down the Republican alternative which threatens to balloon our Nation's deficits and make it much harder to ever balance the Federal budget and get our fiscal house in order.

Mr. BONIOR. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Kentucky [Mr. WARD].

□ 2100

Mr. WARD. Mr. Chairman, earlier today I heard a supporter of this unfair tax bill say that, no, they were not really cutting school loan programs. Why he said with a straight face, a straight face, that a person could take their $500 tax break that is being given, put it in a savings account that is going to be created with this bill. They say, ''Take that $500 and have $14,000—$14,000 are waiting.''

I could not understand it. Well, it was $14,000, 18 years after they put that money in the bank.

Well, I told that to a high school senior from my State today, and he just laughed at me. He said, ''You know, it's going to cost $8,000 next year just to go to the University of Kentucky for 1 year.''

He said, Mr. Chairman, it is going to cost over $8,000 to attend the University of Kentucky for 1 year, so in 18 years $14,000 is not going to do a thing for them.

Mr. Chairman, that is why this bill is wrong. I urge its defeat.

Mr. BONIOR. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE asked and was given permission to revise and extend her remarks.

Ms. JACKSON-LEE. Mr. Chairman, I rise to support a real tax bill, one that in fact saves student loans, and I support the Gephardt bill.

Mr. ARCHER. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

Members will record their presence by electronic device.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 291]

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mfume
Mica
Miller (CA)
Miller (FL)
Mineta
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Owens
Packard
Pallone
Parker
Paxon
Payne (NJ)
Payne (VA)
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)
Young (FL)
Zeliff
Zimmer

□ 2118

The CHAIRMAN. Four hundred sixteen Members have answered to their names, a quorum is present, and the Committee will resume its business.

The gentleman from Michigan [Mr. BONIOR] has 7 minutes remaining, and the gentleman from Texas [Mr. ARCHER] has 8 minutes remaining.

The Chair recognizes the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. OWENS].

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

Mr. OWENS. Mr. Chairman, I rise in strong opposition to H.R. 1215 and in support of the Democratic substitute.

Mr. Chairman, last weekend, we moved our clocks forward to begin daylight savings time. I was shocked that the Republicans allowed that to occur. After watching the action in this chamber for the past three months, I thought that our clocks only moved backward.

Today, the Republican leadership brings to the floor yet another bill that takes us back in time. H.R. 1215 takes us back to the 1980's when Reagan-Bush policies created a huge chasm between the rich and poor. This bill sets out to make that gap even wider and drive a wedge between the ''haves'' and ''have-nots'' of our society.

''Republican tax fairness'' is as much an oxymoron as ''you have to be cruel to be kind.'' In the name of deficit reduction, House Republicans have slashed programs serving the nation's most needy by $76 billion, while preparing to dish out $189 billion in tax breaks, mostly to the nation's wealthiest Americans.

Releasting $189 billion to the American people would not be so bad if it were done equitably, but equity and this bill are far from synonymous. The average tax cut for the top 1% of income-earning families would be $20,362 under the Republican proposal. But for families in the bottom one-fifth, the average tax cut would be a mere $36. So while wealthy families are out purchasing expensive, foreign cars, poor families will be buying a couple of tanks of gas.

The Republican bill also takes us back to the early 1980's when giant corporations were tax freeloaders. Through massive corporate depreciation loopholes and the repeal of the corporate ''alternative minimum tax,'' H.R. 1215 would guarantee that more than half of the largest companies in America would pay no taxes at all, just as they did prior to enactment of the 1986 tax reform package.

Additionally, Republicans are leading us in the wrong direction on capital gains tax policy. Capital gains already enjoy preferential treatment—a lower rate than earned income. That sends a message to hard-working Americans trying to move up the economic ladder that we value the small minority of people who own most of the nation's wealth more than we value the large majority of people who work at back-breaking jobs for barely a living wage. Mr. Speaker, that is the wrong message.

Instead, we should be rewarding people who earn their income through hard work the most while rewarding those who earn their income passively the least; for the latter group already owns the wealth they need to take care of themselves—they are already at the top of the economic ladder.

I have a bill that would lead us in this direction, the right direction. H.R. 538, the ''Citizens' Tax Relief Act of 1995,'' would lower the first income tax bracket from 15 percent to

12.5 percent, giving every American a tax cut. To pay for it, a huge tax loophole would be eliminated—the favorable tax treatment of inherited property. To be equitable, the bill also would exempt from taxes the first $250,000 of capital gains on the sale of inherited homes (which is currently available only to individuals over the age of 55 and only for the first $125,000) and provide lower capital gains tax rates on the inherited property of heirs who pay the tax in the first four years after enactment of the bill.

Currently, when a person dies and leaves property to a family member, the amount by which that property increased in value during the person's lifetime is never taxed. Such a policy is fundamentally unfair considering that if the same person sells the property before dying, the individual is taxed on the gain. My bill would reverse that policy.

A study conducted by two Cornell University professors showed that more than $10 trillion worth of property will be inherited over the next 45 years. That means that there will be several trillion dollars of capital gains that should be taxed. If Congress takes advantage of this opportunity, we would have more than enough money to pay for my proposed tax cut, so that the bill actually would increase the revenues of the federal government. With the money left over, we could invest in job creation and job training programs so that every American who is willing and able to work would have the opportunity to do so.

H.R. 1215 and other Republican proposals do very little to create jobs for those who need them. In fact, the combination of tax cuts and budget cuts is proving to be a one-two punch for America's poor. The bottom 26 percent of families who have incomes below $20,000 a year would receive less than 2 percent of the Republican tax cut benefits. Meanwhile, most of the budget reductions proposed by House Republicans have been in programs targeted to the poor. These reductions are only a small fraction of those needed to balance the budget over the next 7 years, which means that more bitter pills are on their way.

Republicans have offered nothing to poor and working class Americans this session and have taken much away. Now they are proposing to make federal employees pay, on average, an additional $905 a year to participate in the federal retirement program. That will effectively wipe out any benefit federal employees might have received from the tax cut.

Republicans, however, have offered sweetheart tax deals to the wealthiest corporations and sweetheart tax breaks for the wealthiest individuals. One of these individuals is Rupert Murdoch, a special friend of the Speaker of the House. The Republican leadership made sure that tax incentives for media conglomerates to sell broadcasting properties to minorities were eliminated from the law, but at the same time made sure that Rupert Murdoch's $150 million deal was untouched.

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

Mr. Chairman, some day when historians look back on the first 100 days of this Congress, I think they may borrow that phrase from Charles Dickens, ''It was the best of times, it was the worst of times.'' If you are a Fortune 500 company looking for a big tax cut, if you are a billionaire Benedict Arnold sitting on a Caribbean beach, if you are a Rupert Murdoch sitting pretty with a $38 million tax break, it is the best of times, because the Republicans are looking out for you.

But if you are a kid looking for a school lunch, if you are a senior looking for a little heating assistance, if you are a student looking for a school loan, it may be the worst of times, because you are not part of the Gingrich revolution.

Time and time again this past 6 months we have heard Republicans talk about renewing American civilization. We have heard our Speaker talk about renewing American civilization. But they do not seem to understand that you cannot renew American civilization by taking Big Bird from a 5-year-old, school lunch from a 10-year-old, summer jobs from a 15-year-old, school loans from a 20-year-old, in order to pay for a tax cut for the privileged few in our society. And that is exactly what this bill that we will be voting on tonight does. And everybody knows it.

I say to my Republican friends, do not come to this floor tonight and tell us this is not a tax bill for the wealthy, because 106 Members of your own caucus signed a letter that said it was a tax bill for the wealthy. It was not a Democrat who said, ''Most people in my district do not consider someone making over $200,000 a year middle class.'' That, my friends, was a Republican.

Now, this bill operates under the old Republican theory that the best way to feed the birds is to give more oats to the horses. And do not tell us you are looking out for the next generation either, because you cannot save the children of the next generation by punishing the children of this generation.

Now, Republicans have come to the floor all afternoon and all evening and they kept saying they are making history today. But I say they are repeating history. I was here in 1981. I was here in 1981, when one of the worst votes of the history of this country were cast. Republicans came to the floor back then and said they had this magic solution. We are going to cut taxes. We are going to increase defense spending, and magically we are going to balance the budget.

Well, we know what happened. The rich got richer, the poor got poorer, the middle class got squeezed, and the deficit exploded. And now Republicans are ready to do it all over again, and once again when we ask for the details, all they say is ''Trust us. Trust us.''

Well, fool me once, shame on you; fool me twice, shame on me. It is no secret why the polls are telling you do not do this tonight. The American people will not be fooled again. NEWT GINGRICH calls this bill the crown jewel of the contract. Well, it may be the crown jewel for the wealthy, but for the rest of America it is nothing but fool's gold.

Mr. Chairman, let us do something today for middle class families for a change. Do you realize that since we began working on this contract, we have met for nearly 100 days, we have cast about 250 votes, we have not adopted one amendment that deals with jobs, one amendment that deals with income, one amendment that deals with health care, one amendment that deals with education, one amendment that deals with job training. Not one. Let us do something that targets the middle class for a change, 100 percent. 100 percent of the benefits in the Gephardt substitute go to working middle class families. It will help them send their kids to school, it will not cut student loans, it will let them deduct student loans. And, above all, it will help parents save for their children's education.

Mr. Chairman, this debate really comes down to one very simple question: Whose side are you on? Are you on the side of middle class families, or are you on the side of the privileged few? And if you think the problem in America is that the wealthy need more tax breaks, then vote against this substitute. But if you really want to do something to help middle income families in this country and make this country stronger, I urge my colleagues, vote for the Gephardt amendment, and give the next generation a fighting chance.

□ 2130

Mr. ARCHER. Mr. Chairman, to close on the substitute, I yield the balance of my time to the gentleman from Texas [Mr. ARMEY], the majority leader.

Mr. ARMEY. I thank the gentleman for yielding me the time.

Mr. Chairman, we are not passing this tax relief bill tonight because it is in the Contract With America. It is in the Contract With America because it is needed by the American people.

When we wrote the Contract With America, we said we agree with the American people that the Federal Government is too big and takes too much of their hard-earned money. The average family today pays more in taxes than it does in food, shelter, and clothing combined. Most households have a second wage earner not to support the family but to support the government.

Mr. Chairman, starting today, relief is on the way. Mr. Chairman, we have relief for the families, relief for the elderly, relief for the small business entrepreneur, relief for savers, and relief for investors.

Mr. Chairman, there are many provisions in this bill that do not get much attention, but they make real differences in the lives of real people. There is, for example, in this bill an adoption tax credit to make it easier for loving couples to provide homes for precious children.

There is an IRA for education, medical expenses, first-time home purchases and retirement, and it is available to the work-at-home parent as well.

Our bill has a tax credit for families who take care of their elderly parents at home. It has a home office deduction so more people can work at home and spend more time with their children.

This tax relief will benefit all Americans just like the capital gains tax cut will, despite the tired class warfare rhetoric we have heard today.

Let me explain what capital gains means to a working American, as told to me by a machinist on the plant floor in Irving, Texas.

When he showed me his new machine with which he worked, he said, ''Congressman, with this machine I can do better work. I can reach higher levels of tolerance than I've ever done before. I produce a better quality, and we have more satisfied customers. My productivity goes up, and my wages have gone up.''

He said, ''Congressman, this machine cost $1 million. I could work all my life and not buy this machine. And I appreciate those savers who made that money available so that machine can be there and I can have my job.''

When we reduce the cost of capital and reward savers so more investments are made and more people have more and better jobs, the economy will grow, and we will receive more tax revenue. I don't care what the scorekeepers say.

Mr. Chairman, for too long we have been taking too much money away from working Americans and sending it to Washington. It is time tonight that we send more of that money back to working Americans.

It is time to shift decisions away from the hallowed halls of Washington and back to the more hallowed kitchen tables of America. It is time for us to vote for our constituents, vote for the real families in their real homes back in our real America, vote against the Gephardt substitute and vote the Contract tax provision. Then we will come back and we will, in fact, give America a real balanced budget that really gets there without touching Social Security.

Mr. Chairman, I, too, have read Dickens. When we are done doing all of this for the children of America, they, too, like Pip, can have once again in America great expectations.

Mr. REED. Mr. Chairman, I rise in support of the Gephardt education tax deduction legislation and in strong opposition to the ill-conceived Republican tax bill.

I am opposed to the Contract on America tax bill because it is a return to the failed policies of the 1980's, it provides much for the well-to-do and little for the middle-class, and it will massively increase the deficit. It is also interesting to note that this tax cut bill actually would raise taxes on Federal workers.

In the 1980's the American people were told that tax cuts for the wealthy would trickle down to the average American. They didn't. The American people were also told that the deficit would be cut. Well it wasn't. Regrettably, the Republicans are ready to try this experiment again today.

Proponents of the Contract tax bill claim it will help the American middle-class. Well, it won't. Indeed, it is estimated that 51 percent of the benefits from this bill go to the top 12 percent of earners. For the average family most of us would consider middle-class, those making $30,000 to $50,000, would get a tax break of $569, but a family making over $200,000 gets $11,266.

If this isn't unfair enough to make someone question this bill, the repeal of the Alternative Minimum Tax, which President Reagan introduced, further tilts the balance against working Americans. The AMT ensures that large corporations have to pay at least some tax. Prior to President Reagan's introduction of the AMT, large, profitable companies paid no tax and in some cases actually got rebates. For example, AT&T got a $636 million rebate, even though its profits were $24.9 billion. DuPont got a $179 million rebate, but made $3.8 billion. GE didn't get a rebate, it just didn't pay taxes for 3 years between 1982 and 1985. How does this help middle-class families?

Not only does the Contract tax bill do little for the middle-class, it also swells the deficit. Over the first 5 years, the Contract tax bill would cost roughly $200 billion which the majority has paid for by cutting child nutrition programs and tightening the caps on discretionary spending. However, the total cost over 10 years would be almost $700 billion. I believe this is why many in the Senate, like Senator CHAFEE, are opposed to the Contract's tax cuts.

If the Republicans follow through with their pledge to protect Social Security and defense spending while balancing the budget, this tax bill will require 30 percent cuts in all other domestic programs like student loans, transportation, and job training. Cutting the deficit further than we did in 1993 will be a tough job, but the Contract tax bill makes achieving a balanced budget all the more difficult, if not impossible. I would also like to remind my colleagues on the other side of the aisle that they promised to pass specific spending cuts before they passed any tax cuts.

I know many of my Republican colleagues share this concern over the deficit impact of their party's tax bill. Indeed, many of them tried to add a provision to the bill to prohibit tax cuts before the deficit is eliminated. However, their party's leadership was not willing to support that proposal. Instead, the Contract tax bill only requires an annual report on progress in balancing the budget. However, the Democratic alternative requires that all tax cuts would be revoked, if deficit targets are not achieved. This Democratic provision guarantees that deficit reduction comes before any tax cuts.

I support cutting Congressional pensions and bringing them in line with private sector pensions which a provision of this bill will partially do. However, I am disappointed that this initiative was included in this mistaken tax bill solely for political effect.

In response, I wrote and urged Minority Leader GEPHARDT to include Congressional pension reform in the only amendment allowed by the Republicans. Therefore, I am glad that the motion to recommit includes Congressional pension reform, and I plan to support this motion which requires that the Ways and Means Committee fix Congressional pensions. However, I cannot support fixing Congressional pensions as part of this spurious Republican tax bill.

Mr. Chairman, the Contract tax bill would also require the new Governor of Rhode Island to make-up the loss of $280 million in revenues over 10 years. Rhode Island already faces a budget crisis and unfortunately this bill just compounds this problem. But Rhode Island's Governor might be lucky compared with New Jersey's Governor Whitman whose State loses $3 billion over 10 years.

In contrast, the Democratic alternative provides fair, reasonable, and targeted tax benefits aimed at helping middle-class families make a productive investment in their children's education. The Democratic tax fairness bill provides a $10,000 tuition deduction. It expands the number of Americans who are eligible for a tax deductible IRA which will increase our savings rate. The Democratic alternative would create new U.S. savings bond which would help middle-class families save money for their children's education. It would also allow students to deduct the interest on their loans. The Democratic alternative is geared toward education because education is an investment in our future. Education means an increased earning potential, greater global competitiveness, and self-sufficiency.

Of course, there are other proposals that the minority leader's substitute might have included, But, to the alternative bill's credit it maintains deficit reduction as the major focus of Congress.

Mr. Chairman, this debate did not have to be them against us. The Republicans could have worked with Democrats to develop an affordable, fair, bi-partisan tax bill. Indeed, there are many items in the Contract tax bill that I support and wish we could have worked together to pass. First, I am in favor of reducing taxes for families making under $100,000. Second, I have voted for targeted capital gains tax breaks in the past in order to spur productive investments in jobs, not just for Wall Street billionaires. Third, I would like to see a repeal or modification of the change in the amount of Social Security that is subject to taxation. However, I am concerned that Republicans would change this tax by cutting funds for the Medicare trust fund. Fourth, I would be glad to support a bipartisan change in the Social Security earnings limit. Fifth, I believe we need to correct the home office deduction. Finally, I am sure there are a number of tax provisions we could all agree on, but the Republicans decided against a bipartisan approach.

Mr. Chairman, I wish the majority had decided on a bipartisan approach and developed a sensible tax bill that truly helps America's struggling families. Instead, they chose to favor those least in need and cut programs for society's most vulnerable members—children.

Ms. ESHOO. Mr. Chairman, the Gephardt alternative is about opportunity, growth, and the future.

While the Republicans are busy gutting nutrition programs and student loans to finance tax cuts for the rich, we have a different approach.

We believe that education is the seed corn which allows our Nation to harvest a trained work force, scientific breakthroughs, and greater prosperity in the years ahead.

Our substitute provides incentives for middle class Americans to invest in higher education and gives them the opportunity to save sufficiently for this investment.

We know the 21st century will demand higher skills from our people. The only way our country can remain competitive is to invest in our human capital. That means investing in educating our children.

The Republican agenda is not about growth and opportunity, it's about helping the rich at the expense of the middle class. It's about eating our seed corn instead of planting it.

The Gephardt substitute is a common sense cut and invest proposal targeted at the middle class. Hard-working Americans deserve more than being shafted in the fine print of the Contract With America. This package provides them with the much-needed relief they and this country deserve.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Missouri [Mr. GEPHARDT].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BONIOR. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 119, noes 313, not voting 2, as follows:

[Roll No 292]

AYES—119

Abercrombie
Ackerman
Andrews
Baldacci
Barcia
Bevill
Bonior
Borski
Boucher
Browder
Brown (FL)
Brown (OH)
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Cramer
Danner
de la Garza
DeLauro
Dingell
Dixon
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gonzalez
Gordon
Gutierrez
Hastings (FL)
Hefner
Hinchey
Holden
Jackson-Lee
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kennedy (RI)
Kennelly
Lantos
Levin
Lewis (GA)
Lofgren
Lowey
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McHale
Meek
Menendez
Miller (CA)
Mineta
Mink
Moakley
Moran
Nadler
Neal
Oberstar
Obey
Olver
Owens
Pallone
Payne (NJ)
Peterson (MN)
Pomeroy
Rahall
Reed
Richardson
Rose
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Serrano
Slaughter
Spratt
Stokes
Studds
Stupak
Tanner
Thompson
Thornton
Torres
Torricelli
Towns
Traficant
Tucker
Velazquez
Vento
Volkmer
Ward
Waxman
Wise
Woolsey
Wyden
Wynn
Yates

NOES—313

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brewster
Brown (CA)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Coyne
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeFazio
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (LA)
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Furse
Gallegly
Ganske
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Green
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hilliard
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kildee
Kim
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Kingston
Kleczka
Klink
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Knollenberg
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Lewis (KY)
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Lipinski
Livingston
LoBiondo
Longley
Lucas
Luther
Manzullo
Martini
McCarthy
McCollum
McCrery
McDade
McDermott
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Metcalf
Meyers
Mfume
Mica
Miller (FL)
Minge
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Orton
Oxley
Packard
Parker
Pastor
Paxon
Payne (VA)
Peterson (FL)
Petri
Pickett
Pombo
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Ramstad
Rangel
Regula
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Roybal-Allard
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Scott
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stark
Stearns
Stenholm
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Thurman
Tiahrt
Torkildsen
Upton
Visclosky
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Waters
Watt (NC)
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—2

Pelosi
Reynolds

☐ 2152

Mr. BISHOP, Ms. MCKINNEY, and Mr. PASTOR changed their vote from ''aye'' to ''no.''

Mr. WYNN changed his vote form ''no'' to ''aye.''

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment in the nature of a substitute, as modified, made in order by the rule.

The amendment in the nature of a substitute, as modified, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. DREIER] having assumed the chair, Mr. BOEHNER, 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. 1215) to amend the Internal Revenue Code of 1986 to strengthen the American family and create jobs, pursuant to House Resolution 128, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. GEPHARDT

Mr. GEPHARDT. Mr. Speaker, I offer a motion to recommit with instructions.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. GEPHARDT. Yes; I am opposed to the bill in its present form, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. GEPHARDT moves to recommit the bill H.R. 1215 to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendments:

In paragraph (1) of section 4003(a), strike all subparagraphs except subparagraph (C) (and make the necessary conforming grammatical changes).

Strike paragraph (2) of section 4003(a) and insert the following:

(2) DEDUCTIONS.—Section 8334(a) is amended by adding after paragraph (3) (as added by

paragraph (3)(A) of this subsection) the following:

(4) Effective with respect to service after December 31, 1995, in the case of a Member, the employing agency shall (instead of the percentage otherwise applicable under the first sentence of paragraph (1)) deduct and withhold from basic pay of the Member the percentage of basic pay applicable under subsection (c).''.

In paragraph (3) of section 8334(a) of title 5, United States Code (as proposed to be amended by section 4003(a)(3)(A)) insert '', in the case of a Member,'' after ''shall''.

Strike paragraph (4) of section 4003(a).

Strike subsection (b) of section 4003 and insert the following:

(b) FERS.—

(1) IN GENERAL.—Section 8422(a) is amended by adding at the end the following:

''(3) In applying the provisions of paragraph (2)(B) in the case of a Member, '7½' in clause (i) thereof shall, for purposes of applying such provisions with respect to basic pay for service performed—

''(A) in calendar year 1996, be deemed to read '8½';

''(B) in calendar year 1997, be deemed to read '9';

''(C) after calendar year 1997, be deemed to read '9½';

(2) TECHNICAL AMENDMENT.—Paragraph (1) of section 8422(a) is amended by striking ''paragraph (2).'' and inserting ''paragraphs (2) and (3).''.

Strike subsection (c) of section 4003 and redesignate subsection (d) thereof accordingly.

In section 8339a(a) of title 5, United States Code (as proposed to be inserted by section 4004(a)(1)) and section 8461a(a) of such title (as proposed to be inserted by section 4004(b)(1)), strike ''a separation'' and insert ''the separation of a Member''.

In section 4005(a), strike paragraph (2) and conform paragraph (1) accordingly.

In section 4005(b), strike ''MEMBERS.—'' in paragraph (1) and insert ''IN GENERAL.—'', strike paragraph (2), and redesignate paragraph (3) as paragraph (2).

In subparagraph (B) of section 4005(b)(2) (as so redesignated), strike ''and by striking 'Congressional employee,' ''.

In paragraph (3) of section 8415(g) of title 5, United States Code, as proposed to be added by section 4005(b)(2) (as so redesignated), strike ''or Congressional employee'' each place it appears, and strike ''or (c)''.

Strike title V of the bill.

Strike subtitle A of title VI of the bill (other than section 6101).

In section 23 of the Internal Revenue Code of 1986 (as proposed to be added by section 6101)—

(1) insert ''(or, in the case of taxable years beginning before January 1, 2001, the amount specified in subsection (e))'' after ''$500'',

(2) strike ''$200,000'' each place it appears and insert ''$60,000'',

(3) strike ''100 times'' in subsection (b)(2) of such section 23 and insert ''70 times'',

(4) strike ''1996'' and ''1995'' in subsection (d) of such section 23 and insert ''2001'' and ''2000'', respectively, and

(5) redesignate subsection (e) of such section 23 as subsection (f) and insert after subsection (d) the following new subsection:

''(e) PHASE IN OF AMOUNT OF CREDIT.—In the case of taxable years beginning before January 1, 2001, subsection (a) shall be applied by substituting for '$500'—

''(1) '$100' in the case of taxable years beginning after December 31, 1996, and before January 1, 1999, and

''(2) '$300' in the case of taxable years beginning after December 31, 1998.

In section 6101(c) of the bill, strike ''1995'' and insert ''1996''.

Strike subtitles B, C, D, and E of title VI.

After subtitle A of title VI, insert the following new subtitles:

Subtitle B—Tax Benefit Contingent on Federal Budget

SEC. 6201. EFFECTIVE DATE OF TAX BENEFIT DELAYED UNTIL FEDERAL BUDGET PROJECTED TO BE IN BALANCE.

(a) IN GENERAL.—Solely for purposes of subtitle A, notwithstanding any provision of subtitle A, and any amendment made by such subtitle, except as otherwise provided in this section—

(1) any reference in such subtitle (or in any amendment made by such subtitle) to 1996 shall be treated as a reference to the calendar year ending in the first successful deficit reduction year, and

(2) any reference in such subtitle (or in any amendment made by such subtitle) to any later calendar year shall be treated as a reference to the calendar year which is the same number of years after such first calendar year as such later year is after 1996.

(b) FIRST SUCCESSFUL DEFICIT REDUCTION YEAR.—For purposes of this section—

(1) IN GENERAL.—The term ''first successful deficit reduction year'' means the first fiscal year beginning after the date of the enactment of this Act with respect to which there is an OMB certification before the beginning of such fiscal year that the budget of the United States will be in balance by fiscal year 2002 based upon estimates of enacted legislation, including the amendments made by this Act.

(2) OMB CERTIFICATION.—The term ''OMB certification'' means a written certification made solely for purposes of this subtitle by the Director of the Office of Management and Budget to the President and the Congress.

(c) CERTIFICATIONS BEFORE 1997.—Subsection (a) shall not apply if there is an OMB certification made during 1995 or 1996 that the budget of the United States will be in balance by fiscal year 2002 based upon estimates of enacted legislation, including the amendments made by this Act.

SEC. 6202. TERMINATION OF TAX BENEFIT IF FEDERAL BUDGET DEFICIT REDUCTION TARGETS ARE NOT MET.

(A) TERMINATION OF CREDIT.—No credit shall be allowed by section 23 of the Internal Revenue Code of 1986 (added by subtitle A) for any taxable year beginning after the calendar year in which the first failed deficit reduction year ends.

(b) FIRST FAILED DEFICIT REDUCTION YEAR.—For purposes of this section, the term ''first failed deficit reduction year'' means the first fiscal year (beginning after the earliest date on which any amendment made by subtitle A takes effect) with respect to which there is an OMB certification during the 3–month period after the close of such fiscal year that the actual deficit in the budget of the United States for such fiscal year was greater than the deficit target for such fiscal year specified in the following table:

''In the case of fiscal year:	*The deficit target (in billions) is:*
1996	$150
1997	125
1998	100
1999	75
2000	50
2001	25
2002 or thereafter	0.

Subtitle C—Revision of Tax Rules on Expatriation

SEC. 6301. REVISION OF TAX RULES ON EXPATRIATION.

(a) IN GENERAL.—Subpart A of part II of subchapter N of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 877 the following new section:

''SEC. 877A. TAX RESPONSIBILITIES OF EXPATRIATION.

''(a) GENERAL RULES.—For purposes of this subtitle—

''(1) CITIZENS.—If any United States citizen relinquishes his citizenship during a taxable year, all property held by such citizen at the time immediately before such relinquishment shall be treated as sold at such time for its fair market value and any gain or loss shall be taken into account for such taxable year.

''(2) CERTAIN RESIDENTS.—If any long-term resident of the United States ceases to be subject to tax as a resident of the United States for any portion of any taxable year, all property held by such resident at the time of such cessation shall be treated as sold at such time for its fair market value and any gain or loss shall be taken into account for the taxable year which includes the date of such cessation.

''(b) EXCLUSION FOR CERTAIN GAIN.—The amount which would (but for this subsection) be includible in the gross income of any taxpayer by reason of subsection (a) shall be reduced (but not below zero) by $600,000.

''(c) PROPERTY TREATED AS HELD.—For purposes of this section, except as otherwise provided by the Secretary, an individual shall be treated as holding—

''(1) all property which would be includible in his gross estate under chapter 11 were such individual to die at the time the property is treated as sold,

''(2) any other interest in a trust which the individual is treated as holding under the rules of section 679(e) (determined by treating such section as applying to foreign and domestic trusts), and

''(3) any other interest in property specified by the Secretary as necessary or appropriate to carry out the purposes of this section.

''(d) EXCEPTIONS.—The following property shall not be treated as sold for purposes of this section:

''(1) UNITED STATES REAL PROPERTY INTERESTS.—Any United States real property interest (as defined in section 897(c)(1)), other than stock of a United States real property holding corporation which does not, on the date the individual relinquishes his citizenship or ceases to be subject to tax as a resident, meet the requirements of section 897(c)(2).

''(2) INTEREST IN CERTAIN RETIREMENT PLANS.—

''(A) IN GENERAL.—Any interest in a qualified retirement plan (as defined in section 4974(d)), other than any interest attributable to contributions which are in excess of any limitation or which violate any condition for tax-favored treatment.

''(B) FOREIGN PENSION PLANS.—

''(i) IN GENERAL.—Under regulations prescribed by the Secretary, interests in foreign pension plans or similar retirement arrangements or programs.

''(ii) LIMITATION.—The value of property which is treated as not sold by reason of this subparagraph shall not exceed $500,000.

''(e) DEFINITIONS.—For purposes of this section—

''(1) RELINQUISHMENT OF CITIZENSHIP.—A citizen shall be treated as relinquishing his United States citizenship on the date the United States Department of State issues to the individual a certificate of loss of nationality or on the date a court of the United States cancels a naturalized citizen's certificate of naturalization.

''(2) LONG-TERM RESIDENT.—

''(A) IN GENERAL.—The term 'long-term resident' means any individual (other than a citizen of the United States) who is a lawful permanent resident of the United States and,

as a result of such status, has been subject to tax as a resident in at least 10 taxable years during the period of 15 taxable years ending with the taxable year during which the sale under subsection (a) is treated as occurring.

''(B) SPECIAL RULE.—For purposes of subparagraph (A), there shall not be taken into account—

''(i) any taxable year during which any prior sale is treated under subsection (a) as occurring, or

''(ii) any taxable year prior to the taxable year referred to in clause (i).

''(f) TERMINATION OF DEFERRALS, ETC.—On the date any property held by an individual is treated as sold under subsection (a)—

''(1) any period deferring recognition of income or gain shall terminate, and

''(2) any extension of time for payment of tax shall cease to apply and the unpaid portion of such tax shall be due and payable.

''(g) ELECTION BY EXPATRIATING RESIDENTS.—Solely for purposes of determining gain under subsection (a)—

''(1) IN GENERAL.—At the election of a resident not a citizen of the United States, property—

''(A) which was held by such resident on the date the individual first became a resident of the United States during the period of long-term residency to which the treatment under subsection (a) relates, and

''(B) which is treated as sold under subsection (a),

shall be treated as having a basis on such date of not less than the fair market value of such property on such date.

''(2) ELECTION.—Such an election shall apply to all property described in paragraph (1), and, once made, shall be irrevocable.

''(h) DEFERRAL OF TAX ON CLOSELY HELD BUSINESS INTERESTS.—The District Director may enter into an agreement with any individual which permits such individual to defer payment for not more than 5 years of any tax imposed by subsection (a) by reason of holding any interest in a closely held business (as defined in section 6166(b)) other than a United States real property interest described in subsection (d)(1).

''(i) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.

''(j) CROSS REFERENCE.—

''For termination of United States citizenship for tax purposes, see section 7701(a)(47).''

(b) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—Section 7701(a) of such Code is amended by adding at the end the following new paragraph:

''(47) TERMINATION OF UNITED STATES CITIZENSHIP.—An individual shall not cease to be treated as a United States citizen before the date on which the individual's citizenship is treated as relinquished under section 877A(e)(1).''

(c) CONFORMING AMENDMENTS.—

(1) Section 877 of such Code is amended by adding at the end of the following new subsection:

''(f) TERMINATION.—This section shall not apply to any individual who is subject to the provisions of section 877A.''

(2) Paragraph (10) of section 7701(b) of such Code is amended by adding at the end the following new sentence: ''This paragraph shall not apply to any individual who is subject to the provisions of section 877A.''

(d) CLERICAL AMENDMENT.—The table of sections for subpart A of part II of subchapter N of chapter 1 of such Code is amended by inserting after the item relating to section 877 the following new item:

''Sec. 877A. Tax responsibilities of expatriation.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to—

(1) United States citizens who relinquish (within the meaning of section 877A(e)(1) of the Internal Revenue Code of 1986, as added by this section) United States citizenship on or after October 1, 1996, and

(2) Long-term residents (as defined in such section) who cease to be subject to tax as residents of the United States on or after such date.

At the end of the bill insert the following new title:

TITLE VII—HOUSE BUDGET COMMITTEE TO REPORT NEW DISCRETIONARY SPENDING LIMITS

SEC. 701. HOUSE BUDGET COMMITTEE TO REPORT NEW DISCRETIONARY SPENDING LIMITS.

Not later than 20 days after the date of the enactment of this Act, the Committee on the Budget of the House of Representatives shall report legislation which provides general discretionary spending limits as follows:

(1) With respect to fiscal year 1996: $514,998,000,000 in new budget authority and $547,245,000,000 in outlays.

(2) With respect to fiscal year 1997: $521,281,000,000 in new budget authority and $542,111,000,000 in outlays.

(3) With respect to fiscal year 1998: $528,024,000,000 in new budget authority and $544,594,000,000 in outlays.

(4) With respect to fiscal year 1999: $527,051,000,000 in new budget authority and $543,130,000,000 in outlays.

(5) With respect to fiscal year 2000: $525,091,000,000 in new budget authority and $541,082,000,000 in outlays.

Make necessary conforming changes in title and section designations and in the tables of contents.

Mr. GEPHARDT (during the reading). Mr. Speaker, I ask unanimous consent that the motion to recommit be considered as read and printed in the RECORD.

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

Mr. ARCHER. Mr. Speaker, we have only just received a copy of this motion to recommit and I think for the benefit of all of the House Members, unless it is extremely lengthy, we should have it read so we will know what we are voting on.

The SPEAKER pro tempore. Does the gentleman object?

Mr. ARCHER. I object, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will read.

The Clerk continued the reading of the motion.

□ 2200

Mr. ARCHER (during the reading). Mr. Speaker, we have now had additional time to read the motion to recommit, and I ask unanimous consent that the motion be considered as read and printed in the RECORD.

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

There was no objection.

Mr. ARCHER. Mr. Speaker, let me state we have had only a short time to look at it. We do believe that it is subject to a point of order. However, considering the gentleman's results on his substitute, we think he should have an opportunity on his motion to recommit. We will not urge the point of order.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Missouri [Mr. GEPHARDT] for 5 minutes.

Mr. GEPHARDT. Mr. Speaker, this motion to recommit is very simple.

A lot of Members have said that this tax bill ought to be directed to middle-income families. One of the features of the Republican bill that Members have talked a lot about is the credit for children, a $1,000 credit, $500 credit for children. A family of two would get $1,000.

But as you know, in the Republican bill the families who can enjoy this credit go up to family incomes of $200,000 a year.

Over 100 Members wrote their own leadership and said that they would like to have that amount dropped to $95,000. I agree with them. I think over 100 Republicans get it right, and that is that we ought to give a tax cut to middle-income families and not to families at the top.

If you take all of the provisions of the Republican bill together, half of their tax cuts go to families who earn $100,00 a year or more.

We can remedy that tonight with this motion to recommit. It does four simple things. It substitutes for their bill. First, it says that family tax credit should be limited to families making $95,000 a year or less.

Second, it puts into effect the retirement changes that are in the Republican bill applying to all Federal employees including Members of Congress; in this motion to recommit, we make those changes, lowering the amount of the Federal retirement but only for Members of Congress. We do not in this motion to recommit lower the benefits or raise the taxes on Federal employees or staffs of the Congress.

Third, the motion to recommit closes this egregious loophole allowing people to renounce their American citizenship in order to avoid paying taxes. Our friends on the other side may say that it is a human right to be able to leave America and not pay your taxes. I say it is America's right that everybody ought to pay their taxes to this country.

And finally, we have included the language of the so-called Browder amendment that says none of this tax cut will go into effect until we are on the road to a balanced budget, and we will not keep this tax cut for people unless we stay on the road to a balanced budget.

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

Mr. GEPHARDT. I am happy to yield to the gentleman from Alabama.

Mr. BROWDER. Mr. Minority Leader, let me clarify this, please. Are you saying that this has hard numbers for deficit reduction over the next 7 years?

Mr. WISE. Regular order, Mr. Speaker; regular order, Mr. Speaker.

The SPEAKER pro tempore. The House will be in order. The gentleman from Missouri controls the time.

Mr. GEPHARDT. I yield to the gentleman from Alabama.

Mr. BROWDER. For a point of clarification, do you tell me that this motion to recommit includes the hard numbers that were in the Browder-Castle-Orton-Upton-Martini amendment for deficit reduction?

Mr. GEPHARDT. That is correct. As you know, in the Republican bill it got changed so that you did not look back every year to make sure you are on the road to a balanced budget. That is what you had in your amendment, and that is what is in this amendment, and that is a good amendment.

Mr. BROWDER. Thank you, Mr. Leader.

Mr. GEPHARDT. Let me sum up and say that this is a choice that we have to make tonight.

Are we willing to give half of the tax cut to families who earn $100,000 a year or more, or are we willing to focus this tax cut at the hard-working, hard-pressed, squeezed middle-income people of this country? I know what my vote is for, and I hope your vote will be for the middle-income people of this country.

Vote for this motion to recommit.

The SPEAKER pro tempore. The time of the gentleman from Missouri [Mr. GEPHARDT] has expired.

The Chair recognizes the gentleman from Texas [Mr. ARCHER] for 5 minutes in opposition to the motion to recommit.

Mr. ARCHER. Mr. Speaker, I yield my 5 minutes to the Speaker of the House of Representatives, the gentleman from Georgia [Mr. GINGRICH].

Mr. GINGRICH. Mr. Speaker, let me say first of all that on this 91st day, I want to thank everyone on both sides of the aisle. This has been an immense amount of work. And despite the occasional rancor directed at me personally, I think frankly everything has gone about as well as we could have hoped.

And I think that the transfer of power which is one of the great acts of majesty in our system, the willingness to work together, getting through a lot of tough decisions, a lot of tough things, that the American people can be proud of the U.S. House for what we have done together in 91 days, and I thank every Member on both sides for the spirit, sometimes deeply disagreeing, sometimes voting unanimously, but working together very long hours for a very long time.

I find, standing here tonight, a truly historic and at the same time a truly personal experience.

Two years ago we were debating a tax increase, and all of our friends on the other side of the aisle were saying, ''It will be OK,'' and by a one-vote margin, they passed it. But the country said it was not OK to raise taxes, that Government was too big, it spends too much, and it needs to be brought under control.

We were given an opportunity to try to be helpful. On the opening day, we spent 14 hours together, and we passed nine reforms. We applied to the Congress every law which applies to the rest of the country. We cut the congressional committee staffs by 30 percent, and we came back later and cut the congressional committee budgets by 30 percent, and we have begun a process of changing the Congress.

We committed ourselves to a contract, and to be fair, an awful lot of Democrats helped us on key votes. I stood on this floor and looked up when litigation reform for strike law firms passed by 330 to 99, and I was proud of that bipartisan majority. I stood on this floor and looked in amazement as 300 Members voted for a balanced budget amendment to the Constitution, a strong bipartisan commitment.

We have had votes on nine items. We passed eight. We lost on term limits, but it was the first time in the history of the Congress that it had been brought to a vote, and I was proud that this institution debated it honestly and passionately with Members on both sides speaking for their conscience, and we had a recorded vote.

And now we come, after great work, to a welfare reform bill that emphasizes work and family. All of the things we have done, and now we come to tonight, and let me say first, the motion to recommit is 16 pages that very few Members understand, that has not been scored, that is an appropriate effort for a minority to try to score a coup, but is not serious legislation. I urge a ''no'' vote.

And on final passage, what is your choice, a $500 tax credit that says about children we would rather parents have the money than bureaucrats? And an adoption tax credit to help children get into a loving family, a repeal of the tax increase on Social Security so senior citizens can keep their money, an increase in the amount that senior citizens can earn up to $39,000 a year without being penalized, an American dream savings account that allows every family to save, to buy a house, for an illness, to take care of education, for retirement, individual retirement accounts extended to spouses so if you stay home to raise your children you are not deprived of the right to save money, tax credit for long-term care, and a capital gains tax cut and indexing to create jobs.

This is a good bill. It is paid for. It helps create jobs. It strengthens families. It does what we ought to be doing. It is the last step in the Contract.

I thank all of my friends on both sides of the aisle who have worked with us to get this far. I urge every Member to look at this and ask yourself, in your constituents' lives, will not a little less money for Government and a little more money for those families be a good thing? And is not that what this Congress was elected to do?

I urge a ''no'' vote on recommittal and a ''yes'' vote on final passage.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

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

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 168, noes 265, not voting 1, as follows:

[Roll No. 293]

AYES—168

Abercrombie	Ganske	Olver
Ackerman	Gejdenson	Ortiz
Andrews	Gephardt	Owens
Baldacci	Gonzalez	Pallone
Barcia	Gordon	Pastor
Barrett (WI)	Green	Payne (NJ)
Beilenson	Gutierrez	Pelosi
Bentsen	Harman	Peterson (MN)
Berman	Hastings (FL)	Pomeroy
Bevill	Hayes	Poshard
Bishop	Hefner	Rahall
Bonior	Hilliard	Rangel
Borski	Hinchey	Reed
Boucher	Holden	Richardson
Browder	Jackson-Lee	Rivers
Brown (FL)	Jacobs	Rose
Brown (OH)	Jefferson	Roybal-Allard
Bryant (TX)	Johnson (SD)	Rush
Chapman	Johnson, E. B.	Sabo
Clay	Johnston	Sanders
Clayton	Kennedy (MA)	Sawyer
Clement	Kennedy (RI)	Schroeder
Clyburn	Kennelly	Schumer
Coleman	Kildee	Scott
Collins (IL)	LaFalce	Serrano
Collins (MI)	Lantos	Skelton
Condit	Levin	Slaughter
Conyers	Lewis (GA)	Spratt
Costello	Lincoln	Stokes
Cramer	Lofgren	Studds
Danner	Lowey	Stupak
de la Garza	Luther	Tanner
DeLauro	Maloney	Taylor (MS)
Dellums	Manton	Tejeda
Deutsch	Markey	Thompson
Dicks	Martinez	Thornton
Dingell	Mascara	Thurman
Dixon	Matsui	Torres
Doggett	McCarthy	Torricelli
Doyle	McDermott	Towns
Durbin	McHale	Traficant
Edwards	McKinney	Tucker
Engel	Meehan	Velazquez
Eshoo	Meek	Vento
Evans	Menendez	Visclosky
Farr	Mfume	Volkmer
Fattah	Miller (CA)	Ward
Fazio	Mineta	Waters
Fields (LA)	Minge	Watt (NC)
Filner	Mink	Waxman
Flake	Moakley	Williams
Foglietta	Moran	Wise
Ford	Nadler	Woolsey
Frank (MA)	Neal	Wyden
Frost	Oberstar	Wynn
Furse	Obey	Yates

NOES—265

Allard	Becerra	Bunn
Archer	Bereuter	Bunning
Armey	Bilbray	Burr
Bachus	Bilirakis	Burton
Baesler	Bliley	Buyer
Baker (CA)	Blute	Callahan
Baker (LA)	Boehlert	Calvert
Ballenger	Boehner	Camp
Barr	Bonilla	Canady
Barrett (NE)	Bono	Cardin
Bartlett	Brewster	Castle
Barton	Brown (CA)	Chabot
Bass	Brownback	Chambliss
Bateman	Bryant (TN)	Chenoweth

Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Coyne
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeFazio
DeLay
Diaz-Balart
Dickey
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
McNulty
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Orton
Oxley
Packard
Parker
Paxon
Payne (VA)
Peterson (FL)
Petri
Pickett
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stark
Stearns
Stenholm
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOT VOTING—1

Reynolds

□ 2231

Mr. GIBBONS and Mr. STARK changed their vote from ''aye'' to ''no.''

So the motion to recommit was rejected.

The results of the vote was announced as above recorded.

PARLIAMENTARY INQUIRIES

Mr. MORAN. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. MORAN. Mr. Speaker, in my opinion there are two Federal income tax increases in this bill before us. There is an indirect tax increase on Federal employees of $4,525 over the next 5 years through a 313 percent increase in their retirement contribution, and there is a second more direct income tax rate increase in this bill.

Mr. Speaker, my parliamentary inquiry is directed at the clear, unequivocal Federal income tax rate increase. Does clause 5(c) of rule XXI that was passed in the first day of this session require a three-fifths majority for any increase in the Federal income tax rate?

The SPEAKER pro tempore. It is the opinion of the Chair that it does not apply in this case.

Ms. MORAN. Mr. Speaker, that was not the question.

The SPEAKER pro tempore. The rule requires a three-fifths vote if the bill contains a Federal income tax rate increase, and this bill does not.

Mr. MORAN. Mr. Speaker, further parliamentary inquiry. It would appear to me then that clause 5(c) of rule XXI is meaningless, since we have never changed any income tax rate, increased it or decreased it, without first striking the prevailing tax rate and inserting a new tax rate. I understand that the ruling of the Chair is based upon a conclusion by the Joint Tax Commission that the provision we passed in the first day of this session does not apply to effective tax rate changes, and that in fact the change from the capital gains rate of 28 percent to 39.6 percent does not apply because we first struck the 28 percent before imposing the 39.6 percent as it applies to capital gains.

Mr. Speaker, that is the way we have done every tax rate change. You first have to strike the existing change and then impose a new one. That means that subsequently, if this ruling prevails, that this body is able to increase tax rates anytime it wants simply by striking the existing rate, putting in a new rate, or, if it chooses, to say that the taxes will now apply to 110 percent of income without changing the tax rates. Mr. Speaker, this is a very dangerous precedent.

Mr. Speaker, in light of the fact I have a letter from the Treasury Department that says this is a Federal tax rate increase, and I have a letter from the Small business Committee identifying the taxpayers and small businesses that will have to pay the 36 percent increase in the effective income tax rate that applies to investors in small businesses, I would ask the Speaker what clause 5(c) of rule XXI actually means if it does not apply to this income tax rate increase? Is the Speaker suggesting that any time there is an effective tax rate change, that what we passed does not apply? When would it ever apply, if it does not apply in this instance, Mr. Speaker?

The Speaker pro tempore. The Chair is not in a position to answer hypothetical questions. It has been the determination of the Chair that this measure does not include a Federal income tax rate increase.

The Chair would like to inquire if the gentleman from Texas [Mr. ARCHER], wishes to be heard on the point of order?

Mr. ARCHER. Mr. Speaker, I do.

Mr. WALKER. Mr. Speaker, has a point of order been made?

Mr. Speaker, I have a parliamentary inquiry. I do not believe there is a point of order before the House.

The SPEAKER pro tempore. The gentleman from Virginia has stated a point of order.

Mr. MORAN. Mr. Speaker, I made a parliamentary inquiry, but I would state a point of order that any vote on this bill should require a three-fifths vote. If it does not require that, then I would appeal the ruling of the Chair.

The SPEAKER pro tempore. Does the gentleman from Texas [Mr. ARCHER] desire to be heard on the point of order?

Mr. ARCHER. Mr. Speaker, I understood the gentleman from Virginia made a point of order and the Chair ruled against the point of order. Am I correct?

The SPEAKER pro tempore. The chair will continue to listen to an argument that is provided by the chairman of the Committee on Ways and Means before finally ruling.

Mr. ARCHER. Mr. Speaker, I would be pleased to try to help the Chair to support his ruling.

First, as a result of the enactment of the 50 percent exclusion applicable generally, taxpayers, other than those described in the following two paragraphs, would have a tax rate lower than 28 percent. Thus, the 28 percent maximum rate of section 1(h) of current law would not cause a reduction in tax liability as compared with that under current law; that is, as relates to current law liability, the provision would be inoperative.

No. 2, the 50 percent exclusion would not apply to collectibles. Under H.R. 1215, for this group of taxpayers the maximum rate of 28 percent is retained in H.R. 1215.

No. 3, a question has been raised as to the potential application of the 28 percent maximum rate under current law for taxpayers currently qualifying for the special rules of existing section of the law, 1202. In light of the fact that this provision would be repealed by 1215, the maximum rate of 28 percent would have no further application. Moreover, it should be noted that the special rules in section 1202 are an exclusion provision rather than a rate provision.

Further, it should be noted that concerns as to whether repeal of current law, section 1202, in conjunction with the repeal of current law, section 1(h), constitutes a rate increase, are focused on the effective rate impact rather than the occurrence of any income tax rate increase.

The House rule in question is not intended to apply to effective rate changes.

The SPEAKER pro tempore. Does the gentleman from Virginia [Mr. MORAN] wish to be heard further on his point of order?

Mr. MORAN. Mr. Speaker, I would like to underscore the last comment that was made by the distinguished chairman of the Committee on Ways and Means that the House rule in question is not intended to apply to effective tax rate changes. There was never any reference to effective rate changes. In fact, it was any income tax rate increase. I read the debate again that occurred on the first day of this session. We are now making a distinction between effective rate changes apparently and statutory rate changes, although both apply here. I do have a letter from the Treasury Department explaining that this is a tax rate increase.

How it occurred, Mr. Speaker, is in the 1993 Omnibus Budget Reconciliation Act we did pass a capital gains tax rate reduction. What it said is that when people invest in small capitalized firms for five years, their capital gains tax is reduced by 50 percent. What this bill did was to strike the capital gains rate of 28 percent, raise it to 39.6 percent, and then apply the 50 percent preference for capital gains investment. What that means is that the effective capital gains rate is 19.8 percent if this bill were to pass, whereas today there are investors getting a 14 percent tax rate on capital gains investments.

Now, this is not an obscure provision. It is a $725 million capital gains provision that was passed in the 1993 Budget Reconciliation Act. What we have done is for some investors who have invested hundreds of millions of dollars in small capitalized firms, is increased their tax rate from 14 percent to 19.8 percent. That is an increase in the income tax rate. It is both a statutory increase, in that we remove the 28 percent level and put in 39.6 percent. It is also an effective rate increase because it changes from 14 percent to 19.8 percent. That is what the letter from both the Treasury Department and the Small Business Committee underscores, that in fact investors would be paying a higher capital gains rate.

Mr. THOMAS. Mr. Speaker, the gentleman did not mean to say the Small Business Committee. I believe he meant to say the Small Business Administration.

Mr. MORAN. The Small Business Administration. I thank the gentleman from California for clarifying that.

The SPEAKER pro tempore. Does the gentleman from Maryland [Mr. CARDIN] wish to be recognized on the point of order?

Mr. CARDIN. Mr. Speaker, I do.

Mr. Speaker, this is a very important ruling. It is the first one that the Chair has had to make on the new rule XXI that requires an extraordinary vote on a tax rate increase. The language, as I understand it, is when the Federal tax rate increase applies we need a three-fifths vote.

If I understand the potential ruling of the Chair, if the Chair rules that this bill does not raise a rate and therefore does not need an extraordinary vote, what the Chair is saying is that legislation which subjects a larger percentage of a taxpayer's income to an existing tax rate would not be a tax rate increase under the provisions of rule XXI. That would mean that we could effectively raise tax rates in this country by just subjecting a larger amount of a person's income to the tax rate, thereby accomplishing the effect of a tax rate increase under the potential ruling of the Chair without raising the rate.

I just really want to point that out to the Chair before he makes his ruling, because effectively if he rules against the gentleman from Virginia [Mr. MORAN] rule XXI is meaningless.

□ 2245

PARLIAMENTARY INQUIRY

Mr. MFUME. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. DREIER). The gentleman will state his inquiry.

Mr. MFUME. Mr. Speaker, we have a ruling from the joint committee, an explanation. We have two explanations, one from Treasury, one from Small Business, both of which are very detailed in terms of their justification of their position.

This Member is at a loss with respect to the ruling of the Chair and questions whether or not the Chair's ruling, pending ruling, is discretionary or is it based in fact. And if it is based in fact, could the Chair kindly advise the Member how the Chair reached that and to suggest also that it was not discretionary?

The SPEAKER pro tempore. The Chair is prepared to rule on this.

Mr. SKAGGS. Mr. Speaker, I would like to be heard on the point of order.

The SPEAKER pro tempore. The gentleman is recognized.

Mr. SKAGGS. Mr. Speaker, one further point I think needs to be made on this.

During the debate on opening day, it was touted that this rules change was remedial in nature. It was to be viewed expansively as remedying a propensity of the House that needed to be curtailed. A narrow reading such as is advocated by the chairman of the Committee on Ways and Means a few minutes ago flies in the face of all of the advocacy, the legislative history, if you will, of this rules change, which is the only basis that the House has and that the Chair has for informing a ruling.

To take a provision that was intended to be remedial, and therefore viewed expansively, and interpret it narrowly belies the absurdity of the rules change to begin with.

The SPEAKER pro tempore. Does the gentleman from Washington [Mr. MCDERMOTT] wish to be heard on the point of order?

Mr. MCDERMOTT. Yes, Mr. Speaker.

Mr. Speaker, if I understand the ruling the Chair is about to make, you are saying for those who do not understand arcane tax law, if we raise taxes on people but we do it in a sneaky, kind of back-door way of doing it, that, Mr. Speaker, if we do it in a legislatively, carefully crafted way, we can get away with it. If we do it straight out and say to small business, your taxes go from 14 percent to 19 percent just like that, that would require a 60-percent vote. But if we can find some way parliamentarily to swing around it, whatever the effect on people is does not make any difference.

Is that what the Chair is saying?

The SPEAKER pro tempore. The gentleman from Georgia [Mr. LINDER] is recognized on the point of order.

Mr. LINDER. Mr. Speaker, this does not seem all that complicated. It does not change any rates of taxation of capital gains. It excludes 50 percent of the gain. Therefore, you are taxed at the 39.6-percent tax rate. Fifty percent of any gain would be excluded, giving an effective rate of 19.8 percent, a lower effective rate.

If you happen to be taxed at a 35-percent tax rate, 50 percent of the gain would be excluded, giving you a 17.5-percent tax. It lowers the effective rate in every instance by excluding half of the gain from any taxation at all.

The SPEAKER pro tempore. Does the gentleman from Michigan [Mr. LEVIN] wish to be heard on the point of order?

Mr. LEVIN. Yes, Mr. Speaker.

I just want to say to the gentleman from Georgia, the reason the gentleman from Virginia [Mr. MORAN] is right is because you are simply wrong.

The SPEAKER pro tempore. The Chair is prepared to rule.

PARLIAMENTARY INQUIRY

Mr. OBEY. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. OBEY. Mr. Speaker, I really do not wish to draw this out. I would like to go home as much as anybody else.

But in light of the statement made by the previous gentleman in the well in which he asserted in his advice to the Chair that this was a simple question because tax rates were not being raised, we were simply expanding the percentage of income being taxed at that rate, does that mean——

Mr. LINDER. If the gentleman will yield, I said precisely the opposite. I said we are reducing the amount of income that is going to be taxed or the percentage of income by excluding half the gain.

Mr. OBEY. Mr. Speaker, may I finish my parliamentary inquiry?

The SPEAKER pro tempore. The gentleman is recognized.

Mr. OBEY. Does that rationale mean that when it was suggested that there was a tax increase on Social Security recipients last year simply because the percentage of income that was being

taxed was being broadened, does that mean that the Republican Party is now changing their opinion that that was a tax increase? Are they not taking it back?

The SPEAKER pro tempore. The Chair is prepared to rule.

In deference to the specialized expertise that has been provided, the Chair rules that this bill does not include a Federal income tax rate increase.

Mr. MFUME. Mr. Speaker, is the ruling discretionary? Mr. Speaker, is it a discretionary ruling?

Mr. MORAN. Mr. Speaker, I respectfully appeal the ruling of the Chair.

MOTION TO TABLE OFFERED BY MR. ARCHER

Mr. ARCHER. Mr. Speaker, I offer a motion.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. ARCHER moves to lay the appeal on the table.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. ARCHER] to lay on the table the appeal of the ruling of the Chair.

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

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 228, noes 204, not voting 3, as follows:

[Roll No. 294]

AYES—228

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Spence
Stearns
Stockman
Stump
Talent
Tate
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NOES—204

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Danner
de la Garza
Deal
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hayes
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Laughlin
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Tucker
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—3

Franks (NJ)
Reynolds
Souder

□ 2307

So the motion to lay on the table the appeal of the ruling of the Chair was agreed to.

The result of the vote was announced as above recorded.

PARLIAMENTARY INQUIRIES

Mr. HEFNER. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from North Carolina will state his parliamentary inquiry.

Mr. HEFNER. My parliamentary inquiry is I did not ever get the ruling of the Parliamentarian, and my parliamentary inquiry is in the future if we have the ruling of the Chair questioned or challenged, is it going to become the practice for someone to move to table the motion and we will never have a ruling on the ruling of the Chair as it applies to House rules?

The SPEAKER pro tempore (Mr. DREIER). The Chair will respond to the gentleman by saying first that it was not the Parliamentarian's ruling, and the Chair ruled and the House just addressed the issue of that ruling.

Mr. HEFNER. Further parliamentary inquiry, and I feel this is justifiable.

The SPEAKER pro tempore. The gentleman from North Carolina is recognized.

Mr. HEFNER. If there is no mechanism, if there is going to be no mechanism to challenge a ruling of the Chair, if it can be superceded by a motion to table, then the majority is going to rule, there will be no chance to challenge the ruling of the Chair.

□ 2310

The SPEAKER pro tempore (Mr. DREIER). The Chair wishes to first respond to the parliamentary inquiry of the gentleman from North Carolina by stating that the House has just ruled by a vote.

The gentleman from California is recognized for a parliamentary inquiry.

Mr. THOMAS. Mr. Chairman, under the rules of the House, are there procedural motions available to the body, and if moved, voted on, and is the motion to table a procedural motion utilized by the former majority over and over and over again?

(The letters referred to by Mr. MORAN follow:)

U.S. SMALL BUSINESS ADMINISTRATION,
Washington, DC, April 3, 1995.

Hon. ZOE LOFGREN,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE: Given my statutory responsibility (15 USC §634b(4)) to determine the impact of the taxes on small businesses and advise Congress, I have been asked to analyze the impact on small businesses of the ''Contract With America Tax Reform Act of 1995'' which is scheduled to come before the House of Representatives this week for consideration.

Specifically, section 6301 of H.R. 1327, the Tax Fairness and Deficit Reduction Act of 1995, creates a 50 percent capital gains exclusion for individuals but, in so doing, repeals the special small business capital gains tax incentive in the existing law (P.L. 103–66, § 13113). This will have the effect of raising the taxes of future investors in qualifying, high growth, small businesses from the previous maximum rate of 14 percent to the new rate of 19.8 percent. This may be the only category of taxpayer to have its taxes raised under the capital gains provisions of the proposal. One change from the original bill added in H.R. 1327 that small businesses will appreciate is a provision which allows investors who have already purchased qualifying stock to keep the lower rate they expected under previous law.

Nevertheless, the repeal is troubling for small businesses for two reasons. First, as a matter of even-handed tax policy, it seems incongruous to raise the tax rates of those who invest in the research, plant and equipment of a high-risk, emerging growth company while rewarding non-productive speculation in real estate or the stock market with substantial tax reductions. This is particularly true where a windfall of capital gains treatment is provided to some investors for gains on property held previous to the introduction of the across-the-board proposal where such purchases were made with no expectation of a higher after-tax return.

Second, there is persuasive evidence that emerging, high-growth small businesses are the best choice for investment incentives when measured by return-per-dollar of tax expenditure. Yet historical data suggest that the across-the-board capital gains proposal will not significantly help these small businesses seeking investment dollars and repealing the special tax preference will hurt.

Our estimate is that only 10% of business finance resources currently go to small businesses and most of that is in the form of bank loans and commercial mortgages—not long term or ''patient'' capital that is needed to finance research and growth.

The across-the-board 50% reduction which would replace the special small business capital gains incentive will do little to improve the situation. Historical data, based on previous across-the-board capital gains treatment, indicate that about two-thirds of the capital gains benefit will flow to appreciated property, such as real estate, and only about one-third will go to corporate equity investment. Most of the corporate equity investment, however, will reward gains generated by the transfer of existing shares of stock in the market which do not result in any new productive investment for businesses. Based on this data and current levels of venture funding, we estimate that less than one per cent of the across-the-board capital gains benefits will flow to venture capital that would help small emerging companies.

Our research, and research we have reviewed, indicates that growing small businesses are greatly underfunded compared to their contribution to our economy. Small businesses in general provide 54% of all jobs and 50% of total output using only 40% of total business assets. The lion's share of our economy's job growth and innovation is generated by the type of efficient, high-growth, high-tech small business that can qualify for special capital gains treatment under current law. The purposes of the incentive is to persuade ''mainstream'' investors to take the added risk of investing in an emerging firm. Without such an incentive, the ability of these businesses to attract equity investment may be seriously impaired.

We conclude that the repeal of the special small business capital gains incentive and the resultant increase of the effective tax rate on qualifying small business investors will make it more difficult for these small businesses to compete in highly competitive capital markets. Since small, high growth businesses generally develop the markets and provide the jobs that help to secure our commercial leadership in the future, the repeal may have an adverse impact on our future economic growth.

I hope that this information is useful to you during the debate. I would be happy to provide any statistics or information that I have. Feel free to call me at 205–6533 or FAX at 205–6928.

Sincerely,

JERE W. GLOVER,
Chief Counsel for Advocacy.

DEPARTMENT OF THE TREASURY,
Washington, DC, April 5, 1995.

Hon. JAMES P. MORAN,
U.S. House of Representatives,
Washington, DC.

DEAR CONGRESSMAN MORAN: In response to your request regarding whether the capital gains and indexing provisions of H.R. 9 would increase the tax rate on gains from eligible small business stock, the Administration submitted written testimony to the Committee on Small Business on February 22, 1995 which stated the following:

''* * * by extending the 50 percent exclusion to all capital assets, H.R. 9 will eliminate the current preference in Section 1202 for small business stock * * * and would actually increase the tax rate on certain gains from investments in eligible small businesses. The current maximum tax rate for individuals on investment in small businesses that qualify for the Section 1202 preference is 14 percent (maximum capital gain rate of 28 percent times 50 percent exclusion).[1] H.R. 9 would eliminate the 28 percent maximum tax rate on capital gains of individuals. As a result, H.R. 9 would impose a maximum tax rate of 19.8 percent (39.6 percent maximum rate times 50 percent exclusion) on investments that currently qualify for the 14 percent preferential rate under Section 1202. A 14 percent rate in a 28 percent rate environment is relatively attractive to investors in small businesses, compared to a flat rate on all gains.''

The Administration remains committed to this positions. Please do not hesitate to contact me if you have any questions on this or any other matter.

Sincerely,

LESLIE B. SAMUELS,
Assistant Secretary (Tax Policy).

The SPEAKER pro tempore. The question is on the passage of the bill.

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

RECORDED VOTE

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

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 246, noes 188, not voting 1, as follows:

[Roll No. 295]

AYES—246

Allard
Andrews
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boehner
Bonilla
Bono
Brewster
Browder
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clement
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Gordon
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Knollenberg
Kolbe
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manton
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Pallone
Parker
Paxon
Petri
Pombo
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Torricelli
Traficant
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Young (FL)
Zeliff
Zimmer

NOES—188

Abercrombie
Ackerman
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bishop
Blute
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Davis
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Green

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[1] Because one-half of the excluded gain is treated as a preference for AMT purposes, the actual rate could be higher for certain taxpayers subject to the AMT, but would never exceed 21 percent.

Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Houghton
Hoyer
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
Klug
LaFalce
LaHood
Lantos
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Mfume
Miller (CA)
Mineta
Minge
Mink
Moakley
Mollohan
Moran
Morella
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Porter
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rogers
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schiff
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Towns
Tucker
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Wolf
Woolsey
Wyden
Wynn
Yates
Young (AK)

NOT VOTING—1

Reynolds

□ 2326

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 889, EMERGENCY SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS FOR FISCAL YEAR 1995

Mr. LIVINGSTON submitted the following conference report and statement on the bill (H.R. 889) making emergency supplemental appropriations and rescissions to preserve and enhance the military readiness of the Department of Defense for the fiscal year ending September 30, 1995, and for other purposes:

CONFERENCE REPORT (H. REPT. 104–101)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 889) ''making emergency supplemental appropriations and rescissions to preserve and enhance the military readiness of the Department of Defense for the fiscal year ending September 30, 1995, 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 4,6,7,8,10, 20, 22, and 25.

That the House recede from its disagreement to the amendments of the Senate numbered 16 and 23, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to provide emergency supplemental appropriations for the Department of Defense to preserve and enhance military readiness for the fiscal year ending September 30, 1995, and for other purposes, namely:

TITLE I

CHAPTER I

EMERGENCY SUPPLEMENTAL APPROPRIATIONS

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL

MILITARY PERSONNEL, ARMY

For an additional amount for ''Military Personnel, Army,'' $260,700,000: Provided, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

MILITARY PERSONNEL, NAVY

For an additional amount for ''Military Personnel, Navy,'' $183,100,000: Provided, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

MILITARY PERSONNEL, MARINE CORPS

For an additional amount for ''Military Personnel, Marine Corps,'' $25,200,000: Provided, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

MILITARY PERSONNEL, AIR FORCE

For an additional amount for ''Military Personnel, Air Force,'' $207,100,000: Provided, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

RESERVE PERSONNEL, ARMY

For an additional amount for ''Reserve Personnel, Army,'' $6,500,000: That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

RESERVE PERSONNEL, NAVY

For an additional amount for ''Reserve Personnel, Navy,'' $9,600,000: Provided, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

RESERVE PERSONNEL, MARINE CORPS

For an additional amount for ''Reserve Personnel, Marine Corps,'' $1,300,000: Provided, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

RESERVE PERSONNEL, AIR FORCE

For an additional amount for ''Reserve Personnel, Air Force,'' $2,800,000: Provided, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

NATIONAL GUARD PERSONNEL, ARMY

For an additional amount for ''National Guard Personnel, Army,'' $11,000,000: That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

NATIONAL GUARD PERSONNEL, AIR FORCE

For an additional amount for ''National Guard Personnel, Air Force,'' $5,000,000: Provided, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, ARMY

For an additional amount for ''Operation and Maintenance, Army,'' $936,600,000: Provided, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, NAVY

For an additional amount for ''Operation and Maintenance, Navy,'' $423,700,000: Provided, That such amount is designated by Congress as an emergency requirement pursuant to section 215(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, MARINE CORPS

For an additional amount for ''Operation and Maintenance, Marine Corps,'' $33,500,000: Provided, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, AIR FORCE

For an additional amount for ''Operation and Maintenance, Air Force,'' $852,500,000: Provided, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

For an additional amount for ''Operation and Maintenance, Defense-Wide,'' $46,200,000: Provided, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OPERATION AND MAINTENANCE, NAVY RESERVE

For an additional amount for ''Operation and Maintenance, Navy Reserve,'' $15,400,000: Provided, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

PROCUREMENT

OTHER PROCUREMENT, ARMY

For an additional amount for ''Other Procurement, Army,'' $8,300,000, to remain available until September 30, 1997: Provided, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

OTHER DEPARTMENT OF DEFENSE PROGRAMS

DEFENSE HEALTH PROGRAM

For an additional amount for ''Defense Health Program,'' $13,200,000: Provided, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

CHAPTER II

RESCINDING CERTAIN BUDGET AUTHORITY

DEPARTMENT OF DEFENSE—MILITARY

OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, NAVY

(RESCISSION)

Of the funds made available under this heading in Public Law 103–335, $2,000,000 are rescinded.

OPERATION AND MAINTENANCE, AIR FORCE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–335, $2,000,000 are rescinded.

OPERATION AND MAINTENANCE, DEFENSE-WIDE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–335, $68,800,000 are rescinded.

OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD

(RESCISSION)

Of the funds made available under this heading in Public Law 103–335, $15,400,000 are rescinded.

OPERATION AND MAINTENANCE, ARMY RESERVE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–335, $6,200,000 are rescinded.

ENVIRONMENTAL RESTORATION, DEFENSE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–335, $300,000,000 are rescinded.

FORMER SOVIET UNION THREAT REDUCTION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–335, $20,000,000 are rescinded.

PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

(RESCISSION)

Of the funds made available under this heading in Public Law 103–335, $34,411,000 are rescinded.

PROCUREMENT OF AMMUNITION, ARMY

(RESCISSIONS)

Of the funds made available under this heading in Public Law 102–396, $85,000,000 are rescinded.

Of the funds made available under this heading in Public Law 103–335, $55,900,000 are rescinded.

OTHER PROCUREMENT, ARMY

(RESCISSION)

Of the funds made available under this heading in Public Law 103–335, $32,100,000 are rescinded.

AIRCRAFT PROCUREMENT, AIR FORCE

(RESCISSIONS AND TRANSFER)

Of the funds made available under this heading in Public Law 102–396, $100,000,000 are rescinded.

Of the funds made available under this heading in Public Law 103–335, $27,500,000 are rescinded.

Of the funds made available under this heading in Public Law 103–335, $23,500,000 are hereby transferred and made available for obligation to Operation and Maintenance, Air Force.

MISSILE PROCUREMENT, AIR FORCE

(RESCISSIONS)

Of the funds made available under this heading in Public Law 102–396, $33,000,000 are rescinded.

Of the funds made available under this heading in Public Law 103–139, $99,000,000 are rescinded.

Of the funds made available under this heading in Public Law 103–335, $89,500,000 are rescinded.

OTHER PROCUREMENT, AIR FORCE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–335, $6,100,000 are rescinded.

PROCUREMENT, DEFENSE-WIDE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–335, $32,000,000 are rescinded.

NATIONAL GUARD AND RESERVE EQUIPMENT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–335, $30,000,000 are rescinded.

DEFENSE PRODUCTION ACT PURCHASES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–139, $100,000,000 are rescinded.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, ARMY

(RESCISSIONS)

Of the funds made available under this heading in Public Law 103–139, $5,000,000 are rescinded.

Of the funds made available under this heading in Public Law 103–335, $43,000,000 are rescinded.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, NAVY

(RESCISSION)

Of the funds made available under this heading in Public Law 103–335, $68,800,000 are rescinded.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AIR FORCE

(RESCISSIONS)

Of the funds made available under this heading in Public Law 103–139, $49,600,000 are rescinded.

Of the funds made available under this heading in Public Law 103–335, $191,200,000 are rescinded.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

(RESCISSIONS)

Of the funds made available under this heading in Public Law 103–139, $77,000,000 are rescinded.

Of the funds made available under this heading in Public Law 103–335, $436,445,000 are rescinded.

RELATED AGENCIES

NATIONAL SECURITY EDUCATION TRUST FUND

(RESCISSION)

Of the funds made available under this heading in Public Law 102–172, $75,000,000 are rescinded.

CHAPTER III

GENERAL PROVISIONS

SEC. 101. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 102. Notwithstanding sections 607 and 630 of the Foreign Assistance Act of 1961 (22 U.S.C. 2357, 2390) and sections 2608 and 2350j of title 10, United States Code, all funds received by the United States as reimbursement for expenses for which funds are provided in this Act shall be deposited in the Treasury as miscellaneous receipts.

SEC. 103. During the current fiscal year, appropriations available to the Department of Defense for the pay of civilian personnel may be used, without regard to the time limitations specified in section 5523(a) of title 5, United States Code, for payments under the provisions of section 5523 of title 5, United States Code, in the case of employees, or an employee's dependents or immediate family, evacuated from Guantanamo Bay, Cuba, pursuant to the August 26, 1994 order of the Secretary of Defense. This section shall take effect as of March 5, 1995, and shall apply with respect to any payment made on or after that date.

(INCLUDING TRANSFER OF FUNDS)

SEC. 104. In addition to amounts appropriated or otherwise made available by this Act, $28,297,000 is hereby appropriated to the Department of Defense and shall be available only for transfer to the United States Coast Guard to cover the incremental operating costs associated with Operations Able Manner, Able Vigil, Restore Democracy, and Support Democracy: Provided, that such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

SEC. 105. (a) Section 8106A of the Department of Defense Appropriations Act, 1995 (Public Law 103–335), is amended by striking out the last proviso and inserting in lieu thereof the following: '': Provided further, That if, after September 30, 1994, a member of the Armed Forces (other than the Coast Guard) is approved for release from active duty or full-time National Guard duty and that person subsequently becomes employed in a position of civilian employment in the Department of Defense within 180 days after the release from active duty or full-time National Guard duty, than that person is prohibited from receiving payments under a Special Separation Benefits program (under section 1174a of title 10, United States Code) or a Voluntary Separation Incentive program (under section 1175 of title 10, United States Code) by reason of the release from active duty or full-time National Guard duty, and the person shall reimburse the United States the total amount, if any, paid such person under the program before the employment begins''.

(b) Appropriations available to the Department of Defense for fiscal year 1995 may be obligated for making payments under sections 1174a and 1175 of title 10, United States Code.

(c) The amendment made by subsection (a) shall be effective as of September 30, 1994.

SEC. 106. (a) Subsection 8054(g) of the Department of Defense Appropriations Act, 1995 (Public Law 103–335), is amended to read as follows: ''Notwithstanding any other provision of law, of the amounts available to the Department of Defense during fiscal year 1995, not more than $1,252,650,000 may be obligated for financing activities of defense FFRDCs: Provided, That, in addition to any other reductions required by this section, the total amounts appropriated in titles II, III, and IV of this Act are hereby reduced by $250,000,000 to reflect the funding ceiling contained in this subsection and to reflect further reductions in amounts available to the Department of Defense to finance activities carried out by defense FFRDCs and other entities providing consulting services, studies and analyses, systems engineering and technical assistance, and technical, engineering and management support.''.

(b) Subsection 8054(h) of the Department of Defense Appropriations Act, 1995 (Public Law 103–335), is amended to read as follows: ''The total amounts appropriated to or for the use of the Department of Defense in titles II, III, and IV of this Act are reduced by an additional $251,534,000 to reflect savings from the decreased use of non-FFRDC consulting services by the Department of Defense.''.

(c) Not later than 60 days after enactment of this Act, the Under Secretary of Defense (Comp-

troller) shall report to the Committees on Appropriations of the Senate and the House of Representatives as to the total, separate amounts of appropriations provided, by title and by appropriations account, in titles II, III, and IV of the Department of Defense Appropriations Act, 1995 (Public Law 103–335), as amended.

SEC. 107. Within sixty days of the enactment of this Act, the President shall submit to Congress a report which shall include the following:

(a) A detailed description of the estimated cumulative incremental cost of all United States activities subsequent to September 30, 1993, in and around Haiti, including but not limited to—

(1) the cost of all deployments of United States Armed Forces and Coast Guard personnel, training, exercises, mobilization, and preparation activities, including the preparation of police and military units of the other nations of the multinational force involved in enforcement of sanctions, limits on migration, establishment and maintenance of migrant facilities at Guantanamo Bay and elsewhere, and all other activities relating to operations in and round Haiti; and

(2) the costs of all other activities relating to United States policy toward Haiti, including humanitarian and development assistance, reconstruction, balance of payments and economic support, assistance provided to reduce or eliminate all arrearages owed to International Financial Institutions, all rescheduling or forgiveness of United States bilateral and multilateral debt, aid and other financial assistance, all in-kind contributions, and all other costs to the United States Government.

(b) A detailed accounting of the source of funds obligated or expended to meet the costs described in paragraph (a), including—

(1) in the case of funds expended from the Department of Defense budget, a breakdown by military service or defense agency, line item and program; and

(2) in the case of funds expended from the budgets of departments and agencies other than the Department of Defense, by department or agency and program.

SEC. 108. None of the funds appropriated to the Department of Defense for the Technology Reinvestment Program under Public Law 130–335 shall be obligated for any new projects for which a selection has not been made until the Under Secretary of Defense for Acquisition and Technology certifies to the Congress that military officers and civilian employees of the military departments constitute a majority of the membership on each review panel at every proposal evaluation step for the Technology Reinvestment Program: Provided, That the Under Secretary of Defense for Acquisition and Technology shall submit to the Congress a report describing each new Technology Reinvestment Program project or award and the military needs which the project addresses.

SEC. 109. None of the funds appropriated or otherwise made available by this Act may be obligated or expended for assistance to or programs in the Democratic People's Republic of Korea, or for implementation of the October 21, 1994, Agreed Framework between the United States and the Democratic People's Republic of Korea, unless specifically appropriated for that purpose.

And the Senate agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 110. During the current fiscal year, none of the funds available to the Department of Defense for emergency and extraordinary expenses may be obligated or expended in an amount of $1,000,000 or more for any single transaction without prior notification to the Committees on Appropriations of the Senate and House of Representatives, the Senate Armed Services Committee, and the House National Security Committee.

And the Senate 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 "Sec. 112" named in said amendment, insert: *Sec. 111*; and the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows:

In lieu of the matter inserted by said amendment, insert:

DEPARTMENT OF DEFENSE—MILITARY CONSTRUCTION

SEC. 112. None of the funds made available to the Department of Defense for any fiscal year for military construction or family housing may be obligated to initiate construction projects upon enactment of this Act for any project on an installation that—

(1) was included in the closure and realignment recommendations submitted by the Secretary of Defense to the Base Closure and Realignment Commission on February 28, 1995, unless removed by the Base Closure and Realignment Commission, or

(2) is included in the closure and realignment recommendation as submitted to Congress in 1995 in accordance with the Defense Base Closure and Realignment Act of 1990, as amended (P.L. 101–510):

Provided, That the prohibition on obligation of funds for projects located on an installation cited for realignment are only to be in effect if the function or activity with which the project is associated will be transferred from the installation as a result of the realignment: Provided further, That this provision will remain in effect unless the Congress enacts a Joint Resolution of Disapproval in accordance with the Defense Base Closure and Realignment Act of 1990, as amended (P.L. 101–510).

(RESCISSIONS)

SEC. 113. Of the funds appropriated under Public Law 103–307, the following funds are hereby rescinded from the following accounts in the specified amounts:

Military Construction, Army, $3,500,000;

Military Construction, Navy, $3,500,000;

Military Construction, Air Force, $3,500,000;

North Atlantic Treaty Organization Infrastructure, $33,000,000;

Base Realignment and Closure Account, Part III, $32,000,000.

Of the funds appropriated under Public Law 102–136, the following funds are hereby rescinded from the following account in the specified amount:

Military Construction, Naval Reserve, $25,100,000.

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:

In lieu of the matter inserted by said amendment, insert:

SEC. 114. The Secretary of Defense shall not allocate a rescission to any military installation that the Secretary recommends for closure or realignment in 1995 under section 2903(c) of the Defense Base Closure and Realignment Act of 1990 (subtitle A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) in an amount in excess of the proportionate share for each installation for the current fiscal year of the funds rescinded from "Environmental Restoration, Defense" by this Act.

SEC. 115. Funds in the amount of $76,900,000 received during fiscal years 1994 and 1995 by the Department of the Air Force pursuant to the "Memorandum of Agreement between the National Aeronautics and Space Administration and the United States Air Force on Titan IV/Centaur Launch Support for the Cassini Mission," signed September 8, 1994, and September 23, 1994, and Attachments A, B, and C to that Memorandum, shall be merged with appropriations available for research, development, test and evaluation and procurement for fiscal years 1994 and 1995, and shall be available for the same time period as the appropriation with which merged, and shall be available for obligation only for those Titan IV vehicles and Titan IV-related activities under contract as of the date of enactment of this Act.

SEC. 116. Section 8025 of the Department of Defense Appropriations Act, 1995 (Public Law 103–335), is amended by striking out the amount "$203,736,000" and inserting in lieu thereof "$170,036,000".

SEC. 117. In addition to the rescissions made elsewhere in this Act, on September 15, 1995, $100,000,000 shall be rescinded from appropriations under title III of the Department of Defense Appropriations Act, 1993 (Public Law 102–396).

And the Senate agree to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

CHAPTER IV

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

FEDERAL RAILROAD ADMINISTRATION

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

For an additional amount to enable the Secretary of Transportation to make a grant to the National Railroad Passenger Corporation, $21,500,000 is hereby appropriated which shall be available until expended for capital improvements associated with safety-related emergency repairs at the existing Pennsylvania Station in New York City: Provided, That none of the funds herein appropriated shall be used for the redevelopment of the James A. Farley Post Office Building in New York city as a train station and commercial center: Provided further, That the $21,500,000 shall be considered part of the Federal cost share for the redevelopment of the James A. Farley Post Office Building, if authorized.

TITLE II

And the Senate agree to the same.

Amendment numbered 12:

That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and the matter inserted by said amendment, insert:

DEPARTMENT OF JUSTICE

IMMIGRATION AND NATURALIZATION SERVICE

IMMIGRATION EMERGENCY FUND

(RESCISSION)

Of the amounts made available under this heading in Public Law 103–317, $45,000,000 are rescinded.

DEPARTMENT OF COMMERCE

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

INDUSTRIAL TECHNOLOGY SERVICES

(RESCISSION)

Of the amounts made available under this heading in public Law 103–317 for the Advanced Technology Program, $90,000,000 are rescinded.

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

INFORMATION INFRASTRUCTURE GRANTS

(RESCISSION)

Of the amounts made available under this heading in Public Law 103–317, $15,000,000 are rescinded.

RELATED AGENCIES

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317 for tree-planting grants pursuant to section 24 of the Small Business Act, as amended, $15,000,000 are rescinded.

LEGAL SERVICES CORPORATION

PAYMENT TO THE LEGAL SERVICES CORPORATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317 for payment to the Legal Services Corporation to carry out the purposes of the Legal Services Corporation Act of 1974, as amended, $15,000,000 are rescinded.

And the Senate agree to the same.

Amendment numbered 13:

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows:

Retain the matter inserted by said amendment, amended as follows:

Insert the following heading at the beginning of said amendment:

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES, ARKANSAS, ILLINOIS, KENTUCKY, LOUISIANA, MISSISSIPPI, MISSOURI, AND TENNESSEE

And on line 17, page 17 of the House of Representatives engrossed bill, H.R. 889, delete ''$100,000,000'' and insert in lieu thereof *$200,000,000*; and the Senate agree to the same.

Amendment numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows:

In lieu of the sum named in said amendment insert: *$60,000,000*; and the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

DEVELOPMENT ASSISTANCE FUND

(RESCISSION)

Of the funds made available under this heading in Public Law 103–306 and prior appropriations Acts, $12,500,000 are rescinded.

ASSISTANCE FOR THE NEW INDEPENDENT STATES OF THE FORMER SOVIET UNION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–87 and Public Law 103–306, $7,500,000 are rescinded.

Of the funds made available under this heading in Public Law 103–87 for support of an officer resettlement program in Russia as described in section 560(a)(5), $15,000,000 shall be allocated to other economic assistance and for related programs for the New Independent States of the Former Soviet Union notwithstanding the allocations provided in section 560 of said Act: Provided, That such funds shall not be available for assistance to Russia.

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 matter stricken and inserted by said amendment, insert:

SCHOOL IMPROVEMENT PROGRAMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333 for new education infrastructure improvement grants, $65,000,000 are rescinded.

STUDENT FINANCIAL ASSISTANCE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–112, $35,000,000 made available for title IV, part A, subpart 1 of the Higher Education Act are rescinded.

And the Senate agree to the same.

Amendment numbered 18:

That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment, insert:

FEDERAL AVIATION ADMINISTRATION

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the available balances under this heading that remain unobligated for the ''advanced automation system'', $35,000,000 are rescinded.

FEDERAL HIGHWAY ADMINISTRATION

MISCELLANEOUS HIGHWAY DEMONSTRATION PROJECTS

(HIGHWAY TRUST FUND)

(RESCISSION)

Of the available appropriated balances provided in Public Law 93–87; Public Law 98–8; Public Law 98–473; and Public Law 100–71, $12,004,450 are rescinded.

And the Senate agree to the same.

Amendment numbered 19:

That the House recede from its disagreement to the amendment of the Senate numbered 19, 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: *$6,563,000*; and the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment, as follows:

Restore the matter stricken by said amendment to read as follows:

INDEPENDENT AGENCIES

ENVIRONMENTAL PROTECTION AGENCY

ADMINISTRATIVE PROVISION

The Congress finds that the 1990 amendments to the Clean Air Act (Public Law 101–549) superseded prior requirements of the Clean Air Act regarding the demonstration of attainment of national ambient air quality standards for the South Coast, Ventura, and Sacramento areas of California and thus eliminated the obligation of the Administrator of the Environmental Protection Agency to promulgate a Federal implementation plan under section 110(e) of the Clean Air Act for those areas. Upon the enactment of this Act, any Federal implementation plan that has been promulgated by the Administrator of the Environmental Protection Agency under the Clean Air Act for the South Coast, Ventura, or Sacramento areas of California pursuant to a court order or settlement shall be rescinded and shall have no further force and effect.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

NATIONAL AERONAUTICAL FACILITIES

Public Law 103–327 is amended in the paragraph under this heading by striking ''March 31, 1997'' and all that follows, and inserting in lieu thereof. ''September 30, 1997: Provided, That not to exceed $35,000,000 shall be available for obligation prior to October 1, 1996.''.

And the Senate agree to the same.

Amendment numbered 24:

That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment, as follows:

In lieu of the matter proposed by said amendment insert:

TITLE IV—MEXICAN DEBT DISCLOSURE ACT OF 1995

SEC. 401. SHORT TITLE.

This title may be cited as the ''Mexican Debt Disclosure Act of 1995''.

SEC. 402. FINDINGS.

The Congress finds that—

(1) Mexico is an important neighbor and trading partner of the United States;

(2) on January 31, 1995, the President approved a program of assistance to Mexico, in the form of swap facilities and securities guarantees in the amount of $20,000,000,000, using the exchange stabilization fund;

(3) the program of assistance involves the participation of the Board of Governors of the Federal Reserve System, the International Monetary Fund, the Bank for International Settlements, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Bank of Canada, and several Latin America countries;

(4) the involvement of the exchange stabilization fund and the Board of Governors of the Federal Reserve System means that United States taxpayer funds will be used in the assistance effort to Mexico;

(5) assistance provided by the International Monetary Fund, the International Bank for Reconstruction and Development, and the Inter-American Development Bank may require additional United States contributions of taxpayer funds to those entities;

(6) the immediate use of taxpayer funds and the potential requirement for additional future United States contributions of taxpayer funds necessitates congressional oversight of the disbursement of funds; and

(7) the efficacy of the assistance to Mexico is contingent on the pursuit of sound economic policy by the Government of Mexico.

SEC. 403. PRESIDENTIAL REPORTS.

(a) REPORTING REQUIREMENT.—Not later than June 30, 1995, and every 6 months thereafter, the President shall transmit to the appropriate congressional committees a report concerning all guarantees issued to, and short-term and long-term currency swaps with, the Government of Mexico by the United States Government, including the Board of Governors of the Federal Reserve System.

(b) CONTENTS OF REPORTS.—Each report described in subsection (a) shall contain a description of the following actions taken, or economic situations existing, during the preceding 6-month period or, in the case of the initial report, during the period beginning on the date of enactment of this Act:

(1) Changes in wage, price, and credit controls in the Mexican economy.

(2) Changes in taxation policy of the Government of Mexico.

(3) Specific actions taken by the Government of Mexico to further privatize the economy of Mexico.

(4) Actions taken by the Government of Mexico in the development of regulatory policy that significantly affected the performance of the Mexican economy.

(5) Consultations concerning the program approved by the President, including advice on economic, monetary, and fiscal policy, held between the Government of Mexico and the Secretary of the Treasury (including any designee of the Secretary) and the conclusions resulting

from any periodic reviews undertaken by the International Monetary Fund pursuant to the Fund's loan agreements with Mexico.

(6) All outstanding loans, credits, and guarantees provided to the Government of Mexico, by the United States Government, including the Board of Governors of the Federal Reserve System, set forth by category of financing.

(7) The progress the Government of Mexico has made in stabilizing the peso and establishing an independent central bank or currency board.

(c) SUMMARY OF TREASURY DEPARTMENT REPORTS.—In addition to the information required to be included under subsection (b), each report required under this section shall contain a summary of the information contained in all reports submitted under section 404 during the period covered by the report required under this section.

SEC. 404. REPORTS BY THE SECRETARY OF THE TREASURY.

(a) REPORTING REQUIREMENT.—Beginning on the last day of the first month which begins after the date of enactment of this Act, and on the last day of every month thereafter, the Secretary of the Treasury shall submit to the appropriate congressional committees a report concerning all guarantees issued to, and short-term and long-term currency swaps with, the Government of Mexico by the United States Government, including the Board of Governors of the Federal Reserve System.

(b) CONTENTS OF REPORTS.—Each report described in subsection (a) shall include a description of the following actions taken, or economic situations existing, during the month in which the report is required to be submitted:

(1) The current condition of the Mexican economy.

(2) The reserve positions of the central bank of Mexico and data relating to the functioning of Mexico monetary policy.

(3) The amount of any funds disbursed from the exchange stabilization fund pursuant to the program of assistance to the Government of Mexico approved by the President on January 31, 1995.

(4) The amount of any funds disbursed by the Board of Governors of the Federal Reserve System pursuant to the program of assistance referred to in paragraph (3).

(5) Financial tranactions, both inside and outside of Mexico, made during the reporting period involving funds disbursed to Mexico from the exchange stabilization fund or proceeds of Mexican Government securities guaranteed by the exchange stabilization fund.

(6) All oustanding guarantees issued to, and short-term and medium-term currency swaps with, the Government of Mexico by the Secretary of the Treasury, set forth by category of financing.

(7) All outstanding currency swaps with the central bank of Mexico by the Board of Governors of the Federal Reserve System and the rationale for, and any expected costs of, such transactions.

(8) The amount of payments made by customers of Mexican petroleum companies that have been deposited in the account at the Federal Reserve Bank of New York established to ensure repayment of any payment by the United States Government, including the Board of Governors of the Federal Reserve System, in connection with any guarantee issued to, or any swap with, the Government of Mexico.

(9) Any setoff by the Federal Reserve Bank of New York against funds in the account described in paragraph (8).

(10) To the extent such information is available, once there has been a setoff by the Federal Reserve Bank of New York, any interruption in deliveries of petroleum products to existing customers whose payments were setoff.

(11) The interest rates and fees charged to compensate the Secretary of the Treasury for the risk of providing financing.

SEC. 405. TERMINATION OF REPORTING REQUIREMENTS.

The requirements of sections 403 and 404 shall terminate on the date that the Government of Mexico has paid all obligations with respect to swap facilities and guarantees of securities made available under the program approved by the President on January 31, 1995.

SEC. 406. PRESIDENTIAL CERTIFICATION REGARDING SWAP OF CURRENCIES TO MEXICO THROUGH EXCHANGE STABILIZATION FUND OR FEDERAL RESERVE.

(a) IN GENERAL.—Notwithstanding any other provision of law, no loan, credit, guarantee, or arrangement for a swap of currencies to Mexico through the exchange stabilization fund or by the Board of Governors of the Federal Reserve System may be extended or (if already extended) further utilized, unless and until the President submits to the appropriate congressional committees a certification that—

(1) there is no projected cost (as defined in the Credit Reform Act of 1990) to the United States from the proposed loan, credit, guarantee, or currency swap;

(2) all loans, credits, guarantees, and currency swaps are adequately backed to ensure that all United States funds are repaid;

(3) the Government of Mexico is making progress in ensuring an independent central bank or an independent currency control mechanism;

(4) Mexico has in effect a significant economic reform effort; and

(5) the President has provided the documents described in paragraphs (1) through (28) of House Resolution 80, adopted March 1, 1995.

(b) TREATMENT OF CLASSIFIED OR PRIVILEGED MATERIAL.—For purposes of the certification required by subsection (a)(5), the President shall specify, in the case of any document that is classified or subject to applicable privileges, that, while such document may not have been produced to the House of Representatives, in lieu thereof it has been produced to specified Members of Congress or their designees by natural agreement among the President, the Speaker of the House, and the chairmen and ranking members of the Committee on Banking and Financial Services, the Committee on International Relations, and the Permanent Select Committee on Intelligence of the House.

SEC. 407. DEFINITIONS.

For purposes of this title, the following definitions shall apply:

(1) APPROPRIATE CONGRESSIONAL COMMITTEE.—The term ''appropriate congressional committees'' means the Committees on International Relations and Banking and Financial Services of the House of Representatives, the Committees on Foreign Relations and Banking, Housing and Urban Affairs of the Senate, and the Committees on Appropriations of the House of Representatives and the Senate.

(2) EXCHANGE STABILIZATION FUND.—The term ''exchange stabilization fund'' means the stabilization fund referred to in section 5302(a)(1) of title 31, United States Code.

That the Senate recede from its amendment to the title of the bill.

For consideration of Senate amendments numbered 3, 5, 6, 7, and 10 thru 25, and the Senate amendment to the title of the bill:

BOB LIVINGSTON,
JOHN MYERS,
BILL YOUNG,
RALPH REGULA,
JERRY LEWIS,
JOHN EDWARD PORTER,
HAROLD ROGERS,
FRANK R. WOLF,
BARBARA F. VUCANOVICH,
SONNY CALLAHAN,
CHARLES WILSON,
ALAN MOLLOHAN,

For consideration of Senate amendments numbered 1, 2, 4, 8, and 9:

BILL YOUNG,
JOE MCDADE,
BOB LIVINGSTON,
JERRY LEWIS,
JOE SKEEN,
DAVE HOBSON,
HENRY BONILLA,
GEORGE R. NETHERCUTT, Jr.,
MARK NEUMANN,
JOHN P. MURTHA,
NORMAN DICKS,
CHARLES WILSON,
W.G. BILL HEFNER,

Except Ament. No. 1 re: ELF:

MARTIN OLAV SABO,

Managers on the Part of the House.

MARK O. HATFIELD,
TED STEVENS,
THAD COCHRAN,
ARLEN SPECTER,
PETER V. DOMENICI,
PHIL GRAMM,
KIT BOND,
SLADE GORTON,
MITCH MCCONNELL,
CONRAD BURNS,
ROBERT BYRD,
DANIEL K. INOUYE,
ERNEST F. HOLLINGS,
J. BENNETT JOHNSTON,
PATRICK J. LEAHY,
FRANK R. LAUTENBERG,
BARBARA A. MIKULSKI,
HARRY REID,

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. 889) making emergency supplemental appropriations and rescissions to preserve and enhance the military readiness of the Department of Defense for the fiscal year ending September 30, 1995, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effects of the action agreed upon by the managers and recommended in the accompanying conference report.

Report language included by the House in the report accompanying H.R. 889 (H. Rept. 104–29) and the report accompanying H.R. 845 (H. Rept. 104–30) which is not changed by the report of the Senate (S. Rept. 104–12), and Senate report language which is not changed by the conference are approved by the committee of conference. The statement of the managers while repeating some report language for emphasis, is not intended to negate the language referred to above unless expressly provided herein.

Amendment No. 1: Inserts an enacting clause, inserts language making emergency supplemental appropriations for the Department of Defense, inserts language rescinding certain budget authority from the Department of Defense and inserts general provisions relating to the Department of Defense. The Senate amendment deleted the enacting clause and all the House language providing emergency supplemental appropriations and directing certain rescissions relating to the Department of Defense and inserted new language providing supplemental appropriations and providing additional rescissions and language provisions relating to the Department. The details of the conference agreement follow:

TITLE I

CHAPTER I

EMERGENCY SUPPLEMENTAL APPROPRIATIONS

DEPARTMENT OF DEFENSE—MILITARY

The conference agreement includes a total of $3,069,997,000 for unfunded military personal, operation and maintenance, and procurement costs associated with contingency operations and other readiness requirements instead of $3,208,400,000 as proposed by the House and $1,963,697,000 as proposed by the Senate. The conferees also have agreed to a general provision proposed by the House which will provide $360,000,000 in offsets to this amount from burdensharing contributions.

After the House and Senate acted on the fiscal year 1995 Supplemental budget request, the Department of Defense identified several significant revisions to the cost of contingency operations. These revisions, outlined in the table below, include a reduction to Operation VIGILANT WARRIOR that concluded on December 22, 1994, and increases for support of Cuban refugees, as well as flying hour costs associated with several of these operations. The conferees agree to incorporate these revisions in the total appropriations provided to the Department.

In addition to providing funds to cover contingency operations costs, the conference agreement also includes funds to pay for other readiness enhancements in the Military Personnel and Operation and Maintenance accounts. Funds are added to completely pay for the fiscal year 1995 military pay raise, and cover increased overseas station allowance costs accruing from the recent decline in the value of the dollar. Funds also are included to finance shortfalls in Navy flying hour costs.

A summary of the conference agreement is as follows:

SUMMARY OF CONFERENCE AGREEMENT

	Army	Navy	Marine Corps	Air Force	Defense-Wide		Defense Health Program	Army Reserve	Navy Reserve	Marine Corps Reserve	Air Force Reserve	Army Guard	Air Guard	Total
					DIA	SOCOM								
Military personnel:														
Budget request	69.3	49.5	10.4	71.7					4.6					205.5
Adjustments to request:														
Vigilant Warrior	2.8	1.5		−3.5										0.8
Cuba refugee support	3.6													3.6
Other readiness enhancements:														
Military pay raise	75.5	68.2	3.0	70.4				6.5	5.0	1.3	2.8	11.0	5.0	248.7
Overseas station allowance	109.5	63.9	11.8	68.5										253.7
Subtotal, military personnel	260.7	183.1	25.2	207.1				6.5	9.6	1.3	2.8	11.0	5.0	712.3
Operation and maintenance:														
Budget request	958.6	347.6	38.0	888.7	3.6	39.6	14.0		6.4					2,296.5
Adjustments to request:														
Vigilant Warrior	−29.8	−0.9	−4.5	−36.2			−0.8							−72.2
Cuba refugee support	7.8	38.6												46.4
Contingency flying hours		19.7				3.0								22.7
Cuba real property		−22.3												−22.3
Other readiness enhancements:														
Navy flying hours		41.0							9.0					50.0
Subtotal, operation and maintenance	936.6	423.7	33.5	852.5	3.6	42.6	13.2		15.4					2,321.1
Procurement:														
Other procurement	8.3													8.3
Total	1,205.6	606.8	58.7	1,059.6	3.6	42.6	13.2	6.5	25.0	1.3	2.8	11.0	5.0	3,041.7
Burdensharing (Sec. 102)												.....		−360.0
Grand total	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	2,681.7

CONTINGENCY AND NON-TRADITIONAL MISSIONS

The conferees express their deep concern over the process by which U.S. military forces are being deployed on major, large scale contingency operations. The conferees note that the Administration neither sought nor received advance approval of or funding for military operations from the Congress in support of peacekeeping and humanitarian missions. The missions involving Somalia, Rwanda, Haiti, and refugee relief in the Caribbean all mark significant departures from previous emergency deployments of American forces dealing with valid threats to the national security. The conferees strongly believe that military deployments in support of peacekeeping or humanitarian objectives both merit and require advance approval by the Congress.

The issue is of special concern to the conferees because of the effect these operations have had on the defense budgeting and planning process. There is no question but that the recent spate of ''contingency'' deployments, none of which was approved in advance by Congress nor budgeted for, have wreaked havoc upon the ability of the Department of Defense to maintain military readiness. These operations have led to substantial and repeated diversions of funds intended for training, equipment and property maintenance. From the Secretary of Defense to commanders in the field, there is universal acknowledgment that this practice has led to degradations in readiness.

A related issue involves the rapid increase in Defense Department participation in activities which under both law and tradition are the responsibility of other Federal departments. The principal example of this trend is the use of DoD funds, personnel, and facilities to deal with the issue of Cuban and Haitian refugees. The cost of these operations has been almost entirely borne by the Department of Defense, even though other Federal entities have long had primary responsibility for dealing with refugee and immigration issues and have, in the past, reimbursed the Department of Defense for such support in accordance with the Economy Act. At present, DoD is being forced to bear $1 million per day in costs for these operations, out of funds intended to be used for military operations, training, and readiness. The conferees believe DoD should not be forced to bear the cost of operations whch are not its responsibility, especially when it results in a substantial diversion of funds provided by the Congress expressly for military activities.

These problems underline the need for the Executive Branch to seek congressional approval for unanticipated nontraditional military operations in advance. The conferees intend to address these issues in connection with the fiscal year 1996 appropriations process, in order to avoid the recurrence of situations such as those which created the need for the appropriations contained in this measure. The conferees strongly urge the Administration to provide detailed and timely proposals to assist in resolving these issues.

OTHER PROCUREMENT, ARMY

The budget request included $28,600,000 for a wide variety of equipment in the ''Other Procurement, Army'' account. The conferees recommend a total of $8,300,000 for the highest priority programs within the request.

CHAPTER II

RESCINDING CERTAIN BUDGET AUTHORITY

DEPARTMENT OF DEFENSE—MILITARY

The conferees agree to rescind $2,009,956,000 from fiscal year 1993, 1994, and 1995 appropriations and make other reductions of $250,000,000 in funds available to the Department of Defense. The conference agreement on items in conference is as follows:

Rescissions Recommended in the Bill

[In thousands of dollars]

Item	*Conference Agreement*
Operation and maintenance, Navy: Classified programs	(2,000)
Operation and maintenance, Air Force: Classified programs	(2,000)
Operation and maintenance, Defense-Wide:	
Other conversion initiatives	(18,800)
DFAS pricing rebate	(50,000)
Operation and maintenance, Army National Guard: Reserve component automation system	(15,400)
Operation and maintenance, Army Reserve: Reserve component automation system	(6,200)
Environmental restoration, Defense	(300,000)
Former Soviet Union threat reduction	(20,000)
Aircraft procurement, Army, 1995/1997: AH–64 Apache	(34,411)

Procurement of ammunition, Army, 1993/1995 armament and retooling manufacturing support initiative	(85,000)
Procurement of ammunition, Army, 1995/1997:	
Provision of industrial facilities	(5,550)
Layaway of industrial facilities	(46,000)
Conventional ammo demilitarization	(4,350)
Other procurement, Army, 1995/1997:	
Reserve component automation system	(12,100)
SINCGARS contract savings	(20,000)
Aircraft procurement, Air Force, 1993/1995: C–17 aircraft	(100,000)
Aircraft procurement, Air Force, 1995/1997: SR–71	(27,500)
Missile procurement, Air Force, 1993/1995: Advanced cruise missile	(33,000)
Missile procurement, Air Force, 1994/1996:	
Triservice standoff attack missile	(86,200)
Minuteman II/III missile	(12,800)
Missile procurement, Air Force, 1995/1997:	
AMRAAM missile contract savings	(39,500)
Classified programs	(50,000)
Other procurement, Air Force, 1995/1997: Classified programs	(6,100)
Procurement, Defense-wide, 1995/1997: Defense Airborne Reconnaissance Program, UAV (Hunter)	(32,000)
National Guard and Reserve equipment, 1995/1997: Miscellaneous equipment	(30,000)
Defense Production Act: Defense Production Act purchases	(100,000)
Research, development, test, and evaluation, Army, 1994/1995:	
Triservice standoff attack missile	(5,000)
Research, development, test, and evaluation, Army, 1995/1996: Program reductions, science and technology	(43,000)
Research, development, test, and evaluation, Navy, 1995/1996:	
Triservice standoff attack missile	(29,800)
Program reductions, science and technology	(39,000)
Research, development, test, and evaluation, Air Force, 1994/1995:	
Triservice standoff attack missile	(49,600)
Research, development, test, and evaluation, Air Force, 1995/1996:	
Triservice standoff attack missile	(111,200)
Program reductions, science and technology	(40,000)
Tactical support satellite	(15,000)
Hypersonic Flight Technology Program	(25,000)
Research, development, test, and evaluation, Defense-wide, 1994/1995:	
Technology reinvestment program/dual use partnership	(77,000)
Research, Development, test, and evaluation, Defense-wide, 1995/1996:	
Technology reinvestment program/Defense reinvestment (ARPA)	(223,000)
Other conversion initiatives/Defense reinvestment (OSD)	(16,600)
NATO research and development	(5,000)
Program reductions, science and technology	(103,000)
Experimental evaluation of major innovative technology:	
Program reduction	(20,000)
Tactical support satellite	(53,845)
Manufacturing technology (ARPA)	(15,000)
National education trust fund (non-add)	(−75,000)
Subtotal rescissions	(2,009,956)
Sec. 106—Federally funded research and development centers—Consulting services	(150,000)
Sec. 117—Expiring fiscal year 1993 balances—Title III	(100,000)
Total fiscal year 1993/1994/1995 rescissions	(2,259,956)

RESERVE COMPONENT AUTOMATION SYSTEM

The Senate proposed to rescind $46,900,000 in the Other Procurement, Army appropriation for the Reserve Component Automation System. In February 1995 the Army conducted a special review of the program which resulted in a proposal to significantly change the system's architecture and caused a temporary delay. The Army informed the conferees that given these events, $33,700,000 is no longer needed to execute the program during fiscal year 1995. The conferees agree to rescind $12,100,000 in Other Procurement, Army; $15,400,000 in Operation and Maintenance, Army National Guard; and $6,200,000 in Operation and Maintenance, Army Reserve. This action should not be construed as either agreement or disagreement with the Army's proposed restructure of the program. The conferees have amended section 8025 of the Department of Defense Appropriations Act for fiscal year 1995 to reflect this reduction.

SUNCGARS

The conferees recommend a rescission of $20,000,000 for the SINCGARS radio in the ''Other Procurement, Army'' account. These funds are available as a result of savings because of a lower than projected per unit cost in a recent contract award.

ARMAMENT RETOOLING AND MANUFACTURING SUPPORT INITIATIVE

The conferees agree to rescind $85,000,000 for the Armament Retooling and Manufacturing Support Initiative. The budget submission requested that the expiring fiscal year 1993 funds be made available to fix a funding shortfall for tank ammunition in fiscal year 1996. The conferees do not believe that fiscal year 1996 shortfalls should be funded with excess funds from previous fiscal years. Although the conferees support the multi-year tank ammunition contract, the budget proposal does not comply with standard acquisition and budget procedures. The conferees' decision to rescind the funds does not prejudge any decision regarding programs that have funding shortfalls in fiscal year 1996. The conferees would consider a reprogramming request to continue the manufacture of the 120mm armor piercing tank ammunition if it is necessary to maintain production in fiscal year 1995. The conferees understand that closing the existing production line would greatly increase costs for this needed ammunition.

APACHE HELICOPTER

The conferees agree to rescind $34,411,000 for Apache-A production. Of the available funds, $5,611,000 is only for Apache engineering support and $37,589,000 is only for long lead procurement for the Longbow Apache program.

NATIONAL SECURITY EDUCATION TRUST FUND

The conferees agree to rescind $75,000,000 of the amount appropriated for the National Security Education Trust Fund in Public Law 102–172. The intent of the conferees is to reduce the corpus of the Fund by 50 percent.

CLASSIFIED PROGRAMS

The Senate proposed classified rescissions totalling $60,100,000. The House proposed no such rescission. The conferees agree to a reduction of $60,100,000 as discussion in the Classified Report which accompanies this Statement of the Managers.

FORMER SOVIET UNION THREAT REDUCTION

The House rescinded a total of $80,000,000 originally appropriated for housing, conversion projects, and the Defense Enterprise Fund. The Senate proposed no such reduction. The conferees agree to a reduction of $20,000,000.

C–17

The conferees agree to rescind $100,000,000 in fiscal year 1993 Air Force aircraft procurement funds from the C–17 program for engineering change orders. The recommendation is made without prejudice as the Air Force has informed the conferees that the funds could not be obligated before they expired at the end of the fiscal year. The conferees have also been informed by the Air Force that the C–17 program office intends to use fiscal year 1994 and fiscal year 1995 funds to implement the low cost engine nacelle modification when the requirements are fully defined.

SR–71

Of the $100,000,000 appropriated for the SR–71 activation in fiscal year 1995, the conferees agree to rescind $27,500,000, and transfer $23,500,000 from Aircraft Procurement, Air Force (APAF) 95/97 to Operation and Maintenance, Air Force (OMAF) 95 as follows:

[In thousands of dollars]

	Fiscal Year 1995 appropriation	Rescission	Transfer	Net
APAF	$65,000	$−27,500	$−23,500	$14,000
OMAF	35,000	0	+23,500	58,500
Total	100,000	−27,500	0	72,500

GUARD AND RESERVE MISCELLANEOUS EQUIPMENT

The conferees agree to a rescission of $30,000,000 for Guard and Reserve miscellaneous equipment as proposed by the House. The conferees agree that the $30,000,000 rescission is to be allocated proportionally to the amount appropriated to each of the Reserve Components for procurement of miscellaneous equipment in fiscal year 1995.

HYPERSONIC FLIGHT TECHNOLOGY

The conferees recommend a rescission of $25,000,000 from the $45,000,000 appropriated in the Hypersonic Flight Technology program funded in the Air Force fiscal year 1995

Research, Development, Test and Evaluation appropriation. The conferees endorse the Air Force's new budget plan which requires $10,000,000 to close out the Hypersonics Systems Technology (HySTP) program and $10,000,000 to initiate a new technology program focused on warfighter needs.

TACTICAL SUPPORT SATELLITE

The Senate proposed rescissions totaling $68,845,000 and termination of the Tactical Support Satellite. The House proposed no such action. The conferees agree with the Senate recommendation.

RDT&E GENERAL REDUCTIONS

The conferees direct that general reductions to Science and Technology, Experimental Evaluation of Major Innovative Technologies, and Manufacturing Technology (ARPA) programs be applied in a manner such that no disproportionate reduction be made to any individual project within these program elements.

DEFENSE FINANCE AND ACCOUNTING SERVICE

The conferees agree to rescind $50,000,000 from the Operation and Maintenance, Defense-wide account, and direct the Defense Finance and Accounting Service (DFAS) to rebate prices charged to Defense Agencies and the Office of the Secretary of Defense for accounting services provided in fiscal year 1995 in order to reduce expected operating gains by a like amount.

BALLISTIC MISSILE DEFENSE

The conferees have restored funds for the National Test Facility to avoid any negative impact on critical theater missile defense (TMD) programs during the remainder of fiscal year 1995. However, the conferees note the importance and capabilities of the Ballistic Missile Defense Organization's (BMDO) Advanced Research Center (ARC) supercomputing facility.

The United States Army Space and Strategic Defense Command (USASSDC) ARC in Alabama has proven to be a cost-effective solution in the development, integration and testing of the Army's missile defense programs. The ARC, in the opinion of the conferees, has demonstrated that these cost effective procedures in accomplishing the test and integration function for the Army's missile defense programs can also be applied to accomplish the integration and testing of BMDO systems.

The mature simulation environment of the ARC has existing, state-of-the-art component test beds within the facility which are supporting space and theater missile defense programs. Test beds included in the ARC are the Extended Air Defense Test Bed (EADTB), Ground Based Radar Test Facility (GBRTF), Missile Defense Data Center (MDDC), Integrated System Test Capability (ISTC), TMD System Exerciser (TMD–SE), and others which support space and missile defense tests and integration. The ARC has secure communication links to the other modern DoD test facilities through defense and commercial networks that are required to conduct system simulations and evaluations of BMDO systems.

The conferees will work to ensure that the funds required in fiscal year 1996 are available to make necessary upgrades and facilitate the integration and testing of BMDO component systems.

CHAPTER III

GENERAL PROVISIONS

DEPARTMENT OF DEFENSE—MILITARY

COAST GUARD

The conferees have included a general provision which appropriates $28,297,000 to the Department of Defense for transfer to the Coast Guard to cover incremental operating expenses associated with contingency operations.

FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTERS AND RELATED ACTIVITIES

The conferees have modified the Senate proposal to revise Section 8054(g) of the Department of Defense Appropriations Act, 1995, to further reduce funding for defense federally funded research and development centers (FFRDC's) and other entities providing similar services.

The conferees have modified the Senate language to allocate the reductions in the revised Section 8054(g) among the operation and maintenance, procurement, and research, development, test and evaluation appropriations titles of the underlying Act.

The conferees also have added a subsection which modifies Section 8054(h) of the underlying Act to allocate the reduction in that subsection among the three titles.

The conferees direct that none of the FFRDC's or the funds allocated to the consultants and for-profit activities be required to absorb a disproportionate share of the decreases recommended in Subsections 8054(g) and (h) of the Act, as amended.

The conferees further approved a reporting requirement to provide the Committees on Appropriations with the most current information about the allocation of these reductions.

Amendment No. 2: Inserts and amends Senate language which limits the use of funds that can be used for emergency and extraordinary expenses unless prior notification is submitted to the Committees on Appropriations of the House and Senate, the House National Security Committee and the Senate Armed Services Committee.

Amendment No. 3: Inserts a new section number and retains a provision proposed by the Senate. This provision prohibits the expenditure of funds under this or any other Act to enter into an agreement between the United States and Russia under section 123 of the Atomic Energy Act of 1954, until the President certifies to Congress that Russia has satisfied certain conditions regarding an agreement not to sell nuclear reactor components to Iran. The House bill contained no provision on this matter.

Amendment No. 4: Deletes Senate language which expressed the sense of the Senate that a member of the Armed Forces sentenced by a court martial to confinement and a punitive discharge or dismissal should not receive pay and allowances.

Amendment No. 5: Deletes language proposed by the Senate, and not addressed in the House bill, which contained conditional fiscal year 1995 rescissions for certain military construction projects relating to 1995 Base Closures and Realignments, and inserts new language which prohibits the obligation of funds for any new military construction or family housing project at an installation proposed for closure or realignment, and also inserts new language rescinding a total of $100,600,000.

Projects related to realignments are defined as projects which are affected by the function or activity being realigned. The prohibition on obligation of funds is in effect unless the Congress enacts a Joint Resolution of Disapproval in accordance with the Defense Base Closure and Realignment Act of 1990, as amended (P.L. 101–510).

The conferees note that while they support the intent of the Senate amendment, in anticipation of savings due to the 1995 Base Closure and Realignments, general reductions totaling $136.7 million were enacted in the Military Construction Appropriations Act, 1995. The conferees are committed to rescinding any additional savings at the appropriate time during consideration of the fiscal year 1996 budget request.

With regard to the recommended rescissions, the conferees agree to rescind $75,500,000 from five appropriation accounts as contained in Public Law 103–307, the Military Construction Appropriations Act for Fiscal Year 1995. The appropriation accounts and recommended rescission amounts for each account are listed below:

Military Construction, Army	$3,500,000
Military Construction, Navy	3,500,000
Military Construction, Air Force	3,500,000
North Atlantic Treaty Organization Infrastructure	33,000,000
Base Realignment and Closure Account, Part III	32,000,000
Total	75,500,000

In addition, the conferees agree to rescind $25,100,000 from funds appropriated for Military Construction, Naval Reserve in Public Law 102–136, the Military Construction Appropriations Act for Fiscal Year 1992.

The conference agreement includes a general reduction of $3,500,000 for each of the Service accounts for military construction. These amounts are to be applied to the combination of project savings from favorable bids, reduced overhead costs, and other cost reduction initiatives.

With regard to the North Atlantic Treaty Organization Infrastructure account, the recommended rescission amount reflects savings associated with deobligations due to canceled projects, low bids, and reduction of project scope, as well as NATO reimbursement for projects previously funded with U.S. appropriated funds that are now NATO eligible.

With regard to the Base Realignment and Closure Account, Part III, the recommended rescission amount is based on estimated savings as a result of the Secretary of Defense recommendations to the Base Closure Commission for 1995 closures and realignments, which reflect changes to the 1993 closure and realignment decisions.

With regard to the rescission of funds appropriated for Military construction, Naval Reserve for fiscal year 1992, the recommended rescission amount is based on the cancellation of a project to provide C-130 support facilities, which is no longer required.

Amendment No. 6: Deletes a provision added by the Senate expressing the sense of the Senate relating to South Korea's nontariff barriers to United States beef and pork. The House bill contained no provision on this matter.

Amendment No. 7: Deletes a provision added by the Senate expressing the sense of the Senate relating to the indefinite extension of the Non-Proliferation Treaty. The House bill contained no provision on this matter.

Amendment No. 8: Deletes Senate language which expressed the sense of the Senate concerning the importance of the National Test Facility.

Amendment No. 9: Inserts and amends Senate language which provides that the rescission from the Environmental Restoration, Defense account shall not be allocated in excess of a proportionate share to installations that are recommended for closure or realignment in 1995.

Inserts a new provision which makes necessary technical adjustments in order to make available to the Air Force up to $76,900,000 in funds received from NASA as reimbursement for TITAN IV-related costs in support of the NASA Cassini mission.

Insert a new provision which amends the Department of Defense Appropriations Act, 1995 to reduce the funds available for the Reserve Component Automation System.

Inserts a new provision which rescinds $100,000,000 from unobligated procurement balances that expire at the end of fiscal year 1995.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

DEBT RESTRUCTURING

DEBT RELIEF FOR JORDAN

Amendment No. 10: Deletes language proposed by the Senate that would have provided $275,000,000 for debt relief for Jordan, of which not more than $50,000,000 could be obligated prior to October 1, 1995.

The conferees agree not to include supplemental funding for restructuring Jordanian debt to the U.S. government, but it is the full intention to propose an appropriation of $275,000,000 for this purpose in H.R. 1158 under consideration in the Senate at the time of the conference. The conferees confirm that they support fully the President's commitment to King Hussein to restructure Jordan's debt in support of the October 1994 peace agreement between Jordan and Israel. Should appropriation of these funds fail to be enacted as part of H.R. 1158, the conferees recommend that funding for this purpose be included in the regular fiscal year 1996 Foreign Operations, Export Financing, and Related Programs Appropriations Act.

PALESTINIAN-ISRAELI COOPERATION PROJECT

In reports by both the House and Senate Appropriations Committees which accompanied the FY 1994 and FY 1995 Foreign Operations bills, strong support was expressed for funding of the educational, cultural, and humanitarian activities financed through the Palestinian-Israeli Cooperation Project. The Agency for International Development continues to ignore this expression of support.

Once again the conferees urge that AID commit funds to this project.

CHAPTER IV

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

FEDERAL RAILROAD ADMINISTRATION

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

Amendment No. 11: Appropriates $21,500,000 for capital grants to the National Railroad Passenger Corporation (Amtrak) and conforms heading. The House and Senate bills contained no similar appropriation. The agreement also inserts a title designation, as proposed by the Senate.

The conferees agree to provide $21,500,000 for capital grants to the National Railroad Passenger Corporation (Amtrak) to address emergency safety-related needs at the existing Pennsylvania Station in New York City. These funds are to be available immediately for obligation. This issue is further addressed under amendment number 20.

TITLE II

CHAPTER I

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

Amendment No. 12: Rescinds $180,000,000 from five accounts, instead of $177,000,000 from two accounts as proposed by the House, and the same amount from eight accounts as proposed by the Senate, distributed as follows:

DEPARTMENT OF JUSTICE

IMMIGRATION AND NATURALIZATION SERVICE

IMMIGRATION EMERGENCY FUND

Rescinds $45,000,000 from the Immigration Emergency Fund, instead of $70,000,000 as proposed by the House and $10,000,000 as proposed by the Senate.

DEPARTMENT OF COMMERCE

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

INDUSTRIAL TECHNOLOGY SERVICES

Rescinds $90,000,000 from the Advanced Technology Program at the National Institute of Standards and Technology, instead of $107,000,000 as proposed by the House and $32,000,000 as proposed by the Senate.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH AND FACILITIES

Deletes a rescission of $2,500,000 from the Operations, Research and Facilities account of the National Oceanic and Atmospheric Administration proposed by the Senate. The House bill contained no provision on this matter.

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

INFORMATION INFRASTRUCTURE GRANTS

Rescinds $15,000,000 from National Telecommunications and Information Administration Information Infrastructure Grants, instead of $34,000,000 as proposed by the Senate. The House bill contained no provision on this matter.

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

Deletes a rescission of $40,000,000 from Economic Development Administration Economic Development Assistance Programs as proposed by the Senate. The House bill contained no provision on this matter.

RELATED AGENCIES

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

Rescinds $15,000,000 for tree-planting grants from Small Business Administration Salaries and Expenses, as proposed by the Senate. The House bill contained no provision on this matter.

LEGAL SERVICES CORPORATION

PAYMENT TO THE LEGAL SERVICES CORPORATION

Rescinds $15,000,000 from the Legal Services Corporation, as proposed by the Senate. The House bill contained no provision on this matter.

The conferees agree that, to the maximum extent possible, these funds should be taken from programs that do not provide direct legal services to individuals.

DEPARTMENT OF STATE AND RELATED AGENCIES

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

ACQUISITION AND MAINTENANCE OF BUILDINGS ABROAD

Deletes a rescission of $28,500,000 from the State Department Foreign Buildings account as proposed by the Senate. The House bill contained no provision on this matter.

CHAPTER II

ENERGY AND WATER DEVELOPMENT

DEPARTMENT OF ENERGY

ATOMIC ENERGY DEFENSE ACTIVITIES

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

The conferees recommend a rescission of $200,000,000 from funds appropriated for fiscal year 1995 and unobligated balances carried forward into fiscal year 1995. To the extent possible, these reductions should be taken against low priority, noncritical work and not direct cleanup activities, or activities which do not support the safe and cost-effective operation and management of Department of Energy waste management facilities.

This recommendation includes the $100,000,000 which was originally proposed in H.R. 889 by both the House and the Senate, and $100,000,000 of the $113,000,000 rescission for defense environmental restoration and waste management which has been proposed by the Senate during consideration of H.R. 1158.

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES, ARKANSAS, ILLINOIS, KENTUCKY, LOUISIANA, MISSISSIPPI, MISSOURI, AND TENNESSEE

Amendment No. 13: The conference agreement includes language proposed by the Senate authorizing the U.S. Army Corps of Engineers to initiate and complete remedial measures to prevent slope instability at Hickman Bluff, Kentucky, utilizing $3,000,000 appropriated in the Fiscal Year 1995 Energy and Water Development Appropriations Act for that purpose. The Senate language has been amended to include appropriate headings.

CHAPTER III

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS

MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE INTERNATIONAL DEVELOPMENT ASSOCIATION

Amendment No. 14: Rescinds $60,000,000 from the U.S. contribution to the International Development Association instead of $70,000,000 as proposed by the Senate. The House did not address this matter.

BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

AGENCY FOR INTERNATIONAL DEVELOPMENT

Amendment No. 15: Rescinds $7,500,000 from funds made available in fiscal year 1994 and fiscal year 1995 for assistance to the New Independent States of the Former Soviet Union. In addition, the conference agreement reallocates $15,000,000 from the funds provided for Russian officer housing in Public Law 103–87 for aid to the New Independent States with the exception of Russia. The House had proposed a rescission of $110,000,000 from funds provided for Russian officer housing. The Senate amendment struck the House language and proposed certain rescissions described below.

The conference agreement also rescinds $12,500,000 from ''Development assistance fund'' from appropriations provided in Public Law 103–306 and prior appropriations acts. The Senate had proposed a rescission of $13,000,000 from this account, as well as $9,000,000 from fiscal year 1994 and 1995 appropriations for ''Assistance for Eastern Europe and the Baltic States'', and $18,000,000 from fiscal year 1994 and 1995 appropriations for ''Assistance for the New Independent States of the Former Soviet Union'' of which not less than $12,000,000 would have come from funds allocated for Russia. The House bill did not contain provisions on these matters.

CHAPTER IV

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

DEPARTMENT OF THE INTERIOR

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

Amendment No. 16: Includes a rescission of $1,500,000 as proposed by the Senate of funding available to the Fish and Wildlife Service for activities involving the listing of endangered species and the designation of critical habitat. The provision also prohibits the Fish and Wildlife Service from using other funds to make final listings or critical habitat designations. The House bill contained no similar provision.

The conferees note that this provision has been adopted only to provide a brief ''time out'' from the Endangered Species Act listings and critical habitat designations. The managers will review the issue without prejudice. The Endangered Species Act expired in 1992, and its reauthorization is long overdue. The conferees fully expect the appropriate committees to continue their efforts to develop and pass a reauthorization bill.

CHAPTER V

DEPARTMENT OF EDUCATION

SCHOOL IMPROVEMENT PROGRAMS

STUDENT FINANCIAL ASSISTANCE

Amendment No. 17: The conference agreement rescinds $65,000,000 from the Education Infrastructure program as requested by the President. The House recommended a $100,000,000 rescission; the Senate included no rescission for this program.

The agreement also rescinds $35,000,000 from unobligated funds appropriated in FY 1994 for the Pell Grant program. The Senate bill included a rescission of $100,000,000 for this purpose; the House bill included no rescission from this account.

CHAPTER VI

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

FEDERAL AVIATION ADMINISTRATION

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

FEDERAL HIGHWAY ADMINISTRATION

MISCELLANEOUS HIGHWAY DEMONSTRATION PROJECTS

(HIGHWAY TRUST FUND)

Amendment No. 18: Rescinds $35,000,000 from facilities and equipment of the Federal Aviation Administration, and rescinds $12,004,450 of appropriated balances available for miscellaneous highway demonstration projects provided in Public Laws 93–87, 98–8, 98–473, and 100–71 as proposed by the Senate. The House bill contained no such provisions, but included a similar provision rescinding $35,000,000 from facilities and equipment of the Federal Aviation Administration in H.R. 1158. The conference agreement rescinds $35,000,000 of funds provided for the advanced automation system of the Federal Aviation Administration.

The conference agreement also deletes the Senate rescissions of $139,948,000 of unobligated contract authority from highway demonstration projects that received funding in Public Laws 97–424 and 100–17. The House bill contained no similar proposals.

FEDERAL RAILROAD ADMINISTRATION

LOCAL RAIL FREIGHT ASSISTANCE

Amendment No. 19: Rescinds $6,563,000 for the local rail freight assistance program, instead of $13,126,000 as proposed by the House. The Senate bill contained no similar provision.

PENNSYLVANIA STATION REDEVELOPMENT PROJECT

Amendment No. 20: Rescinds $40,000,000 for the Pennsylvania Station redevelopment project as proposed by the House. The Senate bill contained no similar provision.

The conferees agree that this action is taken without prejudice to the advancement of the project to redevelop the James A. Farley Post Office Building as a train station and commercial center in New York City. The project is unauthorized; however, the House and Senate Committees on Appropriations will consider any subsequent requests for funds once authorized. The conference agreement includes $21,500,000 for capital grants to the National Railroad Passenger Corporation (Amtrak) under amendment number 11 to address emergency safety-related needs at the existing Pennsylvania Station in New York City.

CHAPTER VII

DEPARTMENT OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES

INDEPENDENT AGENCIES

Amendment No. 21: Adds language under the Environmental Protection Agency, Administrative Provision, regarding Federal and State Implementation Plans under section 110(e) of the Clean Air Act. Provides for no rescission of funding for National Aeronautical Facilities as proposed by the Senate instead of $400,000,000 as proposed by the House, and adds language extending the availability of funds previously appropriated for this purpose.

EPA ADMINISTRATIVE PROVISION

The conferees have included bill language which clarifies that any Federal implementation plan promulgated for three areas of California pursuant to section 110(e) of the Clean Air Act shall have no further force and effect, thus removing the cloud which exists as a result of having a promulgated but nonenforced Federal implementation plan in effect at the same time a State implementation plan is undergoing the approval process by the Environmental Protection Agency.

NATIONAL WIND TUNNEL COMPLEX

The conferees agree to no rescission of funds provided in the fiscal year 1995 appropriations Act for the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies (P.L. 103–327) for the National Wind Tunnel Complex. Language is included which extends the availability of $400,000,000 to September 30, 1997. However, no more than $35,000,000 may be obligated prior to October 1, 1996.

The conferees agree that NASA may use $35,000,000 to achieve completion of the Phase I study of wind tunnel needs and requirements. It is the understanding of the conferees that a portion of the study will identify site selection criteria and a short list of locations which would meet the requirements.

The conferees are concerned with the state of the nation's wind tunnel infrastructure and encouraged that industry and NASA are jointly interested in finding a solution to the lack of adequate facilities. All the same, the conferees realize that the solution must include significant industry financial participation. Therefore, any decision by the Congress to move beyond the Phase I study is contingent upon NASA executing a Memorandum of Agreement with both the Department of Defense and the U.S. aviation industry, both commercial and military, regarding cost shares for construction and utilization of the complex. The conferees agree that industry's share of the total cost should be both substantial and appropriate, and NASA is to report to the Appropriations Committees of the House and Senate what that level of contribution should be.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

Amendment No. 22: Deletes language proposed by the Senate to rescind $400,000,000 of 1995 and prior years funds earmarked for the development or acquisition costs of public housing.

Title III—Miscellaneous

Amendment No. 23: Includes language authorizing the Secretary of Transportation to issue a certificate of documentation to the vessel, L.R. BEATTIE, as proposed by the Senate. The House bill contained no similar provision.

Title IV

MEXICAN DEBT DISCLOSURE ACT OF 1995

Amendment No. 24: Inserts new language, similar to the Senate amendment, entitled ''Mexican Debt Disclosure Act of 1995''. The conference agreement differs from the Senate amendment in several respects:

1. The agreement modifies section 403 to require the President to transmit a report to the appropriate committees of the Congress, not later than June 30, 1995, and every six months thereafter, regarding all guarantees issued to, and short-term and long-term currency swaps with, the Government of Mexico. Such reports are required to include details on changes in wage, price, and credit control in the Mexican economy; on changes in taxation policy of Mexico; on specific actions taken by Mexico to privatize the economy; on actions taken by Mexico to develop a regulatory policy that significantly affects the performance of the Mexican economy; on consultations between the United States and Mexico concerning the program approved by the President and conclusions resulting from periodic reviews undertaken by the International Monetary Fund; on all outstanding loans, credits, and guarantees provided to the Government of Mexico by United States agencies; and on the progress made by Mexico in stabilizing the peso and establishing an independent central bank or currency board.

2. The agreement includes a new section 404 that requires monthly reports from the Secretary of the Treasury concerning all guarantees issued to, and short-term and long-term currency swaps with, the Government of Mexico. Such reports are required to include details on the current condition of the Mexican economy; the reserve portions of the central bank of Mexico and data relating to Mexican monetary policy; the amount of funds disbursed from the exchange stabilization fund pursuant to the assistance pledged by the President to Mexico; the amount of any funds disbursed by the Board of Governors of the Federal Reserve System; guarantees issued to, and currency swaps engaged with, Mexico by either the Department of Treasury or the Federal Reserve System; and the interest rates and fees charged to compensate the Secretary of Treasury for the risk of providing financing.

3. The agreement includes a new section 405 that terminates the reporting requirements of section 403 and 404 on the date the Mexican Government has paid all obligations incurred in connection with the program of assistance approved by the President on January 31, 1995.

4. The agreement includes a new section 406 that requires a certification by the President to the appropriate committees of the Congress prior to the extension or further utilization of any loan, credit, guarantee, or

currency swap through the exchange stabilization fund or the Federal Reserve System, beyond those already in effect, that there is no projected cost (as defined in the Credit Reform Act of 1990) to the United States from the action; that such loans, credits, guarantees or currency swaps are adequately backed to ensure repayment; that the Mexican government is making progress in developing an independent bank or an independent currency control mechanism; that Mexico has in effect a significant economic reform effort; and that the President has provided the documents described in paragraphs (1) through (28) of House Resolution 80 as adopted on March 1, 1995. For the purposes of the final certification, any classified documents that may not have been produced to the House of Representatives would be produced to certain specified Members of Congress.

5. The agreement modifies the definition of ''appropriate congressional committees'' to include the Committees on Appropriations of the House and Senate, and includes a definition for the term ''exchange stabilization fund'' as stated in section 5302(a)(1) of title 31, United States Code.

The House bill contained no provision on this matter.

Amendment No. 25: Restores the citation of the House passed bill in lieu of the one proposed by the Senate.

The conference agreement restores the title of the House passed bill in lieu of the one proposed by the Senate.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1995 recommended by the Committee of Conference, with comparisons to the fiscal year 1995 budget estimates, and the House and Senate bills for 1995 follows:

Budget estimates of new (obligational) authority fiscal year 1995	2,365,696,629
House bill, fiscal year 1995	−13,940,000
Senate bill, fiscal year 1995	−1,272,684,450
Conference agreement, fiscal year 1995	−746,140,000
Conference agreement compared with:	
Budget estimates of new (obligational) authority, fiscal year 1995	3,111,836,629
House bill, fiscal year 1995	−732,200,000
Senate bill, fiscal year 1995	+526,544,450

For consideration of Senate amendments numbered 3, 5, 6, 7, and 10 thru 25, and the Senate amendment to the title of the bill:

BOB LIVINGSTON,
JOHN MYERS,
BILL YOUNG,
RALPH REGULA,
JERRY LEWIS,
JOHN EDWARD PORTER,
HAROLD ROGERS,
FRANK R. WOLF,
BARBARA F. VUCANOVICH,
SONNY CALLAHAN,
CHARLES WILSON,
ALAN MOLLOHAN,

For consideration of Senate amendments numbered 1, 2, 4, 8, and 9:

BILL YOUNG,
JOE MCDADE,
BOB LIVINGSTON,
JERRY LEWIS,
JOE SKEEN,
DAVE HOBSON,
HENRY BONILLA,
GEORGE R. NETHERCUTT, Jr.,
MARK NEUMANN,
JOHN P. MURTHA,
NORMAN DICKS,
CHARLES WILSON,
W.G. BILL HEFNER,

Except Ament. No. 1 re: ELF:

MARTIN OLAV SABO,
Managers on the Part of House.

MARK O. HATFIELD,
TED STEVENS,
THAD COCHRAN,
ARLEN SPECTER,
PETE V. DOMENICI,
PHIL GRAMM,
KIT BOND,
SLADE GORTON,
MITCH MCCONNELL,
CONRAD BURNS,
ROBERT BYRD,
DANIEL K. INOUYE,
ERNEST F. HOLLINGS,
J. BENNETT JOHNSTON,
PATRICK J. LEAHY,
FRANK R. LAUTENBERG,
BARBARA A. MIKULSKI,
HARRY REID,
Managers on the Part of the Senate.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 889 EMERGENCY SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS FOR FISCAL YEAR 1995

Ms. PRYCE, from the Committee on Rules, submitted a privileged report (Rept. No. 104–102) on the resolution (H. Res. 129) waiving points of order against the conference report to accompany the bill (H.R. 889) making emergency supplemental appropriations and rescissions to preserve and enhance the military readiness of the Department of Defense for the fiscal year ending September 30, 1995, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 483, MEDICARE SELECT EXPANSION

Ms. PRYCE, from the Committee on Rules, submitted a privileged report (Rept. No. 104–103) on the resolution (H. Res. 130) providing for consideration of the bill (H.R. 483) to amend title XVIII of the Social Security Act to permit medicare select policies to be offered in all States, and for other purposes, which was referred to the House Calendar and ordered to be printed.

□ 2330

PERMISSION FOR SUNDRY COMMITTEES TO SIT ON THURSDAY, APRIL 6, 1995, DURING FIVE-MINUTE RULE

Mrs. SMITH of Washington. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit tomorrow while the House is meeting in the Committee of the Whole House under the 5-minute rule:

Committee on Agriculture; Committee on Banking and Financial Services; Committee on Government Reform and Oversight; Committee on International Relations; Committee on the Judiciary; Committee on National Security; Committee on Small Business; Committee on Transportation and Infrastructure; and Committee on Veterans' Affairs.

It is my understanding that the minority has been consulted and that there is no objection to these requests.

The SPEAKER pro tempore (Mr. RIGGS). Is there objection to the request of the gentlewoman from Washington?

Mr. WISE. Mr. Speaker, reserving the right to object, I do so to thank the majority. This has been cleared with all the minority ranking members.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

THERE SHOULD BE NO NEW TAXES ON FEDERAL EMPLOYEES IN H.R. 1215

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

Mr. WOLF. Mr. Speaker, listening to the 1-minutes back in my office, I agreed with literally everything that was said by the Members of my side, all the help there is for American families in the tax cut bill. But if everything they said is true, and I believe it is true, why would not the same help be given to Federal employees?

I have been a leader in the family issues for Federal employees and non-Federal employees for the 102nd Congress and the 103rd Congress.

The FBI agent that everyone here would call if their husband or wife or kids were kidnapped is a Federal employee. The cancer researcher out at NIH that everyone would call quickly if someone in your family had cancer is a Federal employee. The Secret Service agent, Timothy McCarthy, that stopped the bullet that saved the live of Ronald Reagan is a Federal employee.

So I say to my side, I agree with everything you have said, because the American family is under more pressure today than any other time in the history of the country. But if this is good for American families, it should be good for the families of Federal employees.

Mr. Speaker, I urge the leadership of my side to remove the provision which increases the payroll tax on Federal employees. it should never see the light of day and should not pass.

Mr. Speaker, as one of the first Members of Congress to call for family tax relief, I am

pleased that this package has as its centerpiece a $500 tax credit for families with children. This is a much needed tax credit to correct the tax inequity for families that has developed over the years when the deduction for children was not indexed. The capital gains tax cut, and the easing of the marriage penalty are also to be commended. It is time that we allow hard working American families to keep more of their hard earned money. This bill is a strong package to do that.

However, I come to the floor very troubled and disappointed. In what was otherwise a good bill for families and economic growth, the leadership has chosen to include a tax on Federal employees in this bill. For middle-class Federal employees this is bad news. We are making a very hasty decision regarding the largest single employer in the United States when the pension system we are supposedly correcting faces no shortfall of legally available budget authority to pay benefits. There is no crisis here. Yet we are including a tax that will hit middle-class Federal employees so hard that it will eliminate for most any of the benefits of this legislation. That I believe is unfair and a mistake.

Federal employees are virtually all middle-class taxpayers. We promised no tax increases on middle-class Americans; yet we have picked on a politically unpopular target. I am frustrated to be put in such an untenable situation. This was not in the Contract With America and it was rushed into this bill in fundamental violation of our promise of no new taxes. If any action in this area were to be taken it should be more properly taken in the context of an overall entitlement reform effort that objectively looks at the need, if any, to improve the civil service system.

I was calling for family tax relief in the 102d Congress and 103rd Congress when Republicans in the White House, on the Ways and Means Committee and the Budget Committee wouldn't give it the time of day. Many Democrats also opposed it because they wanted the money to fund more Government programs. Yet my bill for family tax relief garnered bipartisan support of 263 cosponsors in the 102d Congress. Raising taxes to fund a tax cut was never part of this picture.

So why sully our tax package now with a tax increase? Using a tax increase to balance is merely a return to failed policies of the past. President Bush didn't balance the budget by raising taxes and neither did President Clinton. In fact, in raising taxes both broke their promise to the American people. To include this tax on Federal employees in this bill we will also be breaking our promise in the Contract not to raise taxes. We are repealing the Social Security tax increase which the Democrats passed to balance the budget because it hit many middle-class retirees. Why repeat that mistake by picking on another group? And why repeat the disasters of the past in breaking promises on tax increases?

A fundamental tenet of the Contract With America is a commitment to no new taxes. Once we cede the tax issue in any area we will be open to the argument that it is OK to raise taxes—it just depends upon whose. We shouldn't be talking about raising anybody's taxes. But this bill singles out Federal employees for a dramatic increase in payroll taxes. For example, an FBI agent with two children earning $50,000 will pay an additional $250 a year to the Federal Government even with the $500 tax credit. This is a $1,250 hit without the tax credit. The 2.5 percent increase in Federal payroll taxes represents a 36-percent payroll tax increase. If this was being done to any other workers in this country, Republicans would never stand for it.

The Federal retirement system provision that was put into this bill is even more onerous than the provision proposed in the Government Reform and Oversight Committee, where, by the way, the proposal couldn't even make it out of the civil service subcommittee. There were only 2 days of hearings on this very complicated issue and quite frankly there were many issues unresolved. As our Rules Chairman has noted, this is not a good precedent to be setting.

Furthermore, most management experts will tell you that as you are downsizing it is important not to demoralize the remaining staff. Hitting Federal employees across the board with a payroll tax like this in conjunction with massive downsizing efforts will have a devastating impact on morale at a critical time.

The issue of unfunded liabilities in the Federal pension system is still open to considerable debate and quite frankly is a debate I would be happy to have in a timely and thoughtful manner. When Congress originally set up the new retirement system and integrated it with the old system in the mid-80s we spent months and months hearing from experts. Senator STEVENS led the effort in the other body to see that this system was reformed in a sound and fair manner.

To that end, I believe we now have a workable system. The Congressional Research Service reported that the Federal retirement system trust fund balance is adequate to provide needed budget authority on an ongoing basis. The combined funded and unfunded liabilities of the old retirement system is the amount the Government would have to pay all at one time if everyone who is or who ever has been a vested CSRS participant could demand a check for the present value of all the benefits to which they would be entitled from that time throughout retirement until their death, taking into account future pay raises they might receive and cost-of-living adjustments after retirement. As CRS noted, this event cannot happen in the Federal Retirement System.

Federal pension obligations will just not come due all at one time. Furthermore, given the large downsizing effort in progress, the pension liabilities will be dramatically reduced in coming years. And that is just one more reason why it is particularly unfair that Federal employees will see this huge jump in their payroll tax—many of them will be gone before their pension even vests. Rather than include this complex issue in this tax bill, perhaps we need to establish a bipartisan commission to look at federal pensions as well as the potential liabilities in the Pension Benefit Guaranty Corporation.

Finally, my understanding of the Contract was that we were fundamentally rejecting the idea of raising taxes to balance the budget and just saying NO to tax increases in all shapes and forms. To include a tax increase in this bill fundamentally violates the anti-tax spirit of the Contract. To add this payroll tax when there are important issues still open to debate is particularly unwise.

This is bad policy, bad politics and it is a breach of faith to those who support a tax break for the American family but can't accept an unfair tax hike on middle-class government employees.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 4, 1995, and under a previous order of the House, the following Members are recognized for 5 minutes each:

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. BILIRAKIS] is recognized for 5 minutes.

[Mr. BILIRAKIS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

A BILL TO END THE USE OF STEEL JAW LEGHOLD TRAPS ON ANIMALS IN THE UNITED STATES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York [Mrs. LOWEY] is recognized for 5 minutes.

Mrs. LOWEY. Mr. Speaker, I rise today to introduce legislation to end the use of steel jaw leghold traps. More than 50 of our colleagues have already endorsed this legislation. I want to be very clear: this bill would not end trapping, but would simply end the use of this particularly barbaric instrument. Less cruel alternatives do, in fact, exist.

Mr. Speaker, this device was invented in the 1820's and has continued to inflict needless pain and suffering for over 170 years. Mr. Speaker, since then we've passed a host of animal welfare statutes, including the Humane Slaughter Act and the Cruelty to Animals Act, to name just two. Yet we continue to allow the use of a device that slams with bone-crushing force upon any animal that steps into it. This trap does not discriminate between the front paw of a fox, the hind leg of a golden retriever, or the hand of a small child. It is a brutality that we should stop.

More than 60 countries—including the European Union—have recognized and acknowledged the inhumanity of these traps. As of January 1, 1996, countries that have not ended the use of this device will no longer be permitted to sell furs in European markets. Unless we act now and follow their wise lead, the United States will be sanctioned as one of those countries. Mr. Speaker, some trappers are concerned that passing this bill would require adopting alternative trapping methods that already exist. That is true. But they must understand that, without this law, the demand for their furs will decline when the only buyers to be found are those within our borders.

Mr. Speaker, most Americans support the abolition of steel jaw leghold traps. It's time to join the growing circle of enlightened nations that have realized that they can end the use of these instruments without killing the trapping industry. If we don't act now, both the animals and trappers themselves will suffer the consequences. I encourage my colleagues to join this effort to make this sensible change.

FURTHER DISCUSSION ON TAX BILL JUST PASSED BY THE HOUSE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. BECERRA] is recognized for 5 minutes.

Mr. BECERRA. Mr. Speaker, we now move on to the Senate to discuss what has happened here today in the House of Representatives, where we have just provided to the privileged few in this Nation, the opportunity to have massive tax cuts. I would like to have an opportunity to go through a few of the things that we have just heard discussed over the last several hours of debate on this tax bill. But I would like to do it under the context of what will happen in many situations that will, of course, not help at all with single Americans, especially middle-income Americans, but will in effect help some of the wealthiest, not so much individuals, but some of the wealthiest corporations in America.

I have before me some headline news. Headline news not of 1995, although I must tell you that the headlines will be very appropriate in 1995 if this tax bill goes through, but these are headlines from 1984, 1985, and 1986, years when we did not have what we call the alternative minimum tax.

The alternative minimum tax, for those who do not know, is a proposal that took effect in 1986 because we had situations, as you see here, declared in some of our major newspapers throughout the country. We had situations as Newsday reports where 50 major firms paid no U.S. taxes. We are talking about firms that made profits in the billions. We had corporations, as the headlines say, that paid less taxes then our families, in some cases families earning less than $20 to $30,000. We had headlines of firms misusing their tax breaks, as demonstrated in studies that were done.

We see also that in a study that was done as well that 50 big firms paid the IRS zippo, nothing, not a single cent, when we had taxpayers earning perhaps $20 to $30,000 paying much, much more than the biggest corporations in America, the biggest corporations throughout the world.

Because of situations like this, in 1986 Congress passed the alternative minimum tax. What we said is that at some point at the end of that year, a corporation that has made billions of dollars in profits has to pay some minimum tax. You cannot get off with no taxes, when even some of America's poorest families are paying even slight amounts of taxes.

Well, in 1986 this went through. Now every corporation in America that shows some profits must pay some taxes. That seems pretty fair to me.

Well, this bill that just passed this House floor by a very small margin will now eliminate the alternative minimum tax, which means we will revert to the days before 1986 where we saw banner headlines like this in our major newspapers. So let us not be surprised when we hear people say ''Why am I not receiving anything out of this supposed tax cut bill for America, and I hear that corporations no longer are having to pay any taxes, even though they have made billions in profits?'' That is, in my mind, very disturbing for America.

But let me go through some of other aspects of this particular legislation that just went through that also should concern Americans, especially those who are middle-income taxpayers and those that are making perhaps less than that.

Touted throughout the day by Members on the other side of the aisle was this tax break, $500 tax break for children. A family with children would be able to deduct $500 per child. That, of course, went for families with incomes up to $200,000, which includes the wealthest 2 percent of Americans in this Nation.

□ 1140

But what they did not say was that if you happened to earn about $18,000 in your family income and you have a child, you are not going to benefit from that particular tax break for children, because although you have children, because your tax rates are going to be so low or your taxable income will be so low because you make so little that you will not be able to benefit.

So you are lucky if you are very wealthy because you have a lot of things to deduct that $500 from, but if you happen to be a very hard-working American with a child, you will not have a chance to deduct a single cent because your income level is too low to make use of a $500 deduction.

There are other things like the child care credit which will not go to those families that are lower income and when you take a close look, you will see that this is not a tax break for America. It is a tax break for the very privileged few.

CHANGE IN ORDER OF TAKING SPECIAL ORDER

The SPEAKER pro tempore. Mr. SMITH from Michigan is recognized for 5 minutes.

Mr. CASTLE. I would ask unanimous consent to have Mr. SMITH of Michigan's time yielded to me in his absence tonight.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Delaware [Mr. CASTLE]?

There was no objection.

OTHER PROVISIONS IN GEPHARDT PACKAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Delaware [Mr. CASTLE] is recognized for 5 minutes.

Mr. CASTLE. Mr. Speaker, I would like to go back to about an hour ago on the floor of the House of Representatives when the minority leader presented a motion to recommit with respect to the tax cut package which went through.

He stated specifically and had a placard, a board which showed that this bill does four things and that is all he spoke to. He says it substitutes $95,000 for the threshold level for the family tax credit. The retirement changes are lowered only for Members of Congress. It closes a loophole of renouncing American citizenship and avoiding taxes. It includes the Browder-Castle language with respect to thresholds that would have to be met and other matters pertaining to being able to balance our budget.

Quite frankly, that was a very attractive package to me as I listened to him and it gave me a great deal of pause as to whether or not I should go ahead and support that because this does encompass some of the things that had concerned me in this bill, as it went along.

He mentioned one thing at that point that caught my attention, though. He says this is 16 pages. At some point in the middle of that he said that. We got a copy of this and have checked it out since that time.

I think to establish the RECORD, we need to show here, Mr. Speaker, exactly what else was in that 16 pages that was not mentioned by Mr. GEPHARDT here tonight.

The provisions which he filed in the 16 pages eliminate the tax credit to reduce the marriage penalty. It eliminates the American dream savings account or the IRA. It eliminates the spousal IRA. He did not mention that he eliminates the child tax credit altogether in the first year then reduces from $500 to $100 in the next 2 years and raised it to $300 thereafter. He also failed to mention that he reduces the income eligibility for the child tax credit from $200,000 to $60,000.

Mr. WISE. Would the gentleman yield?

Mr. CASTLE. I will yield very briefly.

Mr. WISE. There are several statements. For instance, on your last one, you are not probably representing that.

Mr. CASTLE. Let me reclaim my time and finish.

Mr. WISE. If the gentleman is——

Mr. CASTLE. Reclaiming my time.

Mr. WISE. If the gentleman is going to attack the minority leader, then he ought to yield.

Mr. CASTLE. It eliminates the repeal of the tax on social security benefits. It eliminates the tax coverage for long-term insurance, accelerated death benefits and long-term care benefits. It eliminates the capital gains tax reduction. It eliminates the neutral cost recovery provisions. It eliminates the repeal of the alternative minimum tax. It eliminates the taxpayer debt buydown. It eliminates the small business expensing. It eliminates the elderly care tax credit. It eliminates the tax credit for adoption. It eliminates the

increase in social security earnings test.

In other words, Mr. Speaker, what this piece of legislation did or this attempt on the motion to recommit was a lot more than the four items which were mentioned here. Quite frankly, this is one Member who was influenced by what he said and what he put on that board and would be tremendously impacted by that, perhaps even at the sake of a vote and I think that is a real problem in the House of Representatives.

Quite frankly, I have a problem with motions to recommit anyhow. They come in at the last minute. You have 10 minutes to consider them. This is a general problem, I am speaking to now. Unfortunately, sometimes these things can try to get slipped by in the course of oral testimony which is given here usually when the chambers are filled and it makes it very, very difficult.

I would like to make this a part of the RECORD. I did not put this together. It was done by the Ways and Means people. If somebody wants to try to split hairs and take it apart, fine, that could be done.

Mr. SOLOMON. Would the gentleman yield?

Mr. CASTLE. I will yield to the gentleman from New York.

Mr. SOLOMON. I would just like to say to the gentleman, he is absolutely correct. I even spoke to some Members of the Democratic party on that side who had the sense to vote against that motion to recommit and when they found out that this was in there, they were just outraged that they would be misled this way. I just thank the gentleman for bringing this to Members' attention.

Mrs. SMITH of Washington. Would the gentleman yield?

Mr. CASTLE. I will yield to the gentlewoman from Washington.

Mrs. SMITH of Washington. I was really confused during the vote, but am I to understand that when people file their tax return next year that there was another provision in there, too, that would have eliminated a child tax credit in the first year? I do not think he said that either. He then reduces it from 500 to 100 the next 2 years and raises it back. Otherwise, he basically eliminated any benefit. I do not recall that that was made a point. Did I miss that?

Mr. CASTLE. Reclaiming my time, the gentlewoman is absolutely correct. You did not miss it. It was not made a point. It does eliminate it for one year. It is a lower level altogether to begin with. He did state it was a lower income level, but there was some question about what that particular level was but clearly the other omissions were not stated.

Mrs. SMITH of Washington. So when they file their tax returns, if they have two kids next year, right now they would have $1,000 they could keep to buy a washer or dryer or something for their family. Under this, they would have to wait for 2 years out, hopefully, and then it would be reduced.

Mr. CASTLE. That is correct the way it has been interpreted.

Mrs. SMITH of Washington. That would have been wrong. He would have been eliminating the children's tax credit.

Mr. CASTLE. Mr. Speaker, may I ask unanimous consent to have this submitted as part of the record?

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

There was no objection.

WHAT GEPHARDT ''FORGOT'' TO TELL US ABOUT HIS MOTION TO RECOMMIT

Page 3 (bottom) ''strike subtitle A of title VI of the bill (other than section 6101).''

This eliminates the tax credit to reduce marriage penalty.

This eliminates the American dream savings accounts.

This eliminates the spousal IRA.

Gephardt failed to mention that he eliminates the child tax credit in the first year, then reduces it from $500 to $100 for the next two years and raises it to $300 thereafter (see page 4).

He also failed to mention that he reduces income eligibility for the child tax credit from $200,000 to $60,000 (representing it as $95,000).

*Page 5 (top) ''strike subtitles B, C, D, and E of title VI.''

This eliminates the repeal of the tax on Social Security benefits.

This eliminates the tax preference for long-term insurance, accelerated death benefits and long-term care benefits.

This eliminates the capital gains tax reduction.

This eliminates the neutral cost recovery provisions.

This eliminates the repeal of the alternative minimum tax.

This eliminates the taxpayer debt buydown.

This eliminates small business expensing.

This eliminates the elderly care tax credit.

This eliminates the tax credit for adoption.

This eliminates the increase in Social Security earnings test.

CHANGE IN ORDER OF TAKING SPECIAL ORDER

The SPEAKER pro tempore. The gentleman from New York [Mr. OWENS] is recognized for five minutes.

Ms. JACKSON-LEE. Mr. Speaker, I would ask unanimous consent to take the place of Mr. OWENS, please. I am Ms. JACKSON-LEE from Texas.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman?

There was no objection.

GEPHARDT TAX SUBSTITUTE CLEAR

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

Ms. JACKSON-LEE. Mr. Speaker, I think it is important as I heard the discussion with my colleagues on the other side of the aisle I heard some individuals talking about confusion and not knowing what they voted for. I think it is important that the American people but as well my constituents in the State of Texas really focus on what we did tonight.

First of all, I think it was very clear what the Gephardt tax substitute did. If focused on reducing the deficit at the same time as if did in giving the right kind of tax benefits to those working Americans. But what it did for the State of Texas and this was what the Sate of the Texas would lose under the rescissions bill, which unfortunately was passed, and this was simply to give this uninformed and incorrect and biased tax cut to those who do not need it.

So we are losing family nutrition. We are going to lose in AFDC training and emergency assistance, school nutrition, Medicaid. We are going to lose summer jobs and, yes, our college students are going to lose their ability to go to college with the college loans.

Mr. Speaker, I would simply say that even with the so-called Republicans that support this tax cut, in the quite moments of reflection they tell the truth. What about the capital gains Tax? Is that widely popular among business? Let me tell you what they have said.

''The rationale is to encourage Americans to save and invest more of their money.'' This is in the Washington Post with an article in headlines, GOP Tax Cut Publicly Backed But Privately Doubted. ''A goal supported by nearly all economists, but even those who support it concede,'' meaning the capital gains tax, ''there is no evidence that it will work. In all honesty, as an economist I cannot say that a change in the capital gains rate will have any measurable impact on savings or investment.''

There goes your tax cut for the business folk. Then this is supposed to be a jewel. It is simply paste.

Let me tell what you the Gephardt tax cut did. What it did is it ensured that we would be able to assess each time we were getting a cut as to whether or not it met the test of cutting the deficit. Each year, 1996, 1997, 1998, 1999, 2000, 2001, we were going to determine deficit targets: 150 billion, 125 billion, 100 billion, 75 billion, 50 billion, and 25 billion.

But most of all, Mr. Speaker, I think the most important point is that we would have a tax cut that responded to working Americans.

I see the gentleman from Louisiana [Mr. FIELDS] and I wanted to yield to him and make an inquiry, because we are confronted and faced with hard decisions in this Congress. I do not think we are afraid of hard decisions.

Mr. FIELDS of Louisiana. Without question. I thank the gentlewoman for yielding.

One of the points that I wanted to make was the point of the alternative minimum tax proposal that was eliminated in this piece of legislation. I

mean, the whole purpose of this measure that was passed in 1986 was because of the fact that we had about 130 to 250 corporations that pay zero in taxes.

This was a big loophole in our tax law, so we passed this legislation so we could make sure that corporations paid their fair share.

Now, if the gentlewoman would continue to yield, even corporations, the very corporations that we are giving this big tax break to today as a result of the passage of this act a few minutes ago, if these corporations' board of directors would meet across the country, and if they are in the red, these board of directors members will not give their shareholders a tax dividend because they are in the red. This company, this country is in the red. It is in the red because we are facing a huge deficit.

We are Members of Congress, we really are a board of directors for the United States of America. So I think it is our fiduciary responsibility as members of the board of directors for the United States of America to make sure that we not give a tax dividend to our shareholders when our corporation, which is the United States of America, is not as solvent as we want it to be.

So if corporations themselves will not give shareholders a dividend when they are in a deficit, why would we as a corporation for the United States of America and as a board of directors give corporations themselves a dividend. It makes absolutely no sense to me.

Ms. JACKSON-LEE. If the gentlewoman would yield.

You remember in 1981 when we got that kind of tax cut when the deficit was then just $1 trillion, it is now, under the Republican leadership, $4 trillion.

CHANGE IN ORDER OF TAKING SPECIAL ORDER

The SPEAKER pro tempore. The gentleman from Indiana [Mr. BURTON] is recognized for 5 minutes.

Mrs. SMITH of Washington. Mr. Speaker, I ask unanimous consent to substitute for the gentleman from Indiana [Mr. BURTON].

The SPEAKER pro tempore. It there objection to the request of the gentlewoman?

There was no objection.

THE TAX BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Washington [Mrs. SMITH] is recognized for 5 minutes.

Mrs. SMITH of Washington. Mr. Speaker, I yield to the gentleman from Ohio [Mr. HOKE].

Mr. HOKE. I thank the gentlewoman for yielding.

I wanted to just get on the record with respect to the remarks of the minority leader, it seems to me that I cannot imagine that the minority leader intended in any way to mislead the House regarding what his motion to recommit was. He talked about four items. In fact, there are more like 15 or 20 items with respect to it.

But I would like to give the minority leader both the benefit of the doubt as well as the opportunity to tell this House that what he had indicated earlier this evening was not a complete statement but it was not meant to be an incomplete statement and to tell the entire House what the complete statement about the motion to recommit really was.

The reason that I think that it is important for him to do that is so that we clear up the cloud with respect to representations about motions to recommit.

Mr. WISE. Mr. Speaker, point of order, point of personal privilege.

Mr. Speaker, I realize this may predate the Speaker somewhat, but several years ago we went through this exact same procedure in which Members, in effect——

Mrs. SMITH of Washington. Mr. Chairman——

Mr. HOKE. The gentleman is not stating a point of order.

The SPEAKER pro tempore. The gentleman will state his point of order.

Mr. WISE. My point of order is that several years ago we went through this procedures where Members would in effect call out other Members on the floor, knowing they were not there. It was agreed, I thought, by rule, if not by rule by comity, that that process would no longer happen. Because, clearly, the minority leader is not here, was not served notice that this was going to happen until 2 minutes before when somebody came over here and said it was.

I would just hope for comity purposes alone we will not engage in this conduct which several years ago both parties rejected.

The SPEAKER pro tempore. We are not aware of any violation of rule from what he said so far.

Mr. WISE. Then point of parliamentary inquiry. Then it is appropriate for a Member to challenge another Members even though they are not here, probably cannot be reached, to challenge them on the floor as though they were there and ask them to come forward knowing that they cannot come forward

The SPEAKER pro tempore. As long as the Member has not engaged in personalities, which they have not.

Mr. WISE. I thank the Speaker. That is an interesting rule.

The SPEAKER pro tempore. The gentlewoman from Washington may proceed.

Mrs. SMITH of Washington. Mr. Speaker, I would like to yield to the gentlewoman from New York [Mrs. KELLY].

Mrs. KELLY. Mr. Speaker, perhaps we have not made clear what Mr. GEPHARDT'S motion would have meant for the senior citizens of this Nation.

This would eliminate the repeal of the tax on social security benefits. This would eliminate the tax preference for long-term insurance, accelerated death benefits and long-term care benefits. This eliminates the elderly care tax credit. This would eliminate the increase in the Social Security earnings test.

These are not tax cuts to those who do not need it. The Republican deficit reduction tax fairness act is one of the strongest pieces of seniors legislation that this Congress has moved to date, and that is why I am so proud to be an original sponsor of the seniors portion of the legislation.

Essentially, what we have done with this legislation is remove the unfair tax burden that the Democrats imposed on senior citizens in the last session of Congress.

Remember back in 1993 the Democrats imposed a $25 billion tax on our Nation's elderly. When President Clinton proposed this tax, he said that only the wealthiest Americans would face higher taxes. So, by President Clinton's definition, senior citizens living on fixed incomes as low as $34,000 are wealthy and ought to pay their fair share.

Well, what President Clinton and the Democrats in Congress did 2 years ago was not fair, and after less than 100 days we have just corrected this injustice.

In terms of New York, my State, my elderly will be able to keep more than $2.2 billion more of their hard-earned tax dollars, and I can assure you that this is going to benefit people who are definitely in need of a tax break. They do need it.

Two of the other key elements of the deficit and tax reduction package which benefit the senior citizens are the custodial care tax credit and the estate and gift tax exclusion.

All of us have heard a loved one at one time or another say they did not want to go to a retirement home. Well, by instituting a $500 elder care tax credit, we have started to take steps to ease their minds and their family's financial burden. This helps keep families intact by providing financial assistance to families who might otherwise have to place parents in a nursing home.

I will stand strongly behind these tax provisions that help our seniors of this Nation.

Mrs. SMITH of Washington. Mr. Speaker, we forget how strong the package was for seniors, but I want to talk about working families again, just real quick.

We heard about an average $120-some tax break. There are not any ''quarter'' of a children. Next April, under this plan that we just passed, every child will be worth $500 on the tax return to their parents. So if you have two kids, it is $1,000. If you have three kids, it is $1,500. That is actual money that you can use to raise your own children.

So for many people that means that government will not have to do things for them they can do for themselves. For others, it means that they will buy something and pay taxes back into the economy. But it is a misnomer; all of the averages are often used to try to confuse the American people.

COLLEGE FINANCIAL AID PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. MASCARA] is recognized for 5 minutes.

Mr. MASCARA. Mr. Speaker, I am here tonight to speak out against plans being considered by my Republican colleagues to dismantle college financial aid programs.

A college education is the heart and soul of the American dream. It is the meal ticket that helps ensure our youngsters have the opportunity to enjoy a brighter and more economically secure tomorrow.

The financial aid programs that Republicans want to cut back are the tools that have helped generations of Americans educate their children.

If the cuts being considered are adopted, they would cost students and their families $20 billion over the next 5 years. It is estimated, that would add $4,157 over 10 years to the bill of the average student in my home State of Pennsylvania.

According to a renowned higher education association study, the changes being sought by the Republicans would constitute the largest increase in college costs in history.

We cannot and should not let this happen. It is reprehensible to attack the very programs that help ensure our Nation has a source of future leaders who can attain financial security.

I happen to know something about college educations. I received my degree in 1972 and over the years educated my wife, Dolores, and our children.

Because I believe so strongly in the benefits of a higher education, I have served for many years as a trustee at California University of Pennsylvania. Knowing how important it is to keep the costs of college in line and within reach of working families, I have repeatedly opposed tuition increases that have come before the board of trustees.

I know that each time tuition and costs rise, students leave school because they can no longer afford to stay.

My goal has always been to keep them in school to make sure they receive a college degree.

As I indicated in a 1 minute earlier this week, thousands of students in my district would have no chance of achieving a brighter future unless they get that all important degree.

Let's not let them down. Let's lift them up and help them lift themselves out of a lifetime of economic decadence and despair.

I urge my colleagues on both sides of the aisle to oppose these cuts. We can ill afford to turn our backs on our young people. They are our future.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WISE) to revise and extend their remarks and include extraneous material:)

Mr. BECERRA, for 5 minutes, today.
Mr. OWENS, for 5 minutes, today.
Mr. LIPINSKI, for 5 minutes, today.
Ms. JACKSON-LEE, for 5 minutes, today.
Mr. UNDERWOOD, for 5 minutes, today.
Mr. MASCARA, for 5 minutes, today.
Mr. BALDACCI, for 5 minutes, today.
Mr. BARRETT of Wisconsin, for 5 minutes, today.
Mr. ABERCROMBIE, for 5 minutes, today.
Mr. ROMERO–BARCELÓ, for 5 minutes, today.
Mr. VOLKMER, for 5 minutes, today.
Mr. PALLONE, for 5 minutes, today.

(The following Members (at the request of Mrs. SMITH of Washington) to revise and extend their remarks and include extraneous material:)

Mrs. SMITH of Washington, for 5 minutes, today.
Mr. KINGSTON, for 5 minutes, today.
Mr. HOKE, for 5 minutes, today.
Mr. HAYWORTH, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(Mr. MORAN, and to include extraneous material during debate on H.R. 1215 in the House.)

(The following Members (at the request of Mr. WISE) and to include extraneous matter:)

Mr. STOKES in two instances.
Mr. STARK.
Ms. NORTON.
Mr. GORDON.
Mr. HASTINGS of Florida.
Mr. HAMILTON.
Mr. MURTHA.
Mr. ACKERMAN.
Ms. LOFGREN.
Mr. HOYER.
Mr. LEVIN in three instances.
Mr. WILLIAMS.
Mr. POMEROY.
Mr. SABO.
Mr. DINGELL.
Mr. SKAGGS.
Mr. JACOBS.
Mr. CONYERS in two instances.
Mr. GEJDENSON.
Mrs. LINCOLN.
Mr. COYNE.

(The following Members (at the request of Mrs. SMITH of Washington) and to include extraneous matter:)

Mr. SHUSTER in two instances.
Mr. HOUGHTON.
Mr. BATEMAN.
Mr. CALLAHAN.
Mr. SOLOMON in two instances.
Mrs. KELLY.
Mr. RAMSTAD.
Mr. FRELINGHUYSEN.
Mr. ARCHER.
Mr. BURTON of Indiana.
Mr. SAXTON.
Mr. BUYER.
Mr. GILMAN.
Mr. GILLMOR.
Mr. HANCOCK.
Mr. DAVIS.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

On April 4, 1995:

H.R. 831. An act to amend the Internal Revenue Code of 1986 to permanently extend the deduction for the health insurance costs of self-employed individuals, to repeal the provision permitting nonrecognition of gain on sales and exchanges effectuating policies of the Federal Communications Commission, and for other purposes.

ADJOURNMENT

Mr. SOLOMON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock p.m.), the House adjourned until tomorrow, Thursday, April 6, 1995, at 10 o'clock a.m.

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. LIVINGSTON: Committee of Conference. Conference report on H.R. 889. A bill making emergency supplemental appropriations and rescissions to preserve and enhance the military readiness of the Department of Defense for the fiscal year ending September 30, 1995, and for other purposes (Rept. 104–101). Ordered to be printed.

Mr. DREIER: Committee on Rules. House Resolution 129. Resolution waiving points of order against the conference report to accompany the bill (H.R. 889) making emergency supplemental appropriations and rescissions to preserve and enhance the military readiness of the Department of Defense for the fiscal year ending September 30, 1995, and for other purposes (Rept. 104–102). Referred to the House Calendar.

Ms. PRYCE: Committee on Rules. House Resolution 130. Resolution providing for the consideration of the bill (H.R. 483), to amend title XVIII of the Social Security Act to permit Medicare select policies to be offered in all States, and for other purposes (Rept. 104–103). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BURTON of Indiana (for himself and Mr. TORRICELLI):

H.R. 1397. A bill to authorize the President to transfer 28 F–16 aircraft and associated spare parts and support equipment to Pakistan pursuant to agreements between the United States and Pakistan; to the Committee on International Relations.

By Mr. CLAY:

H.R. 1398. A bill to designate the U.S. post office building located at 1203 Lemay Ferry Road, St. Louis, MO, as the ''Charles J. Coyle Post Office Building''; to the Committee on Government Reform and Oversight.

By Mr. HAMILTON:

H.R. 1399. A bill to provide for the conveyance of certain real property at the Indiana Army Ammunition Plant in Charlestown, IN, to the State of Indiana for inclusion in a State park; to the Committee on National Security.

By Mr. RICHARDSON (for himself, Mr. NADLER, Mr. ABERCROMBIE, Mr. ACKERMAN, Mr. BERMAN, Mr. BONIOR, Mr. BROWN of California, Ms. ESHOO, Mr. EVANS, Mr. FALEOMAVAEGA, Mr. FARR, Mr. FILNER, Mr. HINCHEY, Mr. MARTINEZ, Mr. MCDERMOTT, Ms. MCKINNEY, Mr. PALLONE, Ms. PELOSI, Mr. ROMERO-BARCELO, Ms. ROYBAL-ALLARD, Mr. SABO, Mrs. SCHROEDER, Mr. SERRANO, Mr. TORRES, Ms. VELÁZQUEZ, Mr. VENTO, Mr. WAXMAN, Ms. WOOLSEY, and Mr. YATES):

H.R. 1400. A bill to amend the Clean Water Act to eliminate certain discharges of chlorine compounds into navigable waters, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. HOUGHTON (for himself and Mr. GIBBONS):

H.R. 1401. A bill to establish for certain employees of international organizations an estate tax credit equivalent to the limited marital deduction; to the Committee on Ways and Means.

By Mr. JACOBS (for himself, Mr. LEACH, Mr. DELLUMS, Mr. FRANK of Massachusetts, Mrs. SCHROEDER, Mr. DEFAZIO, Mr. MILLER of California, Ms. RIVERS, Mr. TOWNS, Mr. MARKEY, Mr. OBERSTAR, Ms. VALAZQUEZ, Mr. YATES, Ms. FURSE, Mr. LEWIS of Georgia, and Mr. MCHALE):

H.R. 1402. A bill to amend the Internal Revenue Code of 1986 to improve revenue collection and to provide that a taxpayer conscientiously opposed to participation in war may elect to have such taxpayer's income, estate, or gift tax payments spent for nonmilitary purposes, to create the U.S. peace tax fund to receive such tax payments, and for other purposes; to the Committee on Ways and Means, and in addition to the Committees on International Relations, and Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KENNEDY of Massachusetts:

H.R. 1403. A bill to regulate handgun ammunition, and for other purposes; to the Committee on the Judiciary.

By Ms. LOWEY (for herself, Mr. SHAYS, Mr. ACKERMAN, Mr. HYDE, Mr. NADLER, Mrs. MALONEY, Mr. ROEMER, Ms. PELOSI, Mr. TORRICELLI, Mr. MEEHAN, Mr. MCCOLLUM, Mr. TRAFICANT, Mr. LIPINSKI, Mr. CLAY, Mr. JACOBS, Mrs. SCHROEDER, Mr. BEILENSON, Mr. TORRES, Mr. MILLER of California, Mr. LANTOS, Mr. MORAN, Mr. VENTO, Mr. MCDERMOTT, Mr. GOSS, Mr. FILNER, Mr. MANTON, Mr. BROWN of California, Mr. DELLUMS, Mr. MARTINEZ, Mr. STARK, Mr. FRANK of Massachusetts, Mr. JOHNSTON of Florida, Ms. WOOLSEY, Mr. WAXMAN, Mr. PORTER, Ms. SLAUGHTER, Ms. ESHOO, Mr. MINETA, Mr. OWENS, Mr. DEUTSCH, Mr. YATES, Ms. ROYBAL-ALLARD, Mr. GEJDENSON, Mr. SMITH of New Jersey, Mr. MARKEY, Mr. FARR, Mr. GUTIERREZ, Mr. ABERCROMBIE, Mr. SCHUMER, Mr. ANDREWS, Mr. PAYNE of Virginia, Mr. STUDDS, Mr. FOGLIETTA, Ms. NORTON, Mrs. MINK of Hawaii, Mrs. KENNELLY, and Mr. BONIOR):

H.R. 1404. A bill to end the use of steel jaw leghold traps on animals in the United States; to the Committee on Commerce.

By Mr. MARTINEZ (for himself, Mr. FATTAH, Mr. DELLUMS, Ms. WATERS, Mr. CLAY, Mr. LEWIS of Georgia, Mr. ABERCROMBIE, Mr. OWENS, Mr. SCOTT, Ms. ROYBAL-ALLARD, and Ms. VALAZQUEZ):

H.R. 1405. A bill to establish a national public works program to provide incentives for the creation of jobs and address the restoration of infrastructure in communities across the United States, and for other purposes; to the Committee on Economic and Educational Opportunities, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MASCARA:

H.R. 1406. A bill to require the Secretary of the Treasury to mint coins in commemoration of the 50th anniversary of the Marshall plan and George Catlett Marshall; to the Committee on Banking and Financial Services.

By Mr. MEEHAN:

H.R. 1407. A bill to provide for the transfer of certain excess property at Fort Devens Military Reservation to the Secretary of the Interior for inclusion in the Oxbow National Wildlife Refuge, and for the conveyance of a parcel of property at such military reservation to the town of Lancaster, MA; to the Committee on Resources, and in addition to the Committee on National Security, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MINGE:

H.R. 1408. A bill to amend the Internal Revenue Code of 1986 to provide that a taxpayer may elect to include in income crop insurance proceeds and disaster payments in the year of the disaster or in the following year, and for other purposes; to the Committee on Ways and Means.

By Ms. NORTON (for herself and Mrs. MORELLA):

H.R. 1409. A bill to provide for funding for Federal employee pay adjustments and comparability payments through reductions in agency spending on service contracts for fiscal year 1996; to the Committee on Government Reform and Oversight.

H.R. 1410. A bill to amend the Federal Workforce Restructuring Act of 1994 to prohibit the contracting out of certain duties; to the Committee on Government Reform and Oversight.

H.R. 1411. A bill to prohibit any executive branch agency from entering into any service contract if the services procured under the contract can be performed at a lower cost by employees of the agency; to the Committee on Government Reform and Oversight.

H.R. 1412. A bill to require the Director of the Office of Management and Budget to develop and implement a system for determining and reporting the number of individuals employed by non-Federal Government entities providing services under contracts awarded by executive branch agencies; to the Committee on Government Reform and Oversight.

By Mr. PETERSON of Florida:

H.R. 1413. A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to impose a limitation on State eligibility for major disaster and emergency assistance to ensure that States repay loans and advances made under that act; to the Committee on Transportation and Infrastructure.

By Mr. RANGEL:

H.R. 1414. A bill to provide grants to States to reduce crime and poverty in poor neighborhoods by providing employment opportunities to disadvantaged young adults; to the Committee on Economic and Educational Opportunities.

By Mr. SKAGGS (for himself and Mr. MCINNIS):

H.R. 1415. A bill to authorize the Secretary of the Interior to enter into an appropriate form of agreement with the town of Grand Lake, CO, authorizing the town to maintain permanently a cemetery in the Rocky Mountain National Park; to the Committee on Resources.

By Mr. SMITH of New Jersey (for himself, Mr. LANTOS, Mr. HYDE, Mr. WOLF, Mr. ROHRABACHER, Mr. YATES, Mr. FRANK of Massachusetts, Ms. PELOSI, Mr. SABO, and Ms. MCKINNEY):

H.R. 1416. A bill to implement the Convention Against Torture and Other Forms of Cruel, Inhuman, and Degrading Treatment or Punishment and to provide a program of support for victims of torture; to the Committee on the Judiciary, and in addition to the Committees on International Relations, and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mrs. SMITH of Washington:

H.R. 1417. A bill to amend the Magnuson Fishery Conservation and Management Act to provide for a 3-year research plan to assess the status of stocks of fish that are managed under the Pacific Fisheries Management Council Pacific Coast Groundfish Plan, and for other purposes; to the Committee on Resources.

By Mr. TRAFICANT:

H.R. 1418. A bill to prohibit United States foreign assistance for Russia unless the Government of Russia prohibits the export of nuclear weapons equipment and related technology and offensive military weapons, equipment, and related technology to terrorist states; to the Committee on International Relations.

By Mr. VISCLOSKY:

H.R. 1419. A bill to provide an exemption with respect to gambling devices on certain vessels making voyages on Lake Michigan; to the Committee on Transportation and Infrastructure.

By Mr. BROWN of Ohio (for himself and Mr. STEARNS):

H. Con. Res. 57. Concurrent resolution expressing the sense of the Congress supporting the Government of India's efforts to hold free and fair elections in Jammu and Kashmir; to the Committee on International Relations.

By Mr. DEUTSCH:

H. Res. 131. Resolution to preserve the constitutional role of the House of Representatives to originate revenue measures; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII:

Mr. METCALF introduced a bill (H.R. 1420) for the relief of Richard W. Schaffert; which was referred 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. 26: Mr. TANNER, Mr. SPRATT, Mr. INGLIS of South Carolina, and Mr. JOHNSON of South Dakota.

H.R. 104: Mr. BONO.

H.R. 125: Mr. CRAMER, Mr. ORTON, and Mr. ROGERS.

H.R. 127: Mr. BROWN of California, Ms. MCCARTHY, Mrs. SCHROEDER, and Mr. VOLKMER.

H.R. 345: Mr. BEREUTER.

H.R. 359: Mr. PALLONE, Mr. BARTON of Texas, and Mr. PAYNE of New Jersey.

H.R. 398: Mr. FIELDS of Louisiana.

H.R. 399: Mr. MCHALE.

H.R. 462: Mr. EVERETT.

H.R. 483: Mr. WARD, Mr. WHITFIELD, and Mr. EVERETT.

H.R. 497: Mr. CALVERT.

H.R. 526: Mr. WATT of North Carolina and Mr. ROSE.

H.R. 570: Mr. SHAYS.

H.R. 645: Mr. MINETA.

H.R. 649: Mrs. THURMAN.

H.R. 656: Mr. BLUTE, Mr. FRISA, Mr. CALVERT, Mrs. KELLY, and Mr. FOX.

H.R. 682: Mr. JACOBS and Mrs. ROUKEMA.

H.R. 692: Mr. TANNER.

H.R. 699: Mr. BONO.

H.R. 708: Mr. MINETA.

H.R. 744: Mr. GENE GREEN of Texas.

H.R. 763: Ms. NORTON.

H.R. 764: Ms. MCKINNEY.

H.R. 782: Mr. PICKETT, Mr. JONES, Mr. HORN, Mr. RICHARDSON, Mr. COLEMAN, Mr. NEY, Mr. GOODLING, and Mr. FAZIO of California.

H.R. 789: Mr. ROBERTS and Mr. DUNCAN.

H.R. 800: Mr. CRAPO.

H.R. 803: Mr. BAKER of California, Mr. FAZIO of California, Ms. WOOLSEY, Mr. BLUTE, Mrs. MYRICK, Mr. CRAMER, and Ms. HARMAN.

H.R. 804: Mr. KIM.

H.R. 820: Mr. BARRETT of Wisconsin, Mr. BROWN of Ohio, Mr. NORWOOD, Mr. CANADY, and Mr. ROSE.

H.R. 862: Mr. PACKARD.

H.R. 893: Ms. BROWN of Florida, Mr. LEVIN, and Mr. LIPINSKI.

H.R. 895: Mr. REED and Mr. HINCHEY.

H.R. 915: Ms. PELOSI, Mr. YATES, Mr. NADLER, Ms. NORTON, Mr. LEWIS of Georgia, and Mr. TORRICELLI.

H.R. 927: Mr. ENGEL, Mr. KNOLLENBERG, Mr. WILSON, Mr. FOLEY, and Mr. BARTLETT of Maryland.

H.R. 942: Mrs. KELLY, Mr. UPTON, Mr. ROHRABACHER, Mr. WYDEN, Mr. BEILENSON, Ms. PELOSI, Mr. SHAYS, Mr. FORBES, Mr. HORN, Mr. KILDEE, and Mr. HALL of Ohio.

H.R. 957: Mr. PETERSON of Florida and Mr. HANCOCK.

H.R. 972: Mr. HAMILTON.

H.R. 987: Mr. PETE GEREN of Texas and Mr. MCCRERY.

H.R. 990: Mrs. THURMAN.

H.R. 994: Mr. CALVERT, Mr. TANNER, Mr. BENTSEN, Mr. GENE GREEN of Texas, and Mr. JOHNSON of South Dakota.

H.R. 997: Mr. HILLIARD and Mr. PALLONE.

H.R. 1002: Mr. CALLAHAN and Mrs. THURMAN.

H.R. 1003: Mr. WELLER, Mr. THOMPSON, Mr. EMERSON, and Mr. DELLUMS.

H.R. 1005: Mrs. KELLY and Mr. FUNDERBURK.

H.R. 1023: Mr. MANTON, Mr. HALL of Ohio, Mr. PETRI, and Mr. BILBRAY.

H.R. 1061: Mr. HOUGHTON and Mr. HANCOCK.

H.R. 1076: Mr. TAYLOR of North Carolina, Mr. BAKER of Louisiana, Mr. MORAN, Mrs. CHENOWETH, and Ms. LOFGREN.

H.R. 1080: Mr. HINCHEY.

H.R. 1094: Mr. CALVERT, Mr. PETERSON of Florida, Ms. LOWEY, Ms. KAPTUR, Mr. POSHARD, Mr. FOGLIETTA, Mr. WELLER, and Mr. BEREUTER.

H.R. 1114: Mr. EMERSON, Mr. OXLEY, Mr. HERGER, Mr. MILLER of Florida, and Mr. MANZULLO,

H.R. 1138: Mr. FLANAGAN, Mr. STUDDS, and Mr. HOSTETTLER.

H.R. 1162: Mr. BENTSEN, Mr. LUTHER, and Mr. QUINN.

H.R. 1184: Mr. CRANE, Mr. DOOLITTLE, Mr. MCINNIS, and Mr. NETHERCUTT.

H.R. 1200: Mr. RUSH and Mr. ACKERMAN.

H.R. 1233: Mrs. MALONEY, Mr. WILLIAMS, Mr. BARRETT of Wisconsin, Mr. MARTINEZ, Mr. THORNTON, Mr. KLUG, Mr. BROWN of California, Mr. FOX, and Mr. GEJDENSON.

H.R. 1234: Mr. MCKEON and Mr. WICKER.

H.R. 1242: Mr. ROHRABACHER, Mr. PORTMAN, Ms. DUNN of Washington, Mr. LARGENT, Mr. KASICH, Mr. LATOURETTE, Mr. BARRETT of Wisconsin, and Mr. KLUG.

H.R. 1252: Mrs. THURMAN.

H.R. 1253: Mrs. MINK of Hawaii, Mr. MATSUI, Mr. ACKERMAN, Mr. MONTGOMERY, Mr. RICHARDSON, Mr. FRANK of Massachusetts, Mr. LEACH, Mr. KLECZKA, Mr. FROST, Mr. MOAKLEY, Mr. LIPINSKI, Mr. DEFAZIO, Mr. TORRES, Mr. ABERCROMBIE, Mr. BERMAN, Mr. BROWN of California, Mrs. SCHROEDER, Mr. JACOBS, Mr. HINCHEY, Mr. ROEMER, Mr. BONIOR, and Mr. STOKES.

H.R. 1259: Mr. FROST, Mr. HAYES, Mr. UNDERWOOD, Mr. DELLUMS, Mr. HANSEN, Mr. RADANOVICH, and Mr. BROWN of California.

H.R. 1274: Mr. RUSH and Mr. PALLONE.

H.R. 1302: Mr. LAFALCE, Mr. WILLIAMS, Mr. THORNTON, Mr. GEJDENSON, and Mr. SAWYER.

H.R. 1323: Mr. BACHUS.

H.R. 1326: Mr. TRAFICANT and Mr. CLINGER.

H.R. 1328: Mr. LIPINSKI and Mr. CLINGER.

H.R. 1391: Mr. THOMAS and Mr. BILIRAKIS.

H. Con. Res. 12: Mr. ARMEY.

H. Con. Res. 47: Mr. BAKER of California, Mr. BROWN of Ohio, Mr. DELLUMS, Mr. DREIER, Ms. ESHOO, Mr. EVANS, Mr. FRANK of Massachusetts, Mr. FRANKS of New Jersey, Mr. HORN, Mr. KILDEE, Mr. KNOLLENBERG, Mr. LEVIN, Mr. MARKEY, Mr. MARTINEZ, Mr. MCHUGH, Mr. MOORHEAD, Mr. RADANOVICH, Mr. REED, Mrs. ROUKEMA, Ms. ROYBAL-ALLARD, Mr. SOUDER, Mr. STOKES, Mr. TORRES, Mr. UNDERWOOD, and Mr. WAXMAN.

H. Con. Res. 50: Mr. CALVERT and Mrs. MORELLA.

H. Con. Res. 53: Mr. MARTINEZ, Mr. ANDREWS, and Mr. BERMAN.

H. Res. 98: Mr. HINCHEY and Ms. MCKINNEY.

H. Res. 99: Mr. HOYER.

H. Res. 124: Mrs. MORELLA, Mr. BROWN of California, and Mr. RUSH.

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Congressional Record

PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, FIRST SESSION

Vol. 141 WASHINGTON, WEDNESDAY, APRIL 5, 1995 No. 63

Senate

The Senate met at 9:30 a.m. and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. We have a guest Chaplain this morning to open the morning prayer, Rabbi Israel Poleyeff. The rabbi was invited by Senator D'AMATO, of New York. We are pleased to have him with us.

PRAYER

The guest Chaplain, the Honorable Rabbi Israel Poleyeff, Brooklyn, NY, offered the following prayer:

Almighty God: We ask Thy blessings upon the distinguished Members of this Senate of the United States of America. Give them insight to understand the concerns and problems of all the people of this blessed land; bless them with wisdom to enact laws that will benefit all its inhabitants, and imbue them with courage to make difficult decisions for the public good.

For more than a century, millions of immigrants, my father's family amongst them, came to these shores seeking freedom from tyranny and oppression. To this very day our beloved country still serves as a beacon of light to those to whom freedom is but an elusive ideal.

To this very day our country still stands as a shining example of individual liberty and limitless opportunity.

More than two centuries ago, our Founding Fathers created a nation in which every individual had the right to life, liberty, and the pursuit of happiness.

The Members of this Senate have the awesome responsibility of seeing that those goals remain the hallmark of our Nation.

We beseech Thee, O Lord, imbue them with wisdom, understanding, and knowledge to hold aloft the banner of freedom and the torch of liberty, so that all the inhabitants of this country shall be privileged to live, work, and worship their God as they choose and without fear. May our country be the leader among nations in ushering in an era of universal peace and harmony so that the words of the prophet may be fulfilled in our time, when ''they shall beat their swords into plowshares and their spears into pruning hooks; nation shall not lift up sword against nation, nor shall they learn war anymore.'' May this by Thy will. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The acting majority leader is now recognized.

Mr. DOMENICI. Thank you very much, Mr. President.

SCHEDULE

Mr. DOMENICI. Mr. President, this morning, the leader time has been reserved and there will now be a period for the transaction of morning business, not to extend beyond the hour of 11:30 a.m., with Senators permitted to speak therein for up to 5 minutes each, except for the following: Senator DOMENICI, 20 minutes; Senator DASCHLE or his designee, 30 minutes; Senator SIMPSON, 10 minutes; Senator KERREY, 10 minutes; Senator COVERDELL, 15 minutes; Senator NUNN, 10 minutes; and Senator COATS, 10 minutes.

At 11:30 today, the Senate will resume consideration of H.R. 1158, the supplemental appropriations bill. The majority leader has indicated that rollcall votes are expected throughout the day in order to make progress on the bill. Also, a cloture motion was filed on the bill last night, so a cloture vote will occur Thursday, unless an agreement can be reached with respect to the bill.

Mr. President, I understand the distinguished Senator from South Carolina, Senator THURMOND, desires to speak for 2 minutes. I yield the floor and then I will use my 20 minutes.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER (Mr. DEWINE). The Senator from South Carolina.

THE RETIREMENT OF MACK FLEMING, MINORITY STAFF DIRECTOR, HOUSE VETERANS' AFFAIRS COMMITTEE

Mr. THURMOND. Mr. President, it gives me great pleasure to rise today to pay tribute to Mr. Mack Fleming, who has recently retired as minority staff director of the Veterans' Affairs Committee of the U.S. House of Representatives, after more than 20 years of service on the committee.

A native of Hartwell, GA, Mr. Fleming was educated in the public schools of Anderson County, SC. He graduated from my alma mater, Clemson University, Clemson, SC, after which he entered the U.S. Army. He also earned a law degree from the Washington College of Law, American University, Washington, DC.

In the military, he served with the 2d Armored Division in Europe and he was a captain in the U.S. Army Reserve.

Mr. Fleming has a long and distinguished career in public service, both in the Congress and the executive branch. He began that career in 1960 as the administrative assistant to Congressman William Jennings Bryan Dorn, of the Third Congressional District of South Carolina.

In 1965, Mack Fleming moved to the executive branch, first as the director and counsel of the Congressional Liaison Office at the Veterans Administration, then served as Special Assistant to the Administrator of Veterans Affairs.

After a short interval, during which he was engaged in the private practice of law, Mr. Fleming returned to Capitol

● This ''bullet'' symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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Hill in 1974 as chief counsel to the House Veterans' Affairs Committee. In 1981, ''Mack,'' as he is known among his friends and colleagues, became chief counsel and staff director of the Veterans' Affairs Committee, where he served through the 103d Congress. For the past 3 months he has served as the minority staff director of the committee, retiring from that position last Friday, March 31, 1995.

During his tenure, the House Veterans' Affairs Committee worked in a bipartisan manner to improve the medical care, compensation, and other benefits to our Nations' deserving veterans. Mack Fleming earned the respect of Members of Congress and staff because of his professionalism, knowledge, and ability. He worked with all sides on the issues, to ensure that all views were heard and to build consensus where possible.

As a member of the Senate Veterans' Affairs Committee, I appreciated Mack's expertise, experience, and skill as we worked together on many issues. The Congress benefited from his service and his leadership, and I know he will be missed.

I congratulate this fine public servant, a man of integrity, capability, and character. I extend my best wishes to his wife, Elizabeth, and their children—John, who attends Clemson University, and Katherine, who practices law in Texas. I wish him well in his retirement, as he and his wife return to Seneca, SC, where I am sure they will enjoy the views, recreation, and quieter life on the shores of Lake Keowee.

Mr. President, I yield the floor.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business, not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak for up to 5 minutes each.

Under the previous order, the Senator from New Mexico [Mr. DOMENICI] is recognized to speak for up to 20 minutes.

Mr. DOMENICI. Mr. President, I thank the Chair.

(The remarks of Mr. DOMENICI, Mr. BENNETT, Mr. FRIST, and Mr. DORGAN pertaining to the submission of S. Res. 103 are printed in today's RECORD under ''Submission of Concurrent and Senate Resolutions.'')

The PRESIDING OFFICER. The Senator from Iowa [Mr. HARKIN] is recognized for 5 minutes.

THE CONTRACT WITH AMERICA

Mr. HARKIN. Mr. President, I listened to the statement made by the Senators from New Mexico and South Dakota and others about character. I do not know all the aspects of this resolution, I just know some of the things I have heard here on the floor, but I kept hearing reference made to values and we have to start teaching values to our young people.

I agree with that. I think our young people ought to learn values. But, you know, perhaps we ought to look at ourselves first as teachers. Perhaps we ought to start looking at the Congress of the United States. What values are we sending out to the American people? What are the young people of America—what kind of values are they getting from the U.S. Government? That is what I want to speak about this morning, the Contract With America. Its 100 days are up this week, and I want to talk about that Contract With America.

Now, I think I want to talk about it in the context of values and character, because the values that are being sent across America from the Government of the United States is simply this: If you have it made and you have a lot of money, the Government is there to help you and make you more comfortable. If you do not and you are at the bottom rung of the ladder, forget it. You are out in the cold.

Values? You want to talk about a resolution dealing with values? Let us talk about the Contract With America and what values it represents. With any contract you have to ask, who benefits and who loses? Who wins and who loses on a contract? The answer now is crystal clear. The winners are the billionaires, the super wealthy, the special interest Washington lobbyists. They get the credit card. They have the night out on the town. They go to the fancy restaurant. The losers are the hard-working middle-class, children, students, pregnant women, the elderly, the disabled. They get to pick up the bill for the superwealthy. I know that may sound like rhetoric, but the facts are there. Let us look at it. Let us not just get caught up in rhetoric, let us look at the facts.

Here is a chart that we had drawn just to show what is happening in my State of Iowa under the Contract With America, Mr. GINGRICH's contract, the Republicans' contract. Here we are. Two percent of the Iowa population has an income of $100,000 or more. They get 50 percent of the benefits under the contract. And 86 percent of Iowans have incomes of $50,000 or less. They only get 20 percent of the benefits.

One more time. If you are in the upper income bracket, 2 percent of the Iowans making over $100,000 a year, you get 50 percent of all the benefits in the Contract With America. If you are a hard-working, average Iowan making less than $50,000, you will only get 20 percent of the benefits.

Values? You want to talk about values? Let us talk about values. That is the message that is being sent out around America today: If you are on the top of the heap, the Government is there to help you and make you even more comfortable, give you more tax breaks. You want to talk about values, let us talk about values.

Then we just had a recent example of really giving it to the superwealthy, the so-called Benedict Arnold amendment. Senator BRADLEY tried to close a loophole in the law. The House would not hear of it and they knocked it out. We heard a lot of debate on the floor about that last week. Imagine this, what the House Republican leadership has said is that if you make a billion dollars in America and you get all these capital assets and then you renounce your citizenship, you get a big tax windfall. You do not have to pay a lot of these taxes. You can still live in America 4 months out of the year, you can live on the French Riviera 4 months out of the year, you can live in South America 4 months out of the year, you can jet all around the year but you do not have to pay your taxes and you can still own your property and stuff in America. That is why I call it the Benedict Arnold approach, the Benedict Arnold amendment. You can turn your back on the country that made you rich.

What the Contract With America says is, hey, we are going to give you a big tax break, the Benedict Arnold approach. The middle class has to pick it up.

Students. What is happening with students? Under the Contract With America, 94,000 students will pay more for their college loans. That is a tax on students. No one is talking about it. We are taxing students in America as much as $3,150 in additional cost to each student if they require payment of interest while in school and we do not have the grace period before they get a job.

You know, old NEWT GINGRICH and I have a little bit in common. We went to college on the National Defense Educational Loans. I went to a window in the school, got the money, borrowed the money, went to college, but I went to the military after college. Mr. Gingrich did not.

The PRESIDING OFFICER. The Senator's 5 minutes has expired.

Mr. HARKIN. Mr. President, I ask unanimous consent for an additional 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator has an additional 5 minutes.

Mr. HARKIN. Mr. President, I spent 5 years in the military. Mr. GINGRICH did not. That is all right. So I did not have to pay it back then. So then I went to law school and I did not still have to pay it back. It was after I finished law school that I started to pay back the loan, and the interest started at that point in time. I think that is what Mr. GINGRICH said he did, too. He just did not go to the military, but he had the same benefit. But he is saying what was good for me is not good for you. He wants to close that now. He said, ''Students, as soon as you start borrowing money you have to pay interest on it right away.'' That is a tax on students any way you cut it. I am saying it was good for me and it ought to be good for

other students, too. I think we ought to invest in students and not shut the door. So what they are doing is they are wiping out opportunities for our kids to go to college.

Now they want to take away the Corporation for Public Broadcasting. They want to zero that out. You know, you could make arguments on that. I happen to think public broadcasting is a benefit here in America. There is good programming, good intellectual programming, good stimulation for our kids from ''Sesame Street'' and ''Barney'' and everything else. They want to pull the plug on that. But they want to continue to spend about $300 million a year for Radio Free Europe.

One more time. They want to cut public broadcasting in America, the Contract With America, but they turn around and want to have public broadcasting in Europe called Radio Free Europe. If you want to start a radio station in Europe, FM, AM, TV, go right ahead. You can go to Bulgaria, Romania, Lithuania, Latvia, Ukraine—if you want to start a radio station, they will let you, no restrictions. We have this Radio Free Europe now, almost $300 million a year. Guess what, they are broadcasting on shortwave. Who listens to shortwave? People there are listening to FM and AM and television. They are getting satellite TV. They are watching CNN and we are pumping $300 million a year into shortwave broadcasting on Radio Free Europe. The Contract With America says we will keep that up but we will cut public broadcasting in America.

If that makes sense, please someone explain it to me. Europe is free, the borders are down. Whatever value Radio Free Europe had when the Iron Curtain was up, that certainly is gone now, and we ought to bring that money home and put it in public broadcasting here.

So, again, who wins and who loses on the contract? Big business and their special interest lobbyists have been invited into the committee rooms to write the laws that will benefit them. There are articles in the paper about every week, every Thursday, Republicans in the House sit down with all the corporate lobbyists, high-powered lobbyists, not only to write the legislation but to plan out how they are going to get it passed.

I saw a headline in the paper a few weeks ago where NEWT GINGRICH said they were going to end business as usual when they took over. They did. They ended business as usual. But they did not tell us they were going to bring in big business as usual, because that is what is running us now—not business as usual; big business as usual.

The last thing that I want to point out is that a few years ago—this is where this whole thing breaks down. You talk about values. A few years ago Senator LEAHY and I were instrumental in putting in competitive bidding in the Women, Infants, and Children Program to mandate that infant formula companies had to enter into competitive bids to supply the States with infant formula. Before that they did not do that. We got it through. As a result millions more women, infants, and children are getting infant formula, healthy food, to guide a good start in life at no extra cost to the taxpayer because we have competitive bidding. Just last year, for example, the average monthly rebate to my State of Iowa was $630,000 a month because of competitive bidding.

The Contract With America wants to take that away and put it back in the States, and do not require competitive bidding.

I ask unanimous consent to have printed at this point in the RECORD the article from the Wall Street Journal outlining how four giant pharmaceutical companies can make over $1 billion a year in windfalls if they do away with competitive bidding.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FOUR DRUG FIRMS COULD GAIN $1 BILLION UNDER GOP NUTRITION-PROGRAM REVISION

(By Hilary Stout)

WASHINGTON.—Four pharmaceutical companies stand to gain as much as a billion dollars under a Republican bill that overhauls federal nutrition programs for children and pregnant women.

The companies sell infant formula to the Women, Infants and Children (WIC) program, a federal initiative that provides formula as well as milk, beans, rice and other nutritious foods to poor children and to pregnant and breast-feeding women. Since 1989 the companies have been required by law to enter into a competitive bidding process in order to sell formula to WIC, resulting in rebates to the government that are expected to reach $1.1 billion this year.

A bill that cleared the House Economic and Educational Opportunities Committee on a party-line vote last week would turn the WIC program over to states in the form of a ''block grant,'' and with it repeal the cost-containment competitive-bidding measure. An amendment to restore it was defeated by the committee. The legislation now moves to the House floor for consideration.

The four companies, the only domestic makers of infant formula—Ross Laboratories, a unit of Abbott Laboratories; Mead Johnson, a unit of Bristol-Myers Squibb Co.; Wyeth-Ayerst, a unit of American Home Products Corp.; and Carnation Co., a U.S. subsidiary of the Swiss conglomerate Nestle SA—fought the competitive-bidding measure fiercely when it came before Congress in the late 1980s. Until then, they were collecting retail prices for the infant formula they sold to WIC.

Sen. Patrick Leahy of Vermont, the senior Democrat on the Senate Agriculture Committee and the lawmaker who led the effort to enact the cost-containment measures, threatened to filibuster the bill yesterday if it reaches the Senate. ''It is really obscene,'' Sen. Leahy said. ''The most conservative of people should, if being truthful, like the competitive bidding. . . . It's just rank hypocrisy.''

If the bill reaches the Senate floor, Sen. Leahy continued, ''I've spent 20 years building bipartisan coalitions and working on nutrition programs. If it's necessary to discuss my whole 20 years' worth of experience in real time, I'll do it.''

In 1993, the latest year for which figures are available, the WIC program spend $1.46 billion on infant formula but received $935 million in rebates. That cut the overall cost of providing formula to $525 million, nearly a two-thirds reduction. Moreover, the states, which administer the program, were allowed to use the rebates to add more people to the WIC program.

The action on WIC comes as a liberal-leaning research group, the Center on Budget and Policy Priorities, released a study questioning the continuing effectiveness of some of the infant-formula rebates. The center's analysis found that in the last year, despite the cost-containment requirements, the cost of infant formula purchased through WIC has almost doubled in many states.

Since last March, the study said, 17 state WIC program have signed rebate contracts with at least one of the major formula manufacturers. Under those agreements, the average net cost of a 13-ounce can of concentrated infant formula was 60 cents, compared with a 32-cent average price under rebate contracts signed during the previous 15 months, the study said.

The Federal Trade Commission has been investigating the infant formula makers' rebate and pricing practices, and at least one state, Florida, has filed suit against the manufacturers.

Mr. HARKIN. Mr. President, again, who wins and who loses? Kids lose, low-income women who rely on the WIC Program lose, and our States are going to lose because they will not get rebates. Students are losing. Working families are losing. But, if you are on the top of the heap economically, this ''contract'' is for you.

So it is not a Contract With America. This is a contract with corporate America. This is a contract with big business America. This is the contract with wealthy Americans. But it is not a contract for the average man and woman in America.

So, again this resolution, I guess, is probably all right about American values. But I believe that we ought to be looking at ourselves and the kind of value signals we send with this Contract With America.

The PRESIDING OFFICER. Under the previous order, the Democratic leader, or his designee, is now recognized to speak for up 30 minutes.

The Senator from North Dakota [Mr. DORGAN] is the designee and will be able to speak up to 20 minutes.

Mr. DORGAN. Mr. President, it is 30 minutes. Is that correct?

The PRESIDING OFFICER. Leadership has 30 minutes but it is the Chair's understanding that you were designated 20 minutes of the 30 minutes.

Mr. DORGAN. I yield 7 minutes to the Senator from West Virginia, Senator ROCKEFELLER.

Mr. ROCKEFELLER. I thank my colleague.

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

Mr. ROCKEFELLER. I thank my colleague, and I thank the Chair.

Mr. President, I try not to say I am shocked very often. I try to reserve it for when I really am. Today, I really am shocked. On Friday, we actually watched Senators, led by Majority

Leader BOB DOLE, think they need to retaliate against the simple idea coming from this side of the aisle—that cutting Government spending does not mean waging an assault on education and our children.

I am speaking of the amendment from the Democratic leader.

With our pro-education amendment, we are asking every Senator to think very hard about what's right and where our true values should lead us. This amendment gives every Senator a chance, before it is too late, to leave politics at the door and to cast a vote for the basic principle that education and children must not be the victim of this Senate.

The citizens of this country expect us to make choices. With the rescissions bill before us, we are coming up with the funds to pay off recent costs for natural disasters and other emergencies. The bill also cuts a range of Government programs to reduce the Federal deficit even more. Both are essential steps.

But, Mr. President, reducing the deficit and taking care of natural disasters do not mean that this Senate has to rob the schools, the children, and the spirit of the Nation. Any fourth or fifth grade teacher would give this bill a D at best for being that dumb.

The amendment offered by the Democratic leader is our chance to make this bill a lot more worthy of passage. I urge every Senator, on both sides of the aisle, to resist the urge to be too stubborn or too partisan to vote for this amendment. It is never too late to improve ourselves or our work. It is always a good idea to think about the consequences of our actions.

We face one of the clearest choices imaginable between the amendment offered by the Republican leader and the one offered by the Democratic leader. The Republican choice is to cut education even more, and to kill off national service completely.

The Democratic amendment says protect our schools, protect the children, keep national service alive.

Vote for the Daschle amendment, and you are voting to continue supporting what Americans say over and over and over again they support, and care deeply about:

Help for elementary and secondary schools trying to give the best education possible for children from hard-pressed families; the Goals 2000 effort to raise academic standards in over a thousand schools; the funding for schools to teach children and teenagers about the dangers of drugs and alcohol; Head Start, and its special role in getting children off on the right foot; the training that's taking place all over the country to help high school graduates who aren't yet planning to attend college, but need that extra boost to make it in the workplace; and last but not least, the country's new and exciting national service program, that has inspired and excited thousands and thousands of young people to serve their communities with the promise of a college scholarship to follow.

Mr. President, vote against the Daschle amendment, and you are snuffing out a flame of hope for children and families in every town, city, and schoolhouse in this country. This is not rhetoric. These are not abstract numbers. We are not talking about throwing a few bureaucrats out of work or closing some government offices. We are talking about a bill that wants to yank $1.3 billion away from education and children and national service.

This amendment says put the $1.3 billion back into our schools, back into drug education, back into national service, back into getting teenagers ready for the demands of adulthood.

As Chairman of the National Commission on Children, I have traveled to many of the States of my colleagues. To San Antonio, TX, where I saw a principal of a school use Head Start funds and title I funds to cause children to giggle and parents to smile as learning took place in every classroom. Vote against this amendment, and dim the lights in that school in San Antonio. We visited Kansas City, MO, where law officers and parents told us with fear and frustration about the drugs on the streets and in the schoolyards. Vote against this amendment, and start surrendering to the drug traffickers. We went to Minnesota where corporate executives told us about their desperate need to get young workers with better reading and math skills. Vote against this amendment, and tell those employers to start thinking about locating in countries were education is more valued.

Then, there's my own State of West Virginia. Where families and communities face incredible odds every day. Where children are what counts, and education is the key. Where the programs covered in this amendment make the difference. Where schools depend on these funds to have a math teacher or a drug education class or a schoolwide campaign to get grades up. There are not a lot of wealthy families in West Virginia. But wealth is not supposed to determine whether a child becomes a scientist or a professor or even a Senator. Education is. That is the American promise. That is the American dream. Vote against this amendment, and start snuffing out that promise, that dream.

I can hardly believe that national service is on the firing line of this bill, already mowed down by the House Republican leaders. Should the President really apologize or hide the fact that he is proud of helping to reignite the flame for national service? For the idea that we can promote rights and responsibilities? A program that is already the story of thousands of AmeriCorps members, working in housing projects, shelters, classrooms, health clinics, neighborhoods—for a minimum amount of money to live on, and a college scholarship as a reward for service.

AmeriCorps is taking hold in West Virginia. Young people and older participants are helping a mobile health van to bring primary health care, like checkups and shots, to children in rural areas. they are working at domestic violence shelters where women and children seek refuge from this terrible danger in too many homes.

National service is the idea that led me to West Virginia, and changed my life forever.

Vote for this amendment, and national service stays alive in our communities. Vote against this amendment, and let the American people know that we are giving up on this idea once again. Let us wait another 30 years to celebrate service with college scholarships and stipends.

When I joined the Senate, one of my very first bills was the one that helped create the drug education program threatened in this bill. The police officers, the teachers, and the parents of West Virginia led me to push for this special help. As a result, police officers are now in classrooms, telling children about what it is like in prison. Peer groups have developed in countless schools to make it clear that drugs are not cool, whatsoever.

If we are serious about values, where is the logic in going after something as basic as drug education? What signal does that send? It makes no sense.

Mr. President, I heard the Republican leader bemoan the effort from this side of the aisle to fight for kids. I am sorry if that's slowing this bill down. I am especially sorry to see it cause a cruel counterpunch in the form of a Republican-led amendment, instead of the admission that we should take a breath, and remember just how much the citizens of this country support and care about education and children.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ROCKEFELLER. I thank the Presiding Officer and I yield the floor.

Mr. DORGAN. Mr. President, the Senator from Wyoming wishes to speak in morning business for 7 minutes. I would be happy to accommodate him, providing that it does not come out of our time and we retain the balance of our time following his presentation.

Mr. SIMPSON. May I suggest that order take place.

The PRESIDING OFFICER. Before the Senator from Wyoming speaks, the Chair would inform the Senator from North Dakota that the Chair was in error. The Senator was allotted 30 minutes, not 20. The Senator has 22 minutes remaining.

Mr. SIMPSON. I yield 2 minutes of my time to my friend from Nebraska, Senator KERREY.

The PRESIDING OFFICER. The Senator from Nebraska [Mr. KERREY] is recognized for 2 minutes.

REPORT OF THE SOCIAL SECURITY TRUSTEES

Mr. KERREY. Mr. President, I have, as well as the Senator from Wyoming, come to the floor to comment on the Social Security trustees' report, which is one more piece of evidence that this Congress needs to act sooner rather than later to change our entitlement programs, specifically our retirement programs and our health care programs. The longer we wait, the more likely it is that we will face very, very difficult choices and it will unfairly punish people for our delay. While it is not a crisis in 1995, that should not be justification for our not taking action as, unfortunately, is often the case.

One additional point, Mr. President. I believe the trustees' report itself makes a very strong case for changing the law so that we have a different kind of trustee relationship. Four of the six trustees are members of the executive branch, the administration. And while I trust each one of them, I do not believe they have the kind of independence that the American people need in order to have a recommendation upon which we can act.

They say in their recommendation there is no real urgency; let us wait until the clock ticks a little further.

I believe an independent board is needed, Mr. President. Otherwise, the American people are not going to acquire the sense of urgency to act. As a consequence, this Congress may be encouraged to delay longer than is wise.

I thank the distinguished Senator from Wyoming for yielding time.

The PRESIDING OFFICER. The Senator from Wyoming has 8 minutes remaining.

TRUSTEES' REPORT ON SOCIAL SECURITY, DISABILITY AND MEDICARE TRUST FUNDS

Mr. SIMPSON. Mr. President, I cannot tell you how much I enjoy working with the Senator from Nebraska. He and I are going to involve ourselves in a bipartisan effort as a form of a national wake-up call. After the recess is concluded, we will introduce a series of bills which will deal with the real hard stuff in America, which is Social Security, Medicare, Medicaid, and Federal retirement. I cannot tell you how much I enjoy and respect and admire the Senator from Nebraska.

I have some remarks to make about Social Security. But in my limited time, and listening to the previous debate, I cannot help but reflect, as I listened to the rather dramatic presentation of how, apparently, I gather, Republicans love to be cruel to children and to veterans and to old people, how absurd and bizarre that is. That is the most stupefying type of debate to listen to.

It will really be interesting to see how everyone handles the tough votes, the ones that really count, when we try to do something which will assure the future for veterans and the children and the old people; and that is to do something with the entitlement programs which are sucking it all up.

We here do not even vote on 68 percent of the Federal budget—no, that just goes out the door to people, regardless of their net worth or their income. Absolutely absurd.

All we are trying to do, at least in our party, is to slow the growth of the programs. There is not a ''cut'' in a carload here. We are not ''cutting'' anything. We are trying to slow the growth of programs. If the American people cannot understand that, well, get the other party back in power and start spending it up, because that is exactly where we are.

Let us look at that school lunch caper over there in the House. Do you know what they really did? They took a program going up 5.4 percent a year and said, ''Let's let it go up only 4.5 percent a year and let the States handle it with flexibility and less administrative costs,'' which was then reported to the public as breaking catsup bottles over children's heads, and the prospect of swollen-bellied children in little school districts all over America starving to death. That is bosh; absolutely stupefying drivel.

So every one of these programs is going up, and we are trying to say, ''slow the growth.''

And try this one, because you will want to be ready for it when we do something to Medicare. And, brothers and sisters, we will do something to Medicare because it is going up 10.5 percent per year regardless of what we do. Then you can watch what happens when we do not allow it to go up 10.5 percent. We are going to let it go up probably 5 percent. The headline will be: ''Congress slashes Medicare 50 percent.'' Be ready for that one.

When a 5-percent increase is described as a 50-percent cut, and it is believed the American people deserve exactly what they are going to get.

I keep hearing about Head Start. Guess what? Why not use the correct figures? Head Start is mentioned every single day as some kind of thing the Republicans love to chop on.

Well, here are the correct figures and they come from Democrats and Republicans alike in this body. In fiscal year 1990, $1.6 billion; in fiscal year 1996, $3.9 billion. So from fiscal year 1990 through fiscal year 1996, Head Start has more than doubled. It has had more than a 140-percent increase, and everybody knows it. If they do not, they are going to get exactly what they deserve.

It comes from a bent of being stupid about what is really happening in America.

The recent trustees' report on Social Security is another classic example of stupefying logic. We are now told that, instead of going broke in the year 2029, it will go broke in the year 2031. Is that not thrilling? Nearly the same numbers as last year; certain disaster. The facts all speak for themselves.

The trustees say Social Security will start running deficits in 2015 and go broke in 2031. Disability insurance is already running deficits and it will go broke in the year 2016. The Medicare trust fund will start running deficits in 1996, and will go broke in the year 2002. But have stout heart, because last year, it was to go broke in the year 2001. So this is cheerful news It will now go broke in the year 2002. That is like a cancer patient being told, ''You lucky fellow, you are going to have 6 months to live instead of 5.''

The trustees go on to use phrases like ''extremely unfavorable'' and ''severely out of financial balance'' when talking about the Medicare trust fund. And the trustees urge that all these reforms be undertaken sooner rather than later.

So that is where we are. Doomsday dates, just about the same, using intermediate assumptions—not the best assumptions, not the worst—but the best ''in between'' estimate of what the future holds. And we know that they assume that the Consumer Price Index will hover between 3 and 4 percent until the year 2002 and will never go above 4 for the year 2070.

Yet one uptick in the Consumer Price Index of one-half of 1 percent will cost the Government about 7 billion bucks annually for Social Security alone. And if we were to see another few years of high inflation, as in the late seventies and early eighties when the CPI hit 13.4 percent, Mr. President, I say to my colleagues, only 1 year of that type of increase would cost the Government more than 126 billion bucks—1 year.

In light of this report, it is well to reflect on the real, honest-to-God reasons for exploding Federal spending. I know the AARP, the American Association of Retired People, hates to hear this, but it is time they do. That group is the 33 million people paying 8 bucks a year dues to do it. They are bound together by a common love of airline discounts and auto discounts and pharmacy discounts and all the rest. Here is what they do not want you to hear:

The growth of these programs is what is creating the true hazard in America. They have consistently argued that other than health care, entitlements are not growing faster than the rest of the GDP. That is simply wrong—it is a misapplication of fact—it is actually a lie. According to the trustees themselves, Social Security costs would grow from 4.2 of GDP in 1995 to 5.1 by 2020, and more than 5.7 by the year 2045. That is a 40-percent increase relative to the current share of GDP.

I hope when we listen to the debate and when the organs of the AARP and other senior groups begin to rap on us, that we remember that these nonprofit organizations have myriad and lucrative activities in which they engage. We will have them before the subcommittee, of which I chair, to tell us

of their prowess in the fundraising arena.

So here we go. By the year 2045, the trustees' report shows that more than 14 percent of the GDP will go into Social Security and Medicare programs alone. And get this one: In the year 2030, there will have to be a 30 percent payroll tax to pay for Social Security. Oh, yes, you can get there; yes, you can; you can do it with more payroll tax; you can get there that way to pay for Social Security and Medicare.

And we here have done all this to ourselves. The President did not do it. President Clinton did not do it. President Bush did not do it. We did it. We have done it ourselves. We have served as pack horses to drag money back to our States, and we have done a magnificent job for 50 years. Just look at our record. The more you drag home, the more you get reelected. Now the people are waking up from a long slumber. Rip Van Winkle could not have matched it.

I plan to work hard with my good friend, BOB KERREY, to introduce legislation to shore up the Social Security and Medicare trust funds in order that it will not be in the cards to leave our children and grandchildren with the burden of paying payroll tax rates of 30 percent and beyond in all the years to come.

You can run but you cannot hide on this one. The tough votes will be coming, and it will be very interesting to see who casts them. My hunch is the people who give us the business about this and this and this item, which is really peanuts in the great scheme, will not cast the tough votes when they know we full well have to have those votes to stop runaway systems that we do not even vote on, which are up now to 68 percent of the entire national budget.

I earnestly hope that we will have a good bipartisan effort to resolve it. I thank the Chair.

The PRESIDING OFFICER. The Senator from North Dakota has 22 minutes remaining.

WRONGHEADED PUBLIC POLICY DECISIONS

Mr. DORGAN. Mr. President, the discussion in Washington this week, and I suppose next week, and around the country during the Easter break will be the first 100 days. What do we make of the first 100 days in the change of majority status in the Congress, Republicans replacing Democrats as the majority party in the 1992 elections?

I said yesterday, and let me remind people again today, the score in 1992—in a democracy, those who win by one vote are still called winners—the score in 1992 at the end of the election process was the Republicans 20 percent, Democrats 19 percent and 61 percent of those eligible to vote said, ''Count me out, I won't even participate.'' So with a 20 to 19 victory, the Republicans have claimed a mandate for their ideas, and a mandate for something called the Contract With America.

The Contract With America contains a number of ideas that are interesting, provocative, in some cases radical, in my judgment. Some of the ideas in the Contract With America are ideas that I embrace, that I have voted for and have supported. Some of the ideas are ideas that the majority party, who now brings them to the floor, filibustered in the previous Congress and prevented coming for a vote because they felt apparently they will not support them and now they apparently do and even put them in a contract.

By whatever device they come to the floor of the Senate, a good idea is a good idea no matter who proposes it. A number of them have passed.

Unfunded mandates has passed the Senate and gone to the President. The Congressional Accountability Act has passed the Senate. The line-item veto has passed the Senate. A 45-day legislative veto, which makes good sense, on the subject of regulations and rules has passed the Senate. I voted for all of those issues, and I think they make good sense.

But the Contract With America is a mixture of good and bad. The fact is, some of the ideas in the Contract With America reinforce the stereotypical notions of what the majority party has always been about, and that is to keep their comfortable friends comfortable, even at the expense of those who in this country are struggling to make it.

I would like to talk just a few minutes about some of those items in the contract that we have had to fight and that we even now try to fight and reject because we think they are wrongheaded public policy decisions for this country.

One hundred years from now—not 100 days—but 100 years from now, you can look back and evaluate what this society decided was important by evaluating what it invested its money in, what did it spend money on, especially in the public sector, what did it invest in. That is the way to look back 100 years and determine what people felt was important, what people valued and treasured. Was it education? Was it defense? Was it the environment? Was it public safety? Fighting crime? You can evaluate what people felt was important at that point in their lives by what they spent their money on.

And so you can look at the Federal budget and look at the initiatives brought to the floor of the Senate and the House to increase here and cut over there and determine what do they view as valuable, what do they view as the most important investments.

The Contract With America, in the other body, had a debate recently by the majority party pushing the contract provision that said to the Defense Department, ''We want to add $600 million to your budget.''

The Secretary of Defense said, ''We don't want it, we don't need it, we're not asking for it.''

The Republicans over in the House of Representatives said, ''It doesn't matter to us, we want to increase the Defense Department budget by $600 million. That is our priority. We don't care if you don't want it, don't need it or don't ask for it. We want to stick more money in the pockets of the Defense Department.''

How are we going to get it? ''We are going to pay for it,'' they said. ''We simply will cut spending on job training for disadvantaged youth and we will cut spending on money that is needed to invest in schools that are in disrepair in low-income neighborhoods.''

So they cut those accounts that would help poor kids in this country and said, ''Let's use the money to stick it into the pockets of the Pentagon,'' at a time when the Pentagon and the Secretary of Defense, Mr. Perry, 50 feet from this floor in a meeting said, ''We don't want it, we didn't ask for it, we don't need it.'' But the Contract With America folks said, ''It's our priority, it's what we believe in, so we're going to shove money in your direction.''

Then they come out on the floor of the Senate and the House and stand up and crow about what big deficit cutters they are, how they dislike public spending, how much they want to cut the budget deficit, how everybody else are the big spenders but they are the frugal folks. Right. They are the folks who are trying to stuff money in the pockets of the Defense Department that the Defense Department says they do not want.

How do they get it? It takes it from poor kids. Now, that says something about values. That says something about priorities, I think.

Now, do we oppose that? Of course we do. Some Members stand up and say we do not think that is the right way to legislate. We do not think we ought to give a Federal agency more money than it needs. If the head of the agency says we do not need or want this money, do Members think the legislature ought to be throwing money? I do not.

Now, we have a number of things in the Contract With America that represent, in my judgment, wrong-headed priorities. I think we are duty-bound to create the debate on these subjects. That is what a democratic system is.

When we disagree, bring all the ideas here and have the competition for ideas, and strong aggressive public debate. Respectful, but strong public debate and see where the votes are.

We had a case in the House of Representatives under the contract where the notion is that all Federal rules and regulations are essentially bad and we should dump them. They did not quite say it that way, but this is pretty much what they meant.

I think there is a general understanding that rules and regulations in many areas have gone too far and have strangled initiative, and have been created by bureaucrats who do not understand

the effect of them, and that we ought to streamline them.

So, here in the Senate we passed, with my help, out of the Governmental Affairs Committee, a risk assessment bill which I voted for and helped write. We passed a 45-day legislative veto which I voted for, and I am pleased to do that because we need to address that.

In the House, what they did is they got a bunch of corporate folks, a bunch of big business folks in a room and said, ''Why do you not help write this? What bothers you? See if we can write something that satisfies your interest.''

Then they bring it to the floor, called a moratorium. It is beyond the dreams of the big special interest folks to put a moratorium on every conceivable rule and regulation that has yet to be issued.

It is like saying to the biggest businesses in the country, ''You can come in and write your own ticket. It does not matter. Just come in and write it up and we will legislate it.'' We have been through this. There needs to be in a free enterprise society like ours, some oversight, some sense of responsibility, as well.

I told on the floor of the Senate the other day about the early days of this century when people did not know what kind of meat they were eating. When a noted author wrote a book that lit the fuse that started the chain reaction that led to the meat inspection programs in this country.

The investigations in the slaughterhouses in the meat packing plants where they had rat problems, and they take a slice of bread or loaves of bread and lace it with rat poison and lay it out to kill the rats in the meat packing plants. They put the dead rats, bread, and rat poison all down the same chute with the meat and pump out the ''mystery meat'' that people got a chance to eat in this country.

Finally, understanding that the captains of that industry at least were more interested in profit than they were in public health, there was a decision that we ought to do something about that. Now, when we eat meat in this country that has been inspected, we have some notion that it is safe. Safe to eat. Why is that? Because of regulations. Regulations in many cases are essential to public health and public safety.

No one would want to get on an airline today that does not have a requirement to subscribe to some minimum safety standards in which there are not some air traffic controllers adopting public regulations to determine at what altitudes to fly when heading east and what altitudes to fly when heading west.

Regulations in many cases are critically important. The right kind of regulations. It we have the captains of industry in this country deciding to write the regulations they want, it will, in my judgment, always impose profit as a virtue ahead of public safety and public health.

We need to care a little about that. Those who say, well, we will open our offices to the captains of industry to write the regulation, and we bring them to the floor and push them to the floor under something called the Contract With America, some are duty bound to stand up and say, no, no, there is a public interest involved here as well.

We must urge the private interest and the public interest to be sure that we care about public health and public safety.

Now, those same people in the Contract With America say that they are the ones that care about public spending. They say we will take the $10 billion in the crime bill and decide to move that as a block grant to State and local government.

We will send it back to the States. They are capable of better spending it than we are. Remember what happened when we did that before with the Law Enforcement Assistance Act? You separate where you raise money from where you spend it, I guarantee you will promote the biggest waste in Government.

Under the old LEAA Act, local governments got money and one had a study, and that was to try to determine why people in prison tried to get out. What would make people in prison try to escape? Well, we do not have to spend $25 million to study that. I tell you why—because they are locked up, for God's sake. That is why people in prison try to escape.

Why would someone want to spend public money to determine why prisoners want to escape? Because it was free. The money came from the Federal Government.

This notion about block grants in which we separate where money is raised from where money is spent and in which the Federal Government raises the money and sends it to the Governors to say, ''Here, you go ahead and spend it the way you want, no strings attached. Crime, spend it on roads if you want.''

In the House of Representatives, they had an amendment on the floor that says at least with respect to this crime money communities ought not be able to spend it on roads. Guess what? They defeated the amendment. They said, no, we would not restrict that. We can send money back in which there is a problem to deal with the epidemic of violent crime, and they can spend it on roads. Those are the kind of things that make no sense.

The previous speaker this morning spoke briefly about the hot lunch program. He said, ''Gee, it will increase.'' Yes, it is true, it will increase. The cost of food goes up, we increase the amount of the hot lunch program by exactly the amount of increase in the cost of food.

Guess what? More children are coming into our school system that are eligible for hot lunch, and there is not enough money to provide hot lunches for all those kids. And some kids come up and say, ''I want a hot lunch, or I need a hot lunch,'' and they are told, ''well, gee, one of the Senators said we increased funding so there certainly should be enough money available for you.''

Well, they did not increase funding enough to provide the money for all of the new kids coming into the hot lunch program. And besides, they in the contract for America provide that they will remove the entitlement for a hot lunch for poor kids.

Now, what sense does that make? Poor kids in this country often find that the only hot lunch they receive during the entire day is a hot lunch they received at school. I recall a statement made by the Presiding Officer, about that very subject.

I know the Presiding Officer happens to share my view, the hot lunch program is a critically important program. An entitlement for poor kids to get a hot lunch at school is an entitlement we ought to keep. Any country as big and generous as this country, can certainly be generous enough to be sure that poor kids in this country get a hot lunch in the middle of the day at school.

So people say, ''Well, gee, why are you against all these? What are you for?'' I am for a hot lunch for poor kids. It seems to me you start with those kinds of notions, and you fight for those things against someone who will decide that we ought not have an entitlement for a hot lunch at school for poor kids. That is what I am for and that is what I am against.

Now, words have meanings, and legislation has consequences. We can talk all we want about what legislation does or does not do. Here is the first 100 ways in the first 100 days that the Contract With America decides it is more comfortable to help the wealthy, help the big special interests, and to do so at the expense of a lot of folks in this country who are vulnerable.

There is a difference in how we believe we ought to discharge our responsibilities. I think we ought to cut Federal spending and we ought to cut it in an aggressive way. But there is plenty of waste and plenty of Federal spending we ought to cut without hurting the vulnerable in our society. We can do that. It simply is a matter of priority.

When those who push the Contract With America decide we want to shove $600 million at the Defense Department that they do not want or they do not need or they did not ask for, and, at the same time, they say, we want you to remove the entitlement to a hot lunch, for American school kids who are disadvantaged. And there is something wrong, in my judgment, with the value system that creates those regulations.

I hope we can talk about all of that this week, because that is the standard by which we judge the first 100 days—some good, some bad. We accept the

good, vote to pass it along and improve things in the country. The bad we fight, because this country can do better than that. This country can do better than to compromise health and safety standards, than to say that poor kids in school, your hot lunch does not matter.

I just touched on a couple of areas here. There are dozens and dozens of them that make no sense. I hope during this coming week, we can decide to explore some of those in depth and explore the reasons why we feel it is important to stand up and speak out on behalf of some of those as well.

I yield to the Senator from Vermont, Senator LEAHY, who has done an enormous amount of work in this area.

Mr. President, I yield him the remainder of my time, and he may wish to add to that time.

The PRESIDING OFFICER. The Senator from Vermont has 6 minutes and 20 seconds.

Mr. LEAHY. Mr. President, I ask unanimous consent that we add 12 minutes to my time.

The PRESIDING OFFICER. Is there objection?

Mr. COVERDELL. Mr. President, reserving the right to object, if I may ask the Senator from Vermont if I might address a question through the Chair, I think in the order of business I was to be recognized for up to 15 minutes?

The PRESIDING OFFICER. The Senator form Georgia is correct. He has 15 minutes reserved.

Mr. COVERDELL. Would morning business still allow that?

Mr. LEAHY. I was aware of the order regarding the Senator from Georgia. The Chair will correct me if my addition is not right. It would make sure he would still have his full 15 minutes.

The PRESIDING OFFICER. There are still several Senators who have reserved time. The Senator from Indiana has 10 minutes; the Senator from Georgia has also 10 minutes.

Is there objection?

Mr. COVERDELL. As long as I will have time, with the time remaining, for my remarks, I will not object.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Vermont is recognized.

WINNERS AND LOSERS UNDER THE CONTRACT WITH AMERICA

Mr. LEAHY. Mr. President, I have heard from schoolteachers and I have had heard from parents and doctors and day care providers and advocates for children around the Nation. Many of them have called me because, during the past 20 years as chairman of the Senate Committee on Agriculture, Nutrition, and Forestry, I have been intimately involved with almost all nutrition legislation in this country.

Certainly, during the last dozen years, there has not been any piece of nutrition legislation that has passed the Congress and has been signed into law by the President that has not either been authored by me or cosponsored by me.

I have heard from many Vermonters, from dietitians, dairy farmers, the Governor of Vermont, and volunteers of Vermont food shelves. They feel worried and betrayed. They want welfare reform; they want able-bodied adults to work, as do I. But they do not want to see hunger return in this country with a vengeance.

They do not want to see a country, blessed as no other nation on Earth has ever been blessed with its ability to produce food, have millions of hungry Americans. And they do not want the Contract With America. They believe the Contract With America is antichild and antifamily, and so do I.

The Contract With America is good for big corporations, for huge tax cuts for the rich, and for special interests. I thought we ought to see who are the top 10 winners under the Contract With America. So I put together a chart that explains the top 10 winners.

Mr. President, I ask unanimous consent that two lists of winners and losers, under the Contract With America, be printed in the RECORD.

TOP 10 WINNERS DURING THE FIRST 100 DAYS OF THE CONTRACT

10. The Coca-Cola Company and the Pepsi Cola Company—soft drinks instead of milk could be served with school lunches. Children and dairy farmers, in contrast, are very big losers.

Pepsi is a big winner since its Taco Bell and Pizza Hut subsidiaries could take over school lunch programs, and other fast food companies are not far behind.

9. Pesticide manufacturers—the chemical giants stand to make millions of dollars with planned cuts in federal regulations that protect the environment. I hope families that drink water in rural areas like the taste of alachlor, atrazine, and cyanazine.

8. Criminals—Republicans plan to stop the President's efforts to put 100,000 new police officers on the streets. All communities who would have gotten those new officers will be big losers.

In Houston, violent crimes have been reduced by 17 percent because of cops on the beat; in New York City, community policing has cut violent street crimes by 7 percent.

7. Four drug giants—the House bill could transfer up to $1.1 billion to infant formula manufacturers by eliminating the requirement that infant formula be bought at the best price for the WIC program.

Current competitive bidding procedures keep 1.5 million pregnant women, infants and children on WIC at no additional cost to taxpayers. Those up to 1.5 million infants, women and children are losers under the House bill.

6. Locksmiths—funding for child day care is slashed, which means that low-income mothers who want to work may have to let tens of thousands of kids stay home by themselves.

5. Water and air polluters, unwholesome meat and poultry packers—House Republicans plan to cut regulations that protect the environment, air quality, water quality and food safety.

Families that breath air, drink water and eat food are the big losers.

4. Large corporations—corporations will enjoy huge tax loopholes (such as eliminating the alternative minimum tax which will give corporations $35 billion over 10 years), defense conglomerates will make large profits, and meat and poultry plants will not have to worry about selling contaminated meats since that will be allowed.

3. The wealthiest 12 percent of Americans—over half the benefits of the tax breaks in the Contract With America go to the wealthiest 12 percent of Americans, those earning over $100,000 a year.

In contrast, children do not vote and have been targeted for the worst cuts by the Contract With America. Included in the list of Federal funding slashed or totally eliminated is funding for: disabled children, food for homeless children living in emergency shelters, day care for the children of low-income parents who want to work, food for children in over 150,000 day care homes, summer jobs and food service programs, PBS children's programs, and other programs for children.

2. Lawyers—lawyers will make a fortune exploiting all the environmental, tax, and worker protection loopholes in the Contract.

The Republicans create 101 new ways for lawyers to delay environmental, health and food safety regulations.

1. Anyone making over $349,000 a year—the House Republican proposals give the wealthy an average tax break of $20,362 through huge capital gains tax cuts, estate tax breaks for the wealthy, and corporate tax loopholes. In addition, U.S. billionaires who renounce U.S. citizenship will be given huge tax writeoffs—$3.9 billion worth over the next 10 years.

These tax entitlements for the rich, and for corporations, are provided while cutting aid to children, to low-income students who want to stay in college, and to the national service program that provides college scholarships.

TOP 10 LOSERS DURING THE FIRST 100 DAYS OF THE CONTRACT

10. Newborn children—the Contract throws up to 1.5 million pregnant women, infants and children off the WIC program, threatens to make millions go hungry, and provides for major funding cuts for programs that help disabled children, children in child care and homeless children.

9. Children who drink tap water—the House delays regulations that protect drinking water from being contaminated with dangerous chemicals.

8. Children who breathe—the House bill hampers clean air protections which will especially hurt more vulnerable populations such as children.

7. Children who need child care—child care food program funding is cut in half which will likely throw over 150,000 day care homes off the program.

6. Children with mothers who work—the Contract slashes funding for child care for low-income parents who are trying to stay off welfare, get off welfare, or find a job.

5. Children with fathers who work—the Contract eliminates the safety net for families when they most need help during a recession. Benefits to millions of children could be significantly cut during hard times.

4. Children who go to school—funding for educational programs for grade school and secondary schools, funding for the Learn and Serve Program, and funding for AmeriCorps college scholarships is slashed.

3. Children who eat hamburgers—The House bill delays rules on food safety for at least one year. These rules are designed to prevent foodborne illness outbreaks like the one that killed several children in Western states in 1991.

2. Children who are not rich—House tax cuts for wealthy Americans and corporations will make it more difficult to balance the budget, our children will have to pay the bill

later, and low-income children will lose benefits immediately.

1. Children who eat—The House welfare bill will take food away from hundreds of thousands of infants, homeless children and school children. It says to them ''have a hungry day,'' especially during recessions.

Mr. LEAHY. Mr. President, No. 10 on the list are the Coca-Cola Co. and the Pepsi-Cola Co.—in fact, all junk food companies are winners. They are winners under the Contract With America because the House bill eliminates nutritional requirements for school lunch.

I fought these fast food companies last year to make school lunches healthier. They did not want to allow us to make school lunches healthier for an obvious reason: their fast foods are not healthy foods. Congress reduced the saturated fat content in school meals and clarified that schools have a right to say no to junk food manufacturers.

Under the Contract With America, we throw out those healthy meals requirements. Soft drinks can be sold to schoolchildren during lunch instead of milk. Can anybody here who has been a parent, has raised children as I have, tell me that Coca-Cola is more nutritious for them than milk?

Candy companies, fast food giants, junk food purveyors—these are the big winners. Children and the producers of nutritious food in this country are the real losers.

Who is next in line among the top 10 winners? Why, the pesticide manufacturers. The chemical giants can make millions of dollars with the planned cuts in Federal regulations to protect the environment. I hope that families who drink water in rural areas of Vermont or Colorado or Georgia or any other State like the taste of alachlor, atrazine, and cyanazine.

Who else makes out? As a former prosecutor, I was very interested to see the contract provide benefits to criminals. The Republicans intend to stop the President's efforts to put 100,000 new police officers on the streets. They apparently do not want the President to get credit for anything. As one who spent almost a decade in law enforcement, I would like to see those cops on the streets. The Contract With America does not.

Then we have the four giant drug manufacturers that make infant formula for WIC. Man, did they make out like bandits. Let me tell you what is happening. We have Nestle, which is not even an American company. It is a Swiss company. Its annual sales in 1993 were $37 billion. The other companies also fared well: Bristol-Myers Squibb, $11 billion; American Home Products, $8 billion; Abbott Laboratories, $8 billion.

How did they make out like bandits under the contract? I will tell you how. We have the Women, Infants, and Children Program. Some years ago I called on the Federal Trade Commission to investigate price-fixing and bid-rigging regarding infant formula companies and the WIC Program. I drafted laws that required States to use competitive bidding when they buy formula under the WIC Program. I then worked to pass a law with bipartisan support in the U.S. Senate which imposes fines of up to $100 million for price-fixing by these giant drug companies.

Now, this one simple rule saves taxpayers who pay for the WIC Program $1.1 billion a year. It keeps 1.5 million pregnant women, infants, and children on WIC at no additional cost to taxpayers.

The people who tout the Contract With America—''We are profamily; we are prochildren''—they are probaloney because they voted to get rid of competitive bidding.

That gives a windfall of up to $1 billion to four giant drug companies. I would like to know whom they contributed to among those who voted for this change.

And what do they use to pay for this windfall in the profamily, prochild Contract With America? They take 1.5 million pregnant women and newborn children off WIC in order to give four drug companies that make $37 billion, $11 billion, $8 billion, and another $8 billion an additional windfall of $1 billion.

Can you imagine what would happen if we voted on this change in the daylight? The amendment would say ''give $1 billion in tax dollars to these four giant drug companies, but take 1.5 million women and children, most of whom do not vote, off of WIC.''

Maybe some of those who receive contributions from the drug companies still would want to vote that way, but they would be embarrassed to do it in the daytime.

The Democrats offered an amendment to restore the competitive bidding requirement. It lost. Taking millions of pregnant women and small children off the WIC Program is now part of the Contract With America.

The influence the large corporations have had on the contract was outlined in the Washington Post yesterday. The story tells of the influence of the Kellogg Co., Gerber's, Mead-Johnson, Abbott Laboratories, and Coca-Cola on the House legislative process. We in the Senate should not put corporate profits ahead of children.

Maybe we should look at another one on the top 10 list: locksmiths. Funding for day care is slashed under this so-called profamily, prochild Contract With America. It is a Contract on America because they slashed child day care funding. Tens of thousands of low-income mothers who want to work, who want to get off welfare, may have to let their children stay home by themselves. Many of them are going to be latchkey children who have to let themselves in after grade school. Some are going to be locked-in children, whose parents, when they go off to work, have to lock them in. They have to lock them in the house because the parents cannot afford to miss work.

Then look at the next big winners, the water and air polluters, and unsanitary meat and poultry packers. Thousands of consumers get ill each year from contaminated foods. In Washington State, several died from eating hamburgers that were tainted. We have the technology to prevent needless death. But the Contract With America would stall or stop the regulations that would bring that about.

We ought to think about whether we want our children or our grandchildren to eat contaminated hamburger before we stand up and celebrate how we passed the Contract With America. I ask Americans to read the small type, read the small print. And those who want to vote for this, let them stand up, the next time a child dies from a contaminated hamburger, let them stand up and say, ''Tough luck; but am I not proud I voted for that.''

Of course, you are not going to see that.

The children do not vote. They do not send money to PAC's. They do not contribute.

Then we have large corporations next on the list. Our working families are hurt by the contract. Large profitable corporations make out like bandits. They are going to get $35 billion over the next 10 years because the contract eliminates the alternative minimum tax. The average Vermont family is going to get very little tax relief under the contract, and they will lose more than they gain. They are going to lose all these things I talked about—school lunches and child care.

The wealthiest 12 percent of Americans, do they make out. Over half of the benefits of the tax breaks in the Contract With America go to the wealthiest 12 percent of Americans—those earning over $100,000 a year. Those earning over $200,000 a year will get over $11,000 in tax cuts. Families earning between $10,000 and $20,000 will get $90. Big deal.

Lawyers are next. I should be happy. I am a lawyer. But I am not happy that lawyers are going to make a fortune exploiting all the environmental, tax, and worker protection loopholes in the contract. The contract creates 101 new ways for lawyers to delay food safety and environmental regulations.

And now here's the big prize—the No. 1 winner under the Contract With America—is anybody making over $349,000 a year. They ought to be ready to send their checks to every wealthy PAC in this country because they make a killing. They get an average tax break of $20,362.

In addition, these great patriots who are out there waving the American flag saying, ''Look at our Contract With America,'' do you know what they did? Do you know what their sense of patriotism is? They tell a bunch of billionaires in this country that if you make a billion dollars here in America under our laws and under the advantages of

being an American, if you just go out and renounce your citizenship, we will give you 3.9 billion dollars' worth of tax writeoffs.

Can you imagine anything more obscene or antipatriotic? They stand up there and say, as they wave our flag, ''If you renounce your citizenship, Mr. Billionaire, we will give you under the table a few billion of American tax dollars.''

They are about as patriotic as they were serious about term limits. The second they thought the bill might pass and they saw that term limits would apply to them, immediately they backed away.

They were all out there calling for term limits. They said, ''We want term limits. I have been here 32 years, saying that we need term limits. I have been here 26 years, saying that we need term limits. I cannot understand why we don't get term limits. For decades I have been arguing we should have term limits.'' Somebody said, ''Here. We have enough votes to apply it to your next election, immediately, to you.'' ''Wait a minute. I do not mean term limits for me. I am pretty good. It is for the next guy.'' It is the same here with this patriotism.

We are giving these tax entitlements to the rich and to large corporations by cutting aid to children and to low-income students who want to stay in college, and by cutting the National Service Program, which provides scholarships. Children do not vote, and they have been targeted for the worst cuts.

Who are the top 10 losers under the Contract With America? They are children. These are the people who lose: Newborn children, children who drink tap water which will more likely be contaminated, children who breathe air which will more likely be polluted, children who need child care, children with mothers who work, children whose fathers are at work, children who go to school, children who like hamburgers, children who are not rich, children who eat, period. Children are the losers. The contract is a contract not with America but against children.

Children who eat—the contract takes away food from hundreds of thousands of infants, homeless children and schoolchildren.

Children who are not rich—they are the ones who are going to pay for the tax breaks for the rich.

Children who eat hamburgers are going to see the regulations on salmonella- or E. coli-free food taken away.

Children who go to school will see their funding for educational programs cut, funding for the Learn and Serve Program, funding for AmeriCorps scholarships all cut.

Children whose fathers work, if they lose their jobs, the safety net is gone.

Children with mothers who work, funding for child care is gone.

Children who need child care, their healthy food at child care is gone.

Clean air protection is gone.

Clean tap water, that is gone.

Newborn children—what I would say one more time is probably one of the most egregious things in the Contract With America is they take away the requirement that the infant formula manufacturers have to be involved in competitive bidding. Some $1.1 billion is given to four giant drug companies. I expect they are going to buy the tables at the next big fundraiser which those who voted for that have. But as we give them $1 billion, we also say to a million and a half pregnant women, infants, and children, ''Sorry. We cannot afford to do anything for you. But then, heck, you don't vote. You don't contribute, so it is OK.''

I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER (Mrs. HUTCHISON). The Senator from Georgia is recognized.

Mr. COVERDELL. Madam President, would you advise me of the amount of time I am recognized for?

The PRESIDING OFFICER. The Senator is recognized to speak for up to 15 minutes.

Mr. COVERDELL. Thank you, Madam President.

THE DRUG CARTEL

Mr. COVERDELL. Madam President, yesterday we had a hearing of the Western Hemisphere Subcommittee of the Foreign Relations Committee in the U.S. Senate.

From time to time, in all the clutter of this city and all the issues that we are addressing, something will break through and the magnitude of it is so significant that those who are in the presence of it come to a standstill. I would suggest that was the nature of the meeting held yesterday in the early afternoon in the Senate Dirksen Building.

What was unfolding in the testimony by a very distinguished American was that the United States—and, indeed, this hemisphere—is under attack by a grievous, evil, massively equipped enemy in the name of the Cali cartel or Mafia, or drug lords running with abandon in this hemisphere.

There are five countries in this hemisphere that are at grave risk at this very moment. One is the United States, the second is Mexico, the third is Colombia, the fourth is Peru, and the fifth is Boliva; not to suggest that there are not other countries in the hemisphere that fall prey to the circumstances, but these five countries in particular are embroiled in a massive confrontation with this Mafia drug organization.

Madam President, there is no other threat that more seriously challenges the national security of the United States and of this hemisphere than these cartels, this Mafia, these drug lords. They are threatening the lives and safety and welfare of the citizens of this country, the others I have mentioned, and this hemisphere. We are suffering more casualties, Madam President, in the United States annually than we suffered in the entirety of the Vietnam war.

I would suggest, Madam President, that the fabric of democracy—this is a hemisphere of democracies—the fabric of democracy is threatened and at risk this very day in this confrontation with this evil force.

Let me just share with you for a moment, Madam President, the scope of the enemy we are confronting. This Mafia organization earns $12 to $15 billion in annual revenues. The cartel has the resources and the sophistication to penetrate every fabric of social, political, and economic life in this hemisphere. They can literally buy countries. These large criminal drug trafficking empires are better armed than many police forces. They have more sophisticated equipment than many of the armies of the hemisphere. The cartels have the money not only to buy the best minds—MBA's, accountants, lawyers—they are buying police forces, judicial systems, and in some cases, governments.

They work around our past interdiction efforts, now flying large cargo jets, 727's, with up to 10 tons of cocaine into Mexico, where it is then distributed to the United States.

Madam President, I would like to share some of the remarks that we heard yesterday from, as I said, a very distinguished panel of Americans.

First, from Ambassador Robert Gelbard, who is Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, a very distinguished former Ambassador to Bolivia, very knowledgeable with this entire subject. He said:

> The spread of international narcotics trafficking constitutes one of the most persistent and serious challenges to America's foreign and domestic interests in the post-cold-war era.

He went on to say that:

> Cocaine consumption by casual users fell significantly between 1985 and 1992.

But it is now on the rise again.

He says:

> The potential for the problem to get worse is great.

And I would underscore that 100 times.

We heard from Stephen H. Greene, Deputy Administer of the Drug Enforcement Agency. He says:

> The technological capabilities of the Cali Mafia may very well be impenetrable.

I repeat: It may very well be impenetrable.

> The Cali Mafia has now formed a partnership with transportation organizations in Mexico, with whom they work hand in glove to smuggle increased amounts of drugs across the U.S. border. Drug trafficking organizations in this hemisphere continue to undermine legitimate governmental institutions through corruption and intimidation. Here at home, drug availability and purity of cocaine and heroine are at an all-time high.

Madam President, Mr. John Walters, who is president of the New Citizenship Project and former Acting Director and Deputy Director for Supply Reduction Office at the Office of National Drug Control Policy, says that:

> Between 1977 and 1992, illegal drug use went from fashionable and liberating to unfashionable and stupid. Overall casual drug use by Americans dropped by more than half between 1985 and 1992.

A period for which there was intense education about the damage of drugs.

> Monthly cocaine use declined by 78 percent.

That has turned around, Madam President, and now it is skyrocketing.

> Last December, the University of Michigan announced that drug use, particularly marijuana use, by 8th, 10th, and 12th graders rose sharply in 1994, as it did in 1993 after a decade of steady decline.

These are terribly alarming statistics, affecting the personal general safety and welfare of our own citizens.

Madam President, let me share with you just for a moment the cost that this represents to our fellow citizens in this country. Each year, the drug cartels ship hundreds of tons of cocaine in the United States, killing and maiming more Americans each year than died in all the years of engagement in Vietnam. And 2.5 percent of the live births in the United States are now cocaine crack exposed babies—100,000 per year. We have had a lot of talk about children in this Chamber over the last few hours and days. And yet, we seem to accept that 100,000 new babies are born as crack babies in the United States. Each year, the cartel drains $70 to $140 billion in revenues out of the United States. That is $70 to $140 billion, Madam President. If this trend continues, 820,000 children will try cocaine in their lifetime; 58,000 of them will become regular users.

Well, Madam President, we can get caught up in the statistics, but the point I am trying to make here this morning is that the United States, Mexico, Colombia, Bolivia, and Peru are all at grave risk and are being challenged openly and directly by a powerful, brutal force that on a daily basis is costing the lives of our fellow citizens and are putting at jeopardy the very fabric of this democratic hemisphere.

Madam President, when we get into these discussions, there is a lot of fingerpointing. And there is certainly plenty of room to do that.

I do want to point out, as we address this issue, that in each of these countries, there have been citizens who have fought valiantly—in the United States, in Mexico, Colombia, Brazil, Peru, Bolivia—who have fought these problems, who have died fighting these problems. And my remarks in that sense are not incriminating. I applaud the efforts that have been expended in our country and these others to address the problem.

But the fact remains that we have not solved this issue and there are circumstances in each of the countries that must be addressed. I would suggest that a new focus needs to be brought to this crisis.

I would suggest the forming of a new alliance of these five countries; that we must come to the table; that we must sit across the table from one another and we must approach the new century by lifting the bar, by lifting the standard of what we are going to achieve; that we must set our sights, these countries directly affected, these countries in the hemisphere must bring this era of abuse and attack on the citizens of the hemisphere to an end.

I would suggest that we have the technology to remove the product, the coca leaf, and we ought to do so as quickly as possible.

By the end of this century, the coca leaf should not be able to be grown in the hemisphere.

I read from the International Narcotics Control Strategy Report issued in March of this year:

> The United States, which has pinpointed the major growing areas, has spray aircraft and a safe herbicide that can destroy illegal cultivation in a matter of months. Since the coca bush does not fully come on line until it is 18 months or 2 years old, these simple measures could deprive the cocaine trade of its basic material, crippling it, if not destroying it entirely. We need the necessary cooperation of the two largest coca growing countries to carry out this simple but effective crop-control measure.

Madam President, we simply must set as a goal among these five countries that we are going to eliminate this source of evil. We have the technology to do it. We have the knowledge of where the product is. It must be removed.

The chief kingpins behind these cartels are known and their locations are known and they must be arrested. Under the constitutional law of each of these countries, there are adequate provisions to arrest, detain, and punish these individuals doing so much damage in our country and throughout the hemisphere.

We must seek special rights of extradition so that these criminals can be brought to bay in the United States when they attack our citizens, as they are doing.

This is a stealth issue. This is an issue that is pervasive. If any other country was pouring chemicals into the United States causing the death or maiming of hundreds of thousands of citizens on an annual basis, it would not be tolerated. The whole Nation would rise up in defense. And yet we are quietly proceeding reducing the resources to attack this problem.

I am going to close, but I will just say that it is time for a new focus. I think these five major countries should come to the table. We need to mutually agree on the end game that the product will be eliminated, that the kingpins will be arrested and will understand that they will be on the run for the rest of their lives, and that other appropriate measures of cooperation, extradition and other laws for interdiction, and the like, will be put in place, and that once those standards are mutually agreed upon and that this hemisphere will not accept degradation of democracy and an attack on the citizens, we will set the bar. People will either participate or we will know permanently they are not cooperating.

I yield the floor.

Mrs. BOXER addressed the Chair.

The PRESIDING OFFICER. Under the previous order, the Senator from Georgia has 10 minutes to speak. Does the Senator from Georgia wish to yield?

Mr. NUNN. Madam President, I need to go ahead and make my remarks. I have been waiting for some time, but I will certainly yield.

Mrs. BOXER. I would like to make an inquiry if it is possible, that concluding the remarks of the Senator from Georgia, I be permitted to speak as in morning business not to exceed 10 minutes.

The PRESIDING OFFICER. Under the previous order, the Senator from Indiana [Mr. COATS] is scheduled for 10 minutes. Does the Senator from California wish to ask unanimous consent for 10 minutes following the Senator from Indiana?

Mrs. BOXER. Yes, that would be perfectly acceptable. I make that request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Senator from California will have 10 minutes following the Senator from Georgia and the Senator from Indiana.

Mrs. BOXER. I thank my colleagues.

Mr. NUNN. Madam President, I ask unanimous consent that the time we used for that dialog not come out of my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

POLICY ON HOMOSEXUALITY IN THE ARMED FORCES

Mr. NUNN. Madam President, in view of the recent attention to the policy on homosexuality in the Armed Forces, Senator COATS and I would like this morning to update the Senate on the status of the legislation which was enacted in 1993 as section 571 of the National Defense Authorization Act for fiscal year 1994. Both Senator COATS and I will be speaking to this subject this morning. I think that our joint statements certainly reflect the continuing bipartisan consensus in support of the basic legislation that was enacted in 1993.

This discussion is precipitated by the recent district court decision in Able versus the United States and the reaction to it. In my view, the Able decision was not correctly decided. I believe it will be reversed on appeal, particularly in view of the unusual approach taken by the district judge in which he, in effect, drafted his own statute, manufactured his own legislative purposes, and reviewed the policy

without regard to the standards articulated over a long period of years by the Supreme Court of the United States. And I will speak further to each of those matters.

I believe that our legislative record is solid and the case will be reversed on appeal, and I do not see any need for further legislative action at this time.

BACKGROUND

At the outset, I would like to summarize briefly the events which led to the enactment of this legislation. A more detailed discussion of these events is in the committee's report on the legislation, Senate Report 103–112.

The prohibition on homosexual acts has been a longstanding element of military law. The prohibition on service by gay men and lesbians has been covered in military regulations.

In September 1992, during the Senate's debate on the National Defense Authorization Act for fiscal year 1993, Senator Howard Metzenbaum offered an amendment that would have established a ''prohibition on discrimination in the military on the basis of sexual orientation.'' I observed that ''this subject deserves the greatest care and sensitivity'' and stated:

> We will have hearings on the subject next year. We will hear from all viewpoints, and we will take into consideration the viewpoints of our military commanders, the viewpoints of those in the homosexual community, the viewpoints of those who are in uniform who may be homosexual, gay, and we will also consider the men and women in uniform who are not in that category and the effect it would have on military morale.

Based upon the assurance that hearings would be held in 1993, Senator Metzenbaum withdrew his amendment.

During the 1992 election campaign, Presidential candidate Bill Clinton said that, if elected, he would take action to change the current policy restricting the service of gay men and lesbians serving in the Armed Forces. He also spoke of the need to consult carefully with the military leadership on this issue. After the election, he reiterated his views on changing the policy and the need to consult with the military leadership.

Secretary of Defense Aspin, during his confirmation proceedings in January 1993, indicated that there would be extensive consultations with Congress on this subject.

Shortly after the Inauguration, a series of media reports suggested that a significant change in the Department's policy was imminent. A number of Senators indicated that they would offer an amendment early in the congressional session that would prohibit any change in policy. I expressed the view that neither the executive branch nor Congress should institute a significant change in the current policy, by Presidential order or by congressional action, prior to undertaking a comprehensive review, including hearings, on this subject.

In late January, I participated in a series of meetings with the President on the subject of homosexuality in the Armed Forces. Other participants included then-Senate majority leader George Mitchell and Democratic members of the Senate Armed Services Committee. In addition, I consulted extensively with members of the Joint Chiefs of Staff.

As a result of these meetings and further discussions with the President, an interim policy was announced by the President on January 29, 1993, to remain into effect until July 15, 1993. This interim policy retained then-existing rules restricting the service of gay men and lesbians in the Armed Forces. The policy also set forth two modifications that would apply during the interim period. First, reflecting a recommendation made by the Joint Chiefs of Staff, new recruits would not be questioned about homosexuality during the enlistment process. Second, gay and lesbian cases that did not involve homosexual acts would be processed through separation from active duty, and the individual would be placed in a nonpay status in the Standby Reserve during this interim period.

In additional, the President directed the Secretary of Defense to conduct a review of the current policy and to provide him with a draft Executive order by July 15, 1993.

On February 4, 1993, during Senate consideration of the Family and Medical Leave Act, the Senate debated two amendments related to the service of gay men and lesbians in the Armed Forces.

The first amendment would have frozen in law ''all Executive Orders, Department of Defense Directives, and regulations of the military departments concerning the appointment, enlistment, and induction, and the retention, of homosexuals in the Armed Forces, as in effect on January 1, 1993.'' The amendment was tabled by a vote of 62–37.

The Senate then unanimously adopted an amendment expressing the Sense of Congress that the Secretary of Defense should conduct ''a comprehensive review of the current Department of Defense policy with respect to the service of homosexuals in the Armed Forces.'' The amendment further expressed the sense of Congress that the results of the review should be reported to the President and Congress not later than July 15, 1993. In addition, the amendment expressed the sense of Congress that the Senate Committee on Armed Services should conduct comprehensive hearings on the current military policy and should conduct oversight hearings on the Secretary's recommendations as such are reported.

The amendment, as adopted, was enacted as section 601 of the Family and Medical Leave Act of 1993, Public Law 103–3. The Senate also agreed to an order that effectively precluded consideration of any further amendments in the Senate relating to the service of gay men and lesbians in the Armed Forces until July 15, 1993. This procedure permitted the Department of Defense and the Committee on Armed Services to conduct their reviews prior to legislative action on specific amendments.

THE LEGISLATION

Madam President, the legislation passed in Congress in 1993 contains 15 findings, which address the constitutional role of Congress in establishing military manpower policy, the unique nature of military service, and the fact that the presence in the military of persons who demonstrate a propensity or intent to engage in homosexual acts would create an unacceptable risk to military capability.

The legislation codifies specific grounds for discharge—homosexual acts, statements, and marriages—reflecting DOD's longstanding policy on homosexuality in the Armed Forces. The legislation also provides the Secretary of Defense with discretion to reinstate accession questioning if the Secretary determines it to be necessary to effectuate the restrictions on homosexuality in the Armed Forces.

On February 28, 1994, the Department of Defense issued final regulations implementing the legislation.

THE LITIGATION

In the 13 months since the regulations were issued, there have been a number of judicial decisions addressing homosexuality in the Armed Forces, but most have dealt with the old administrative rules rather than the new legislation. The authority of the Armed Forces to discharge members based upon homosexual acts has been routinely sustained by the courts, including those courts such as the ninth circuit, that have questioned separation based on statements.

Two leading cases illustrate the differing approaches that the courts have taken on the impact of statements. In *Meinhold* v. *Department of Defense*, 34 F.3d 1469 (9th Cir. 1994), a case arising under the old policy, the ninth circuit held that a servicemember could not be discharged solely because he or she said ''I am gay'' but could be discharged for making a statement which ''manifests a concrete expressed desire or intent to engage in homosexual acts.'' The court reached this conclusion based on its construction of the regulations, which make it unnecessary to decide any constitutional issue.

In *Steffan* v. *Perry*, 41 F. 3d 677 (D.C. Cir. 1994), the D.C. Circuit ruled that the statement ''I am gay'' constituted sufficient evidence under the regulations of a propensity or intent to engage in homosexual acts to justify a discharge. The court rejected any constitutional challenge to a discharge based upon such a statement.

Last week, in a case arising under the new legislation, a judge in the U.S. District Court for the Eastern District of New York took a different approach. In Able versus United States, Judge Nickerson held that the act and the implementing directives violate the first amendment as a restriction on

speech and the fifth amendment as a denial of equal protection. The judge's decision applies only to the six plaintiffs in the case, and has no wider direct application. As a result, the legislative policy remains in effect.

Madam President, to put this matter in perspective, there are over 600 district court judges in the United States, and it was predictable some district judge somewhere in the country would rule the statute unconstitutional. That does not mean though that the upper courts will uphold this. I made this point at the time the legislation was enacted. I also said that I believed the legislation would be sustained on appeal.

I am pleased that the Clinton administration has made it clear that it will appeal the Able decision, and I continue to believe that the legislative policy will be sustained on appeal.

My confidence is even higher after reading the opinion. In my view, the opinion does not reflect sound judicial craftsmanship or scholarship. The district court's opinion ignores the plain word of the statute, misconstrues the legislative history, relies on speculation about the purposes of the legislation rather than the clear words of the statute, and fails to discuss circuit court opinions which take a contrary view.

There are many flaws in the Able decision, which will undoubtedly be raised on appeal. Today, I will highlight some of the more egregious errors from a congressional perspective.

First, the decision misstates the definition of homosexuality in the statute and then proceeds to analyze the statute in terms of the judge's erroneous definition.

The opinion states:

> The first question for the court is whether the Government may under the first amendment prohibit a member of the Services from stating that he or she is a homosexual, that is, that he or she has ''an innate feeling within''—

I am emphasizing those words—

> that indicates the status of a homosexual.

This completely ignores the specific conduct-based definition in the statute, which provides:

> The term ''homosexual'' means a person, regardless of sex, who engages in, attempts to engage in, has a propensity to engage in, or intends to engage in homosexual acts, and includes the terms ''gay'' and ''lesbian''.

The statute talks about conduct, what a person does or intends to do.

We do not mention what the judge put so much emphasis on, that is, in his words, ''an innate feeling within that indicates the status of a homosexual''. That is nowhere in the statute. Judge Nickerson, in effect, rewrote the statute to conform to his own views of his concept of ''status.''

Second, the decision disregards the Supreme Court standard of review in military cases. As the Supreme Court stated in *Rostker* v. *Goldberg*, 433 U.S. 57 (1981), ''judicial deference to * * * congressional exercise of authority is at its apogee when legislative action under the congressional authority to raise and support armies and make rules and regulations for their governance is challenged.'' The Supreme Court emphasized that a court may not ''substitute [its] own evaluation of the evidence for a reasonable evaluation by the legislative branch.''

The Able decision, however, is replete with the district court's evaluation of the testimony presented in congressional hearings, while ignoring virtually all of the analysis presented by authoritative sources such as the committee's report.

Third, although the Able decision assumes there is no rational basis for the presumption that a statement by an individual that he or she is gay indicates a likelihood that the service member engages in or will engage in homosexual acts, the court makes no attempt to address the opinions that are directly contrary in *Steffan* v. *Perry*, 41 F.3d 677 (D.C. Cir. 1994) and *ben Shalom* v. *Marsh*, 881 F.2d 454 (7th Cir. 1989), cert. denied 110 S.Ct. 1296 (1990), which found the presumption to be valid.

It is a puzzle to me how a district court judge completely ignored—he can disagree if he chooses—but how he completely ignored two circuit court opinions on this subject.

Fourth, the Able decision bases its equal protection analysis on the unwarranted assumption that the legislation is based upon the irrational prejudice of service members against gays and lesbians. The decision totally ignores the lengthy discussion of the issue of prejudice and stereotypes in the committee's report on the legislation, in which the committee concluded that ''our position on the service of gays and lesbians is not based upon stereotypes but on the impact in the military setting of the conduct that is an integral element of homosexuality.''

Fifth, instead of relying on the legislation and the committee report, the Able decision manufactures its own view of the legislation. The decision states:

> Although the act's findings are silent as to the response of heterosexuals to the presence of known homosexuals in the services, the court will analyze the act as if it said that a statement of homosexual status was in itself an evil because heterosexuals would not like to hear it and would react so as to damage unit cohesion.

Madam President, it is a very large leap from the Supreme Court's decision in the Rostker case, which requires deference to Congress in these matters, to the decision of the district court in Able, in which the judge disregards the analysis provided by the committee and substitutes his own version of what he thinks motivated the Congress.

In summary, Madam President, the judge in Able has drafted his own statute, manufactured his own legislative purposes, and reviewed the policy without regard to the standards articulated by the Supreme Court. That is not what the Founding Fathers had in mind when they drafted a Constitution based upon the separation of powers.

Madam President, the media understandably have focused on the inflammatory language in the opinion, such as the suggestion that the policy is ''Orwellian'' and that it ignores what ''Hitler taught the world,'' in the judge's view.

The opinion is long on rhetoric and short on analysis. Speaker GINGRICH, in reaction, has raised the issue of whether we should reopen the legislative debate and reinstate the policy that predated the legislation.

In my view, Madam President, we should not do so. The policy on homosexuality in the Armed Forces is on much stronger ground than it was prior to enactment of this legislation. It is more likely to be sustained in the Supreme Court based on the law and the findings of Congress than if we went back to the old standards which were based on regulatory policy alone.

We have a strong legislative record, reflecting the common agreement of the civilian and military leadership of the Department of Defense, and of the Congress, that there is a clear military need for the policy on homosexuality in the armed forces. We have a detailed set of legislative findings, which we did not have prior to enactment, setting forth the basis for the policy. We have clear procedures for separation proceedings based upon homosexual acts, statements, and marriages.

The legislative policy is clearly consistent with the preexisting administrative policy requiring separation on the basis of homosexual acts, statements, and marriages. The new policy, of course, makes a change in previous practice in that the legislation does not require the government to initiate questions to an individual about homosexuality, and the regulations do not currently permit such questions to be asked. As I noted earlier in my statement, the recommendation to drop such questioning from the enlistment form was made by the Joint Chiefs of Staff—our military leadership—based on their determination that the questioning was not necessary to effectuate the policy on homosexuality in the Armed Forces.

During our hearings, the military chiefs, when asked for their personal opinions about this policy—General Powell, General Sullivan, Admiral Kelso, General McPeak, General Mundy, and Admiral Jeremiah—each stated he supported the policy.

Each was also asked whether the policy could be implemented in a manner consistent with morale, good order, with discipline, with unit cohesion, and without a degradation in readiness. Each responded that the military could actually implement the policy without such adverse effects.

Mr. President, the policy in effect reflects the recommendations of the military leadership, which were endorsed by the civilian leadership and

enacted by the Congress. Members on both sides of the aisle worked closely to ensure that there was a solid legislative record based upon sound military requirements. The hearings were conducted with dignity and respect for all involved, and reflected a sober, careful analysis of a very difficult time.

In my judgment, Mr. President, there is no need at this time for any legislative action. The policy is in place. The policy is working. I do not believe that the opinion in the Able case will survive appellate judicial scrutiny, particularly in light of the clear legislative findings and sound congressional action reflected in the statute. There is no call on the part of our military leadership for change. On the contrary, they believe the policy is working well. Moreover, if they come to the conclusion in the future that it is necessary to reinstate questioning, the statute gives the Department of Defense the authority to do so without further legislative action. In the absence of evidence that a legislative change is needed, it is my recommendation that the Congress take no further legislative action at this time.

The PRESIDING OFFICER. According to the previous order, the Chair recognizes the Senator from Indiana.

Mr. COATS. Madam President, I thank my colleague from Georgia for his statement, and hopefully this will complement that statement. I will attempt not to repeat in areas that he has already addressed.

Section 654(b)(2) of title 10, United States Code, governing military matters states that a member of the Armed Forces shall be separated from the Armed Forces if it is appropriately determined:

> (2) that the member has stated that he or she is a homosexual or bisexual, or words to that effect, unless there is a further finding, made and approved in accordance with procedures set forth in the regulations, that the member has demonstrated that he or she is not a person who engages in, attempts to engage in, has a propensity to engage in, or intends to engage in homosexual acts.

The law defines a ''homosexual'' as:

> a person, regardless of sex, who engages in, attempts to engage in, has a propensity to engage in, or intends to engage in homosexual acts, and includes the terms ''gay'' and ''lesbian.''

On Thursday of last week, in the case of Lieutenant Colonel Jane Able et al. versus United States of America, Judge Eugene H. Nickerson, a Federal district court judge sitting in Brooklyn, ruled that the portion of the current homosexual policy contained in title 10, United States Code, section 654(b)(2) and its implementing directives, which addresses statements by individuals, violates the first and fifth amendments of the Constitution.

This court decision is the first one involving the current policy on homosexuals in the military.

Judge Nickerson's ruling allows six self-proclaimed homosexuals to remain on active duty. These six individuals originally filed the suit anonymously and only stated that they were gay.

The issue of whether an individual has a protected right to state they are a homosexual has already been decided by the courts. Declaration of one's homosexuality cannot be logically separated from homosexual acts under free speech. The Senate report on the National Defense Authorization Act for fiscal year 1994 which accompanied the new statute cited the case of Ben Shalom versus Marsh:

> The admission is not a statement protected by the free speech guarantees of the First Amendment because it can rationally and reasonably be viewed as reliable evidence of a desire and propensity to engage in homosexual conduct.

That case goes on to say:

> The Army does not have to take the risk that an admitted homosexual will not commit homosexual acts that will be detrimental to its assigned mission.

To be very basic, the courts have ruled that if you say you are a soprano, people can logically conclude that you sing. Judge Nickerson's decision clearly rejects longstanding court precedent. It is early in the judicial process, but I am confident that the constitutionality of the current policy will prevail.

In 1993, the Senate began its investigation of what effect homosexuals have on the military. It held hearings on March 29 and 31; April 29; May 7, 10, and 11 and July 20, 21, and 22. Testimony was gathered from soldiers, sailors, airmen, and marines. The Secretary of the Department of Defense and the Chairman of the Joint Chiefs of Staff also appeared before the Armed Services Committee and gave extensive testimony from their knowledge of the Armed Forces. There were panels of witnesses from the academic community, as well as from the Senate. The committee also heard from active and retired military officers and enlisted personnel, homosexuals who had been discharged from the services and members of the military and civilian legal community. Literally hundreds of hours of research were conducted. The chairman and ranking member of the Senate Armed Services Committee both dedicated themselves to the most comprehensive examination of this issue that has ever been conducted. Their efforts took them to military installations and onto ships and submarines. This issue was also debated by the committee with the House Armed Services Committee and discussed with members of the administration on several occasions.

All of the committee's efforts made one thing abundantly clear. It was best pointed out in General Powell's testimony before the committee.

I would like to take just a moment of the Senate's time to go over General Powell's statements because they were extremely valuable to the decision procession of the committee of the Congress and the administration. Let me now quote from that testimony.

> We have challenged our own assumptions. We have challenged the history of this issue. We have argued with each other. We have consulted with our commanders at every level, from lieutenant (and) ensign all the way up to the commander in chief(s) of the various theaters. We have talked to our enlisted troops. We talked to the family members who are part of the armed services team. We examined the arguments carefully of those who are on the other side of the issue from us.

After all this work by the Department of Defense, General Powell concludes as follows:

> The presence of open homosexuality would have an unacceptable detrimental and disruptive impact on the cohesion, morale, and esprit of the armed forces.

In short, trained, successful, intelligent, experienced military and civilian personnel are of the opinion that admitting homosexual individuals to the military will rob our forces of the most essential element of a fighting force; its cohesion, morale, and esprit. Is this an irrational conclusion? General Powell eloquently addressed this as well. He stated:

> Unlike race or gender, sexuality is not a benign trait. It is manifested by behavior. While it would be decidedly biased to assume certain behaviors based on gender or membership in a particular racial group, the same is not true for sexuality.

On November 30, 1993, 10 months after this effort began, the President signed the National Defense Authorization Act for Fiscal Year 1994 which contained the new policy at section 571.

The act codified the military's longstanding ban on homosexuals serving in the military. It was not the result of a knee jerk reaction but the steady work of the U.S. Congress which took into full consideration the needs of the services and the rights of individuals. Judge Nickerson's ruling is the ruling of a single judge in a single district and is not the consensus of the judicial community as a whole. It is not unusual for a case to be lost at the district level. The circuit courts are full of cases being appealed from district courts. The White House, the Department of Justice, and the Department of Defense all agree that an appeal is in order and will take place this summer. Many appeals are met with decisions which reverse the lower courts. We recently witnessed just such a reversal in the case of Joseph E. Steffan.

The law of the land is quite clear. In addressing this matter, Congress exercised its Constitutional prerogative, section 8, U.S. Constitution to—

> * * * raise and support Armies, * * * provide and maintain a Navy, * * * and * * * to make Rules for the Government and Regulation of the land and naval Forces.

In the process, Congress made a number of findings:

First, there is no constitutional right to serve in the Armed Forces.

Second, pursuant to the powers conferred by section 8 of article I of the Constitution of the United States, it lies within the discretion of Congress

to establish qualifications for and conditions of service in the Armed Forces.

Third, the primary purpose of the Armed Forces is to prepare for and to prevail in combat should the need arise.

Fourth, the conduct of military operations requires members of the Armed Forces to make extraordinary sacrifices, including the ultimate sacrifice, in order to provide for the common defense.

Fifth, success in combat requires military units that are characterized by high morale, good order and discipline, and unit cohesion.

Sixth, one of the most critical elements in combat capability is unit cohesion; that is, the bonds of trust among individual service members that make the combat effectiveness of the individual unit members.

Seventh, military life is fundamentally different from civilian life in that—

The extraordinary responsibilities of the Armed Forces, the unique conditions of military service, and the critical role of unit cohesion, require that the military community, while subject to civilian control, exist as a specialized society; and

The military society is characterized by its own laws, rules, customs, and traditions, including numerous restrictions on personal behavior, that would not be acceptable in civilian society.

Eighth, the standards of conduct for members of the Armed Forces regulate a member's life for 24 hours each day beginning at the moment the member enters military status and not ending until that person is discharged or otherwise separated from the Armed Forces.

Ninth, those standards of conduct, including the Uniform Code of Military Justice, apply to a member has a military status, whether the member is on duty or off duty.

Tenth, the pervasive application of the standards of conduct is necessary because members of the Armed Forces must be ready at all times for worldwide deployment to a combat environment.

Eleventh, the worldwide deployment of U.S. military forces, the international responsibilities of the United States, and the potential for involvement of the Armed Forces involuntarily to accept living conditions and working conditions that are often spartan, primitive, and characterized by forced intimacy with little or no privacy.

Twelfth, the prohibition against homosexual conduct is a long-standing element of military law that continues to be necessary in the unique circumstances of military service.

Thirteenth, the Armed Forces must maintain personnel policies that exclude persons whose presence in the Armed Forces would create an unacceptable risk to the Armed Forces' high standards of morale, good order and discipline, and unit cohesion that are the essence of military capability.

Fourteenth, the presence in the Armed Forces of persons who demonstrate a propensity or intent to engage in homosexual acts would create an unacceptable risk to the high standards of morale, good order and discipline, and unit cohesion that are the essence of military capability.

If there is any remaining confusion about the policy, the Department of Defense should ensure that all directives, implementing regulations, and teaching manuals are crystal clear. Homosexuality is incompatible with military service. Homosexuality has always been, and continues to be defined by conduct. Speech is conduct, for it is rational to conclude that members of the military who say they are homosexuals have a propensity to engage in conduct. The military should not be made to bear the risk.

I fully anticipate that the Supreme Court will carefully review the body of work Congress placed into law. I believe that the strong policy set forth in 10 United States Code section 654 will fully meet the constitutional test.

I agree with Senator NUNN that no additional legislation is needed at this time. The law is sufficient. I am confident the court will uphold that law.

Obviously we would tend to closely monitor these judicial proceedings, the implementation of department regulations, and the administration's defense of the current law. But the current law is sufficient, in my opinion. I would just assure my colleagues that we intend to pay very close attention to the implementation of that law—as was clearly expressed with solid majority support of this Congress, with the support of this administration.

I ask the Senator from Georgia if he has any additional comments?

The PRESIDENT pro tempore. The Senator from Georgia.

Mr. NUNN. Mr. President, I wanted to thank the Senator from Indiana for his statement this morning, which shows that we have a united view here. I know the Chair, the Senator from South Carolina, the chairman of the committee, also agrees with our view and has made that clear in his statement. So I think we have very strong consensus in our committee. I thank the Senator from Indiana for the tremendous amount of work he has done on this issue over the last years. He has been an extraordinary partner in dealing with a very difficult, sensitive issue, but one that is important to the U.S. military and our national security. So I thank him very much for his support.

Mr. COATS. I thank the Senator. Without his leadership I do not believe we could have been successful. It has truly been a bipartisan effort and the then-chairman of the Senate Armed Services Committee's leadership was invaluable to this process.

As I said it was the most extensive set of hearings and extensive investigation ever conducted on this subject or perhaps any other subject. That has been placed as a matter of record and is part of the law. I thank him for his support and leadership.

Mr. THURMOND. Mr. President, Judge Eugene H. Nickerson, a district judge for the Eastern District of New York, has rendered a decision in the Able versus United States case that declares a portion of the don't ask-don't tell policy in violation of the first and fifth amendments to the Constitution as it relates to six plaintiffs. While this is a narrow ruling, it is also, in my opinion, an incorrect ruling and must be appealed to the second circuit court. I have been assured by the Department of Defense and the Department of Justice that an appeal is being formulated and briefs will be filed in a timely manner. A decision from the second circuit could come as early as this fall.

The Senate Armed Services Committee and the Senate worked hard to craft a constitutional policy that protects individual rights and yet provides our fighting men and women with the right kind of environment in which to build the highest morale, discipline, and esprit in their units. I wish to remind all of you that we bear a tremendous responsibility to our men and women in uniform. They rely on us to make certain they are given every opportunity to survive in combat. It is our responsibility to provide them the best places to train and live, the best equipment possible and the very finest in care for their families. In addition, we must not do anything that could reduce the soldiers' most valuable asset—unit cohesion.

Today, Senator NUNN, Senator COATS, and I are addressing this recent court decision. We worked long hours producing the current policy and both of them agree with me that we need to let the judicial system complete its process. I am confident that the final decision will uphold the constitutionality of the new policy and that it will serve the military well.

MEASURE PLACED ON THE CALENDAR—H.R. 849

Mr. COATS. Mr. President, I understand there is a bill that is ready to be read a second time?

The PRESIDING OFFICER (Mr. ASHCROFT). The clerk will read the bill the second time.

The bill clerk read as follows:

A bill (H.R. 849) to amend the Age Discrimination in Employment Act of 1967 to reinstate an exemption for certain bona fide hiring and retirement plans applicable to State and local firefighters and law enforcement officers; and for other purposes.

Mr. COATS. Mr. President, I object to further proceedings on the bill at this time.

The PRESIDING OFFICER. The bill will be placed on the calendar.

The distinguished Senator from California is recognized.

Mrs. BOXER. Mr. President, I ask unanimous consent to continue for a full 15 minutes as in morning business.

The PRESIDENT pro tempore. Without objection, it is so ordered.

THE CONTRACT WITH AMERICA

Mrs. BOXER. Mr. President, I am down here on the floor of the Senate this morning, almost this afternoon, to talk about the celebration that is going to take place here at the Capitol by the Republicans on the House side, based on the 100 days after their so-called contract for America.

They are bringing the circus to town for this celebration. In one way, I think it is appropriate that they bring the circus to town because, as I watch the proceedings, part of my heart is still in the House of Representatives. I served their proudly for 10 years. It has been pandemonium over there, in one Senator's view; a barrage of activity into the wee hours of the morning. And, in my view, in many of these areas they have just gone too far, too fast, too sloppily. I think proof of that is the fact that the Senate has slowed down their momentum and I believe we will continue to do this as reasonable people in this body, regardless of party, look at their activity, think about their activity, review their decisions, and come up with more reasonable legislation.

An example of that, they sent over a moratorium bill which would have stopped regulations—all kinds of important safety regulations, for example—from going into effect. And this Senate never even took it up. They put forward a very sensible approach to regulations. That is just one example of how the Senate is slowing down the contract for America.

So in one way it is appropriate that the circus is coming to town. But on another level it is inappropriate because who loves the circus the most? Kids. And who gets hurt the most by the contract? Kids.

So, in some ways, to me, there is a real irony in bringing the circus to town and the kids to the circus to celebrate the contract which hurts the kids—perhaps more than any other group, although many of us get hurt by this contract.

Why do I say it is the kids had who get hurt? This is not rhetoric. This is not overstatement. This is fact.

I ask unanimous consent to have printed in the RECORD the cuts just in these rescission bills that are asked for, by the Republicans, that cut out kids, that hurt kids.

I ask unanimous consent to have this document printed in the RECORD at this time.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT ON S. 617, SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS—IMPACT ON CALIFORNIA

(By Senator Barbara Boxer)

S. 617 as reported by the Senate Appropriations Committee is a classic Hobson's Choice for California. My state stands in line at the livery stable, waiting for a horse to hire. When she gets to the stable door, the man in charge says ''take this one or none''. The problem is, the horse offered is a dangerous and destructive outlaw, one that's sure to throw her. So what does she do? Take the one offered so that she can get where she's going? Or reject it and walk? Mr. President, I conclude that California should reject this nag and take a walk.

The amendment offered by the Senator from Maryland, Senator Mikulski, is a far better alternative, and I am happy to have the chance to support it.

Let me explain for the record a few of the most egregious examples of why the bill as reported is a bad deal for my state.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS (CDFI)

The bill would rescind $124 million of the Fund's $125 million appropriation for FY 1995.

The CDFI Fund is important to California. More than 20 established CDFIs serve California citizens that otherwise would have no access to lending or financial services.

For example, the Low Income Housing Fund (LIHF), a large CDFI based in San Francisco, works to increase the amount of capital available for the development of affordable housing. The LIHF serves a wide range of financing needs that are not typically met by other lenders, including construction and gap financing and interest rate subsidies.

There are several new California CDFI's that are currently in the process of formation. For example, the Neighborhood Bancorp., a San Diego CDFI, was recently granted a charter from the Office of the Comptroller of the Currency and is raising capital from private investors.

The Fund helps these institutions raise the capital they need to provide services to distressed communities in California and across the nation.

The Fund was established last year. It got unanimous approval in the Senate and was passed by a vote of 410–12 in the House.

The Senate bill also rescinds:

$47 million from the Economic Development Administration (EDA). This program funds general economic development planning and infrastructure. Historically, California receives about 15% of EDA funds, or about $6 million. Communities use EDA grants to improve economic competitiveness and create jobs.

$27 million from the National Institute of Standards and Technology (NIST). Funds would be cut from the Manufacturing Extension Partnership Program (MEP), which provides small and medium sized companies with manufacturing assistance. The MEP is based on the highly successful Agriculture Extension program. There are currently MEP centers in Southern California that provide assistance to defense contractors seeking to diversify their businesses. Also, we hope to introduce a MEP in the Bay Area soon.

$93.5 million from the Base Realignment and Closure (BRAC) Account for 1993. This program funds closure related expenses for bases scheduled for closure in 1993. In California, such bases include the Alameda Naval Complex and the Mare Island Shipyard. The BRAC account funds environmental cleanup costs, moving costs, and new construction costs at bases receiving workload. The exact impact of this rescission is impossible to determine, but it is reasonable to worry that this rescission could delay the closing of California military bases.

ENVIRONMENTAL PROTECTION

The Committee bill would cut $1.2 billion from water cleanup infrastructure funding. $799 million of this cut would come from grant money to the States to help them establish revolving loan funds to finance drinking water improvements. This funding would be available to the states once Congress authorizes such state funds in a new Safe Drinking Water Act. The remaining $433 million would come from funds set aside for specific projects.

California's share of the drinking water fund under the current allocation formula would be $57 million. Specific California projects that would loose their FY95 funding include City of LA ($50 million), Mojave Water Agency ($10 million), Lake County ($2 million). California communities whose projects would be spared include San Diego, San Francisco, County of LA, Tijuana, and border cleanup near the New River.

The Committee bill would cut $100 million from the Superfund program. This cut would significantly slow cleanups at many of California's 96 Superfund sites, including the 18 closing and operational military bases on the Superfund list.

AGRICULTURE

The Committee bill would cut $1.5 million from a new USDA salinity research lab at the University of California at Riverside. This lab is designed to grapple with salinity and other runoff problems endemic to the kind of irrigated agriculture that dominates California agriculture. Such a funding cut would prevent the installation of the new labs equipment.

NATURAL RESOURCES

The Committee bill would cut $3 million from the Fish & Wildlife Service, effectively barring new listings of animal and plant species as ''endangered'' or ''threatened'' under the Endangered Species Act.

Timber Rider: An amendment attached to the bill would require the Forest Service (under USDA) and the Bureau of Land Management (under the DoI) to sharply increase ''salvage logging'' in western forests. Unlike the House version of this language, the Committee bill would not require a particular cut level. It would, however, effectively waive several important environmental safeguards.

Forest health is a problem in California and throughout the west, but this extreme approach threatens both forest ecology and cooperative efforts like the Quincy Library Group.

ENERGY

The Committee bill would cut $48 million from the Department of Energy's programs to boost energy efficiency. DoE cannot give a precise breakdown of how much of this funding California would loose, but the amount would be significant because of California's leadership position on the development and use of these technologies.

This includes a proposed $10 million cut from the program used by federal agencies to weatherize low income homes—a cut that will mean about 240 fewer weatherized homes under this program in California.

This also includes a $5 million cut from the Clean Cities Program which supports the purchase of clean vehicles by federal agencies to match such purchases by cities. The California cities affected by this lost funding include, Fresno, Sacramento, San Jose, San Francisco, Oakland, and Long Beach.

The Committee bill would cut $35 million from solar and renewable energy research

and commercialization programs. DOE cannot give a precise breakdown of how much of this funding California would lose, but the amount would be significant because of California's leadership position on the development and use of these technologies.

EDUCATION

$55.8 million would be rescinded from grants for state reform initiatives under the Goals 2000 law. California would lose over $6 million in federal funds which were to be used for innovative programs emphasizing math and reading.

$72.5 million in Title I finds for educating disadvantaged children. Title I funds are distributed by formula according to the number of poor children in a school district. California would lose $8.7 million in federal funds, affecting services to approximately 8,500 California students.

$100 million for the Safe and Drug Free Schools program for drug prevention and safety measures. California would lose $10 million. 97% of all school districts in California benefit from this program.

$69 million for teacher training under the Eisenhower Professional Development Program, which has a special emphasis on training in the areas of math and science. California would lose $7.6 million in funds.

$5 million for education technology programs to bring more computers to the classroom and help schools purchase software. California ranks 50th in the nation on the number of schools with computers in the classroom. California loses $500,000 in funds.

CHILDREN

$42 million for Head Start, a comprehensive preschool program for low-income children that combines learning with social services and parental involvement. Approximately 9,000 children nationwide would lose services.

$8.4 million for the Child Care and Development Block Grant which provides funding to states to increase the availability, affordability and quality of child care. California would lose approximately $840,000 and 240 California families would not get child care.

In San Diego County alone there are 11,633 families eligible for child care assistance under the block grant, but only funding for 1,646 children. The odds of getting off the child care waiting list are 1 in 14.

$35 million for WIC which provides nutrition counseling and food packages to pregnant and post partum women and young children through age 4. This cut won't remove any women and children from the rolls, but it will impede the expansion of the program. California would lose $6.7 million in funds and would be unable to expand the program to serve an additional 20,000 women and children.

NATIONAL SERVICE

$210 million for national service programs, the largest of which is AmeriCorps. Federal funds go directly to the states to support locally designed and operated programs addressing unmet needs in the areas of education, public safety, health, housing and the environment.

AmeriCorps members serve roughly 1,700 hours full-time over a year and receive an education award worth $4,725 which may be used to pay for current or future college and graduate school tuition, job training, or to repay existing student loans.

A cut of this size would severely impact the AmeriCorps program by eliminating over 2,000 slots nationwide. In California alone there are 2500 AmeriCorps members serving in approximately 18 programs throughout the state.

HOUSING AND URBAN DEVELOPMENT

Rental assistance

The Senate bill would rescind $2.4 billion from incremental Section 8 vouchers and certificates. California would receive a rescission of approximately $300 million—denying approximately 6,000 low-income families in the state housing assistance. Many of these families have been on wait lists for years.

The money rescinded was to be used for incremental increases in housing vouchers and certificates—nationally, 62,000 new households would have been able to get housing with this funding. HUD had set aside 12,000 certificates for women with children who are homeless—the fastest growing part of the homeless population. An additional 3,000 certificates (nationally) were to be used for housing assistance for homeless people suffering from the AIDS virus.

Public housing modernization

The Senate would rescind $835 million for public housing modernization. HUD estimates that Public Housing Authorities in California would lose $37.9 million under the rescission. Without the modernization money Public Housing authorities would be unable to upgrade below-standard housing.

HEALTH AND HUMAN SERVICES

State legalization impact assistance grants (SLIAG)

$6 million would be rescinded under the Senate bill—no similar rescission was made in the House bill. It is estimated that California would likely receive at least 40 percent of the money. The money would be used to promote naturalization and citizenship for the immigrants legalized under IRCA, by providing for civics and English education.

Immigrant education

Immigrant education programs would be cut by $11 million nationally. No similar rescission was made in the House bill. California would receive $4.4 million of this amount. The money is used to provide assistance to local educational agencies that have large numbers of recently arrived immigrant children—this includes legal and illegal immigrant children. States like California are the large beneficiaries of the program because of the large influx of immigrant populations. No ''head counting'' of children is required for the local educational agency to receive funding. In a sense, this program is a reimbursement to states to help offset the cost of providing education to illegal immigrant children since no distinction is made between them and legal immigrant children.

JOBS

The Senate makes bigger cuts in Job Corps than the House, eliminating 12 new centers, including those planned in San Francisco and Long Beach.

The Senate bill does not rescind money for the 1995 summer youth jobs, but does eliminate $871.5 million for 1996 summer youth jobs. California is due to receive $147 million for next summer.

Both House and Senate bills eliminate the Youth Fair Chance program, which provides grants for education and job training to poor youth in communities with high poverty. Los Angeles was due to receive $2 million and Fresno $1 million under the $24.8 million program nationwide.

Both House and Senate bills cut adult job training programs by $33 million of which $5.5 million would be rescinded from California programs.

The Senate bill rescinds $472 million from the year-round program for youth job training, higher than the House rescission of $310 million. Based on the impact to California from the House level ($53 million), the impact to the state from the higher Senate level would be about $80 million.

DEPARTMENT OF TRANSPORTATION

The bill cuts $1.3 billion in airport improvement funds, which are used for runway construction, signals and other airport improvements. The funds are fully discretionary so no specific California project is targeted. However, California received about 8.7 percent in FY93. Applying that proportion for FY95 would mean $113 million less for California.

Although the Senate bill eliminates fewer California transit projects than the House bill, it would still take $1.9 million from San Diego commuter rail, $8 million from San Jose commuter rail and $1.76 million for the Vallejo Ferry.

The Senate bill rescinds $2 million from the Vessel Traffic System, an updated traffic control system that would be installed in San Francisco and Los Angeles-Long Beach. A $4 million Coast Guard support center at the LA-Long Beach ports complex is also rescinded.

CORPS OF ENGINEERS

The Senate bill increases the amount rescinded for Corps of Engineers construction from $40 million to $50 million. No state breakdown is available but this is a major account for California.

Mrs. BOXER. Mr. President, let us look at some of them. Head Start? I thought we had a national consensus in this country that Head Start works. I thought we had a bipartisan agreement that investing in our children at a young and tender age to get them on the right road to learning worked.

Well, they cut Head Start. They cut the Women, Infants, and Children Program. As a matter of fact, they basically end the program. What did this program do? It gave nutrition to pregnant women who could not get that nutrition.

I said on the floor yesterday, I am so proud I am going to become a grandmother for the first time.

I call my daughter every day. ''Did you take your vitamins? Are you eating well? Are you gaining weight? Are you taking care of yourself?'' She has the best care because she is fortunate to have insurance.

What about the other pregnant women? They are bringing children into this world, into America. Do we not want them to be strong to avoid having to be in an incubator, to avoid having to have learning disabilities because they did not have prenatal care? I thought we had a consensus, a bipartisan lead, on that question. But no. They actually end the WIC Program as a national program, and they will let the States decide how they are going to do this. And by the way, competitive bidding goes out the window. It is a giveaway to the largest infant formula companies—the winners in that one.

Drug free schools? I thought we had consensus on drug free schools. The police come in and they work in the Dare Program and teach the kids to say no to drugs. They cut that. They are proud of that. They are bringing the circus to town to celebrate that they are cutting drug free schools.

School-to-Work Program—getting kids ready to go to work, those who do not go off to college. They cut that. They cut AmeriCorps. They kill the AmeriCorps Program. What is it? National youth service. I thought we had bipartisan consensus here in the Senate when we voted for AmeriCorps. Our young people go into the community. I have met these AmeriCorps volunteers. They work with the children. They work with the elderly. I even got a letter from the Red Cross saying, ''Please don't cut the AmeriCorps program.'' I am forwarding that to the majority leader because I know he likes the Red Cross. They use AmeriCorps volunteers. But they are going to eliminate AmeriCorps.

Summer youth jobs—jobs to teach our young people how important it is to be responsible. They cut that. They even want to do away with the Corporation for Public Broadcasting where our little kids could get quality programming like ''Sesame Street'', and ''Barney'', and the others, and zero out the National Endowment for the Arts that teaches those kids the arts, ballet, and music instruction. They are bringing the circus to town to celebrate their attack on the kids.

Do you know what the cruelest one of all is, throwing hundreds of thousands of disabled kids right off the roll, kids that would bring tears to your eyes. But they are bringing the circus to town.

Who is benefiting from all of these cuts?

I went to one school lunch program. A little kid came up to me. I will never forget it as long as I live. She said ''Senator, when they cut my school lunch program, where is the money going that they are saving?'' What a smart kid. What a smart kid. That is the question all of America should ask.

Where is the money going when you cut these programs? I have the answer. It is being voted on, as we speak, in the House. Do you know what the answer is? It is tax breaks for the wealthiest people in America. Hurt the kids, help the rich. That is the Republican contract. I will show you the chart. More than 50 percent of their tax cut goes to people over $100,000. A third of the tax cut goes to those earning over $200,000 a year. Who gets hurt? The kids, the middle class, the poor, Robin Hood in reverse, my friend.

How about the billionaire tax loophole? I have to tell you about this one. The Senate voted to eliminate a tax loophole that went like this. If you are a millionaire or a billionaire under the current Tax Code you can take all the money you earned and all the assets you have that you earned in America, you can renounce your citizenship, give up your citizenship as a citizen of the United States of America, get out of town and not pay a tax—tax dodgers who are millionaires, billionaires, and trillionaires. Those folks ought to go to the circus. They have a lot to celebrate—not the kids. But I do not think they are going to come out because they do not want anyone to know about this contract. It is not in their best interest. It is unbelievable to me that people would celebrate such a program.

Let us talk about some of the other winners and losers. How about the so-called legal reform? You know about the doctor who cut off the wrong leg of a patient? You read about that. You know about corporations?

You know about corporations that produce dangerous products like silicon breast implants, the Dalkon shield, intrauterine devices that make women sterile. Devices that hurt women, maim them, kill them. Well, under the so-called Reform Act, we cap the punitive damages on those corporations, so there will no longer be a deterrent out there to stop this.

How about the other legal reform? You all know about Charles Keating, how he called the senior citizens in and sold them a bill of goods. They thought their investments were secure. They thought their investments were federally insured. They were not, and they lost everything.

Well, under the so-called Legal Reform Act, by the Republicans, the victims of Charles Keating could never even get into the courtroom. Fortunately, for them, when Charles Keating stole their life savings, the Democrats were in charge of the Congress and we allowed them in the courtroom, and they collected. But now, under this contract, if you are a small investor, you can forget it. Your rights, if this Republican bill goes forward, will have been trampled. I think we will stop it in the Senate, but that is what they are celebrating over there, with the circus.

Corporate polluters are celebrating, too, because in that contract there is hidden language about a moratorium on regulations that will make our water safe and our air clean. We have had people die of a bacteria called cryptosporidium that got into the water supply. We have rules to control the water supply so no one else will die from that bacteria. Those controls would be stopped by the Republican contract, and they could keep on with these practices.

You know about the kids who ate hamburger meat and died from E. coli bacteria. There are rules to stop that. And the Republican contract says forget about those rules; let us have a moratorium.

So who wins? The polluters. Who loses? The people. And the Republicans are celebrating with the circus.

How about the flying public? We fly a lot here in airplanes. That moratorium over there in the contract would stop the FAA from issuing safety regulations.

We know that the safety of certain commuter airlines must be improved. There are several rules that have been proposed to bring them up to the standards of the larger planes, and in the Republican contract and what passed in the House, those rules would be stopped.

Let me tell you what else would be stopped:

> Inspection and repair of landing gear brakes for certain Airbus aircraft.

Airbus is an aircraft that is made in France. This rule was prompted by an accident in which an aircraft was unable to stop on a wet runway. The proposed regulation would ensure the safety of these aircraft, but the Republicans want it stopped. Who is the winner if that regulation is blocked? Airbus. Who is the loser? Any of us who get on those planes.

How about this regulation that would have been stopped:

> Replacement of certain bolts, nuts, washers that hold together parts of the wing flap.

They are celebrating with the circus while they want to stop these kinds of regulations.

Here is a good one. You do not have to have a degree in engineering to understand this one:

> Requiring measures to prevent the sliding cockpit side windows from rupturing in certain Airbus models. Failure to prevent the sliding cockpit side windows from rupture can potentially result in rapid decompression of the aircraft.

''Rapid decompression of the aircraft.'' Do you want to be on an aircraft when that happens? The Republicans are celebrating with a circus, while they try to stop those kinds of safety regulations.

Who loses there? The flying public. Anyone who goes in an aircraft. Who wins? Irresponsible companies that do not take care of their products.

I could go on, Mr. President, about the winners and losers in this contract. Deficit reduction surely is a loser, if they go ahead with this tax break. It is going to cost $680 billion over 10 years to the Federal treasury. I thought we had a bipartisan consensus for deficit reduction. It was a most important thing, but who are they are going to give that tax break to? The richest among us. Loser? The deficit reduction effort. Loser? The children.

The contract does not stop there. I thought we had a bipartisan consensus last year to put cops on the street. I thought we all agreed to put cops on the beat in the community; it was the cornerstone of the crime bill. But in the contract the Republicans want to slash all that, put it in a block grant, and let someone else decide. Who loses when there are fewer cops on the street? You and I, members of the community, the neighborhoods.

And while they are at it, they want to repeal the ban on assault weapons. How is that one? They want assault weapons back on the streets. Who loses? Only God knows who will be the next victim. My son lost his best friend at 101 California Street, an attorney with promise, a young man, married, hoping to have a family, shot down by a crazed gunman who went in and got

an assault weapon and shot eight people and killed my son's best friend John Scully. On that day, I swore to ban these weapons. Now we have to have the fight all over again, a fight that we thought was over, a divisive, difficult fight. And they are celebrating with the circus. I do not understand it.

Who else loses with the contract? Have you ever heard of the gag rule? That is another fight we already had—the gag rule. A poor woman goes into a family planning clinic and cannot be told her options if she is pregnant, cannot be told her options, cannot be told that she has a right to choose in this country. We fought that fight, and President Clinton lifted the gag rule. He said he thought women should have all the facts known and they should make their own choice. It is up to them to decide. It is a difficult choice, but a woman should be able to make that decision. They are celebrating over there. In their contract, they are bringing back the gag rule, treating women like second-class citizens, as if we do not know what could hurt us.

So it is very clear who the winners and who the losers are. The winners? The very wealthy who get tax breaks, the corporate polluters, the big infant formula companies, the criminals, those who oppose the right to choose. They win in this contract. Really, the billionaires who will walk out and renounce their citizenship to get a tax break are the big winners because we ended that tax break. And what happened in the Republican conference committee? They took that out. Who else wins? The broker-dealers who cheat, who do not take their fiduciary responsibility to their clients seriously.

Those consumers, those investors will have a court system that probably does not let them in the front door.

I believe in a system where David can meet Goliath in the courtroom and let the system work.

They believe in a system where David cannot get in the door. They have something in that contract called ''loser pays.'' It is an English system. It is not the American system. It says if you go into court and you lose, you pay the other guy's attorney's fees. How many of us as small investors would take that chance?

We are going to stop that here in the Senate, but it is in the contract. And the Republicans are celebrating with the circus.

So I hope, in this brief time, I have expressed clearly who the winners are and who the losers are. I can add to the losers the senior citizens, who will see Medicare cuts, huge Medicare cuts. And senior housing cuts.

We could not even get our Republican colleagues to protect Social Security when we took up the balanced budget amendment. We said, ''Take Social Security out of that and protect it.'' We could not get a vote. We lost it on a party-line vote.

So while the celebration is going on there with the circus, I just hope the American people will ask a question like that little girl asked me in school: ''Senator, what happens if you cut my school lunch? Who gets that money?''

I ask the American people to ask the question: Who benefits from this contract? And read the fine print, because they are not going to show it to you. You are going to have to work to find it out.

I hope that I have been of help in making the point that overall, this contract is not helpful to the American people.

Thank you very much, Mr. President. I yield the floor.

[Disturbance in the galleries.]

The PRESIDING OFFICER. The galleries will restrain.

Mrs. BOXER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BURNS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

WAS CONGRESS IRRESPONSIBLE? THE VOTERS HAVE SAID YES

Mr. HELMS. Mr. President, anyone even remotely familiar with the U.S. Constitution knows that no President can spend a dime of Federal tax money that has not first been authorized and appropriated by Congress—both the House of Representatives and the U.S. Senate.

So when you hear a politician or an editor or a commentator declare that ''Reagan ran up the Federal debt'' or that ''Bush ran it up,'' bear in mind that the Founding Fathers, two centuries before the Reagan and Bush presidencies, made it very clear that it is the constitutional duty of Congress to control Federal spending, though Congress has failed to do so for the past 50 years.

The fiscal irresponsibility of Congress has created a Federal debt which stood at $4,876,206,792,345.50 as of the close of business Tuesday, April 4. This outrageous debt, which will be saddled on the backs of our children and grandchildren, averages out to $18,510.16 on a per capita basis.

TELECOMMUNICATIONS REFORM

Mr. DASCHLE. Mr. President, yesterday, my colleague from South Dakota, Senator PRESSLER, stated on the Senate floor that the administration was working through my office to block consideration of S. 652, the telecommunications bill. This statement was flat out wrong, and while Senator PRESSLER subsequently corrected his statement for the CONGRESSIONAL RECORD, the press has reported the inaccuracy. This issue is sufficiently important that the mistake needs to be pointed out.

I have spoken with the Vice President concerning telecommunications reform legislation. The Vice President stated, as he apparently indicated to Senator PRESSLER, that the administration would like to see the bill improved in a couple of different areas. However, the Vice President did not ask, nor did I offer, to block consideration of the bill.

I am committed to passing a telecommunications reform bill, I am eager to see the benefits of technology and communications services—the so-called information superhighway—extended to all parts of this country, especially rural areas like my own State of South Dakota.

The telecommunications bill is sweeping legislation addressing complex problems, and highly technical subjects. While I have taken no steps to block the bill from coming to the floor, I sympathize with those of my colleagues who desire the opportunity and time to study it. With the Senate schedule set for the balance of the week, and with the time provided by the upcoming Easter recess, Senators will have the chance to evaluate the proposal in detail prior to its coming to the floor.

Again, let me reiterate, I have not sought to block consideration of S. 652. Our ranking member on the Commerce Committee, Senator HOLLINGS, stands ready to proceed. Indeed, as Senator PRESSLER noted, every Democrat on the Commerce Committee voted for the bill at markup.

I believe my intentions in regards to this matter are clear. I simply take this opportunity to reinforce my position that a telecommunications reform bill is among the most important legislation the Senate will consider this year.

THE 14TH ANNIVERSARY OF SHOOTING OF JIM BRADY

Mr. KOHL. Mr. President, today I would like to tell you a story about criminals and guns. It is about someone—let us call him John Doe because the B-A-T-F says it cannot disclose his identity—who in 1978 was convicted of criminal reckless homicide. He killed another driver while driving drunk. Although, as a convicted felon, John Doe was prohibited by law from buying guns, he purchased a handgun from a gun dealer in December 1993. Then, only 1 month later in January 1994, he purchased another. On both occasions he walked out of the gun store fully armed.

How could he do this? He lied on his forms and no one conducted a background check. A few weeks later John Doe tried to increase his arsenal yet again by purchasing a third handgun. But this last time he was caught—thanks to the background check that is now required under the Brady law.

Mr. President, last week marked the 14th anniversary of the vicious shooting of President Reagan and Jim Brady by John Hinckley. And last month marked the first anniversary of the effective day of the Brady bill.

Critics claimed that Brady would mark an end to personal freedom, and that felons and drug traffickers would never buy guns over the counter. But 1 year after enactment, the sky has not fallen. And the Brady law—for the most part—is accomplishing its goal: Keeping guns out of the hands of criminals and drug traffickers, while not unduly inconveniencing law abiding gun owners.

According to the Bureau of Alcohol, Tobacco and Firearms, over the past year in the 29 States covered by Brady, the law prevented approximately 40,000 firearms purchases. Indeed, when States with their own background checks are added in, B-A-T-F estimates that law enforcement denied up to 70,000 gun purchases in the past year. That means fugitives, rapists and murderers have been stopped while trying to purchase guns.

Statistics from my State support these conclusions. Wisconsin, which has its own 2 day waiting period and background check, has blocked more than 800 convicted felons from buying handguns in the past 3 years. And keeping guns out of the hands of criminals, Mr. President, is the most effective form of prevention—as well as the best way to ensure the safety of the community.

But while the background check and waiting period have stopped gun sales to criminals, authorities need to do more to prosecute the criminals who try to buy guns. CBS news found that only 551 people had been prosecuted in 19 States. And according to the Washington Post, fewer than 10 have been prosecuted federally. These figures just do not add up. We need to do a better job of putting these people behind bars.

In my opinion, if you lie on the Brady Act form you should go to jail. Period. That is the law.

Mr. President, the police chiefs, sheriffs and other law enforcement officers know the real truth: The Brady law has proven to be an effective tool in helping to keep handguns out of the wrong hands. And the American people agree: The latest CBS News/New York Times poll found that 87 percent support the Brady law.

In conclusion, Mr. President, on this anniversary all of us should express our gratitude and appreciation to Sarah and Jim Brady. We would not be where we are today without their hard work.

RECESS UNTIL 12:45 P.M.

Mr. BURNS. Mr. President, I ask unanimous consent that the Senate stand in recess until 12:45 p.m. today.

There being no objection, the Senate, at 12:18 p.m., recessed until 12:44 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ASHCROFT).

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, I understand the distinguished Senator from Hawaii wants to speak for 5 minutes. Let me indicate there are some negotiations going on back and forth between the leadership, myself, Senator DASCHLE, members of our staff, the presiding officer, and others. I think it is going to be at least, probably, another 45 minutes before we have any response. They presented us an offer, we presented a counteroffer. Hopefully, we can reach some agreement. If not, it will probably slow things down a bit.

My view is those who have not yet filed—I guess there is a 1 o'clock deadline for filing amendments—even though we may be in recess they be permitted to file their amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. After the remarks of the Senator from Hawaii, I ask unanimous consent that we stand in recess until 1:45.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Hawaii.

PRIVILEGE OF THE FLOOR—S. 678

Mr. AKAKA. Mr. President, I ask unanimous consent that Tom Menjin be granted the privilege of the floor while I give a statement regarding the introduction of a bill. Mr. Menjin is a Congressional Fellow in my office.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. AKAKA. I thank the Chair.

(The remarks of Mr. AKAKA pertaining to the introduction of S. 678 are printed in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

RECESS UNTIL 1:45 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 1:45 p.m.

Thereupon, the Senate, at 12:51 p.m. recessed until 1:44 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. GREGG).

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PRYOR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GORTON). Without objection, it is so ordered.

Mr. PRYOR. Mr. President, I ask unanimous consent that I may speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMPETITION AND THE PHARMACEUTICAL INDUSTRY

Mr. PRYOR. Mr. President, a year ago we were in the midst of a momentous debate in this institution over the reform of our Nation's health care system. At that time, one of my concerns was that dramatic changes were taking place in the prescription drug marketplace. A number of prescription drug manufacturers had begun to experience competitive pressures arising from the growth of generic drugs and managed care. But disturbingly, one of their strategies was to coopt or, if possible, eliminate the sources of that competitive pressure.

In the days that have followed, we have seen some extraordinary changes in the drug marketplace. There has been a wave of multibillion dollar mergers and acquisitions which, according to a recent issue in the Wall Street Journal, ''promises to create industry giants.'' This remarkable consolidation has profound consequences for American consumers.

A few days ago, in fact it was April fool's day to be exact, the Associated Press reported that corporate merger activity broke all records last year and extended its frenetic pace into the first quarter of 1995—with the drug industry leading the way.

Mr. President, in the past 3 months alone, the drug industry by itself has carried out some $23 billion in mergers and buying out their competition worldwide.

We read just the other day, for example, about Glaxo's $14 billion hostile takeover of Burroughs Wellcome, both major drug giants. This deal will create the world's largest pharmaceutical company, in the wake of other giant deals like Hoechst's anticipated $7.1 billion purchase of Marion Merrill Dow, American Home Products' $9.7 billion buyout of American Cyanamid and Hoffmann-La Roche's $5.3 billion acquisition of Syntex.

Brand name companies have also been investing heavily in biotechnology, generic and over-the-counter drug companies. Ciba purchased a $2 billion stake in Chiron, and SmithKline Beecham recently just bought Sterling for $3 billion. Hoechst spent a paltry half a billion dollars on a generic company called Copley.

These are remarkable figures, Mr. President. And if we simply add up the cost of just a sampling of some of these recent mergers and acquisitions, we will find that they total $54 billion.

In the last 15 months, $54 billion has been spent by giant pharmaceutical companies buying up and acquiring their competition. That is an interesting figure when we compare it to the research and development that is planned by the entire prescription drug industry for the year 1995: $14.9 billion

spent on research compared to $54 billion spent by the major pharmaceutical companies in acquiring their competition since the beginning of last year.

That is three and a half times what the entire industry is going to spend in research in 1995. This is an extraordinary difference. One would think that such large deals would leave these companies either in debt or strapped for cash. Mr. President, that is not so. These companies are so profitable and their pockets are so deep, Wall Street's Standard & Poor's concluded just a few days ago that the industry's ability to ''generate cash in excess of ongoing needs is likely to continue.'' And their generating that cash is going to continue because the consumer in the United States is going to continue paying the highest drug prices of any major country in the world today.

This is a far cry from the recent past. We may recall that just a year ago the industry was sounding the alarm about declining profits and research cutbacks. These companies claimed that they were under siege and out of favor with investors. A year and a half ago, these same companies warned that research would be choked off by health reform.

This is a statement by Merck in 1993: ''R&D will fall at least $2 to $3 billion over the next 5 years.''

Well, today, Mr. President, we are hearing a different story. This year, Bear Stearns says earnings growth will be ''the best we have seen in years'' for the drug industry. They are out spending $54 billion on mergers and we have to wonder how serious the threat to research ever was.

Well, Mr. President, why are they spending all of this money to buy their competition? Why are these mergers taking place? Let us look a little deeper.

Last month, the CEO of Glaxo put it quite simply. His company is trying to do ''nothing more than to wrench market power back from the administrators and the distributors who now hold the health care purse-strings.'' His company is responding to competitive pressures by focusing on its research portfolio.

But what if the brand name companies owned those administrators? What if the brand name companies owned those distributors? What if they not only wrench that market power back—they buy it outright? Who will hold the health care purse-strings at that time?

This is exactly what we are facing today in the United States. The drug industry's acquisitions have not been restricted to brand name or biotechnology companies. They have also included the country's largest pharmacy benefits management companies. We call these companies, PBM's. We are going to hear a lot in the future about PBM's.

What is a PBM? A PBM is hired by HMO's, by health plans, by major corporations, and by self-insured companies to administer their prescription drug programs. PBM's act as a buying agent in negotiating with the drug manufacturers, seeking deep discounts for their clients and in developing cost-saving formulas for their covered patients. They may also deliver medicine to patients through selected pharmacies or through mail-order.

In rapid succession, these PBM's have been snapped up by some of the biggest drug companies in the world. Only 2 years ago, April 1993, the PBM market was completely independent of the pharmaceutical manufacturers. Only 24 months later, in April 1995, SmithKline Beecham-Diversified, Merck-Medco, and now Eli Lilly-PCS would dominate 80 percent of the PBM market.

This is vertical integration, as clear a case as I have ever seen. Merck paid $6 billion for Medco Containment Services, one of the largest PBM's and distributors of drugs. SmithKline Beecham bought Diversified Pharmaceutical Services for $2.3 billion. Today, Eli Lilly is, as we speak, ready to close on acquiring a company called PCS, the Nation's largest PBM company, for $4.1 billion.

The prescription drug marketplace is being revolutionized. Before too long, there may only be a handful of major drug companies left. The major manufacturers of prescription drugs in this country are soon, Mr. President, going to have a lot less competition.

This kind of vertical integration between large manufacturers and distributors, however, is unprecedented. We can see what has happened in the last 24 months. It has had very different implications for consumers than the horizontal mergers and acquisitions so prevalent in today's headlines.

If Lilly is permitted to purchase PCS, the three largest PBM companies will belong to brand name drug companies that research, manufacture, and distribute drugs. These three PBM companies serve 94 million covered lives—80 percent of the total PBM market. A handful of drug companies will wield tremendous influence over which drugs are used by millions of American citizens. They will have the raw power—and they will use that power—to restrict access to needed medicines. They will possess a large share of the mail order drug business. They will exercise decisive leverage over their competitors' access to the marketplace.

This is why, Mr. President, these PBM's are being bought by the major manufacturing firms. They provide market power to a select few companies, precisely when the market has shifted beneath their feet.

Owning a PBM can switch sales to your own drugs. Owning a PBM can counteract the bargaining power of managed care. Owning a PBM can determine which generics you sell: your own or your competitors'. Mr. President, in short, ownership of PBMs by brandname manufacturers destroys all competition.

The brand name companies now admit it. In 1993, Merck said it expected to sell more drugs to Medco after it bought out the PBM. Merck's CEO at that particular time felt the company had to be in a position where ''We can be sure that we control the flow of our own drugs.'' In fact, at one point last year, Lilly and PCS had agreed to make PCS's previous owner, McKesson, the sole distributor of Lilly drugs.

This is growing evidence that these manufacturer-owned PBM's are doing what one would expect. They may no longer act as honest brokers. They may now be acting in the interests of their parent companies, not their clients. They may be favoring their parent companies by switching patients from one drug to another without explicit regard to their health.

Mr. President, these charges have been filed with the Federal Trade Commission. The FTC has heard from a wide spectrum of citizens, consumer groups, trade associations, manufacturers, distributors, Federal agencies, and Congress on this issue. The FTC has even heard these concerns from the brand-name companies who do not own PBM's or who are not about to own PBM's. As a result, the Federal Trade Commission is still reviewing the Lilly-PCS proposed acquisition and has reopened its investigation of the Merck-Medco and SmithKline-Diversified deals.

I have written on two occasions to the Federal Trade Commission about these concerns. On the first occasion, I was joined by my former colleague, the distinguished Senator from Ohio, Senator Howard Metzenbaum, who then chaired the Antitrust Subcommittee of the Senate Judiciary Committee. Our feeling at that time was that the Lilly-PCS merger would lay the capstone of an uncompetitive marketplace. There were already indications that the other two deals had eroded competition.

In November, the FTC confirmed our suspicions and proposed a consent order which established strict conditions over the Lilly-PCS deal. In the next several weeks, the FTC will either approve the consent order, revise the consent order, or seek an injunction blocking the acquisition.

The FTC is not alone in its scrutiny of these manufacturer-PBM deals. It is the Food and Drug Administration's responsibility to ensure that prescription drug marketing is fair and accurate.

When the Lilly-PCS deal was the subject of public comment, the Food and Drug Administration at that time expressed grave concerns over the potential for new forms of violative marketing and promotion. In fact, I recently read in the New York Times that the Food and Drug Administration has now had to warn Merck, SmithKline Beecham, and Eli Lilly ''not to put pressure on doctors to prescribe their drugs

for unauthorized treatment or to withhold sufficient disclosures regarding the risks of adverse side effects.''

What does this mean? It means that if you are one of the millions of Americans covered by these PBM's, your doctor may no longer be receiving impartial advice about which drugs to prescribe to you.

Let me raise another example of how improper marketing can degenerate into inappropriate care.

Two months ago, Eli Lilly & Co. participated in a depression awareness program at a local high school. This story was published in February by the Washington Post. While sponsoring educational programs might be a laudable endeavor, the students in this particular school and the teachers were furious with the company for ''turning an educational program into an extended commercial.''

What was the particular drug that the drug company was pushing on the students? Mr. President, 1,300 students listened to company representatives pitch their drug, and then they received pens, pads, and brochures embossed with the product name. The product that we speak of is, of course, Prozac.

Afterward, the principal felt that Eli Lilly ''shouldn't be pushing their drug program, especially not to children.''

One of the students explained, ''I was upset that I had to sit in an assembly for 45 minutes and listen to a plug for Prozac.''

Her mother added, ''The message my daughter came away with was pop a pill and everything is going to be all right.''

Let me say that Eli Lilly & Co. did apologize. They admitted their conduct was inappropriate. But imagine, if you can, the potential for such abuses when a manufacturer not only makes a drug, but they also market that drug, they advertise that drug, they influence HMO's to buy that drug, they collude with their PBM subsidiary to win contracts, and—if they have not gotten your business yet—they encourage the doctors with incomplete information to switch you, the patient, to their product.

To add insult to injury, the consumer may also have to pay more for their prescription drugs. In our market economy, we all know that if there is no competition, we pay higher prices. Competition brings down prices. Competition is good for the consumer. Today, the major drug companies of America are buying up their competition and the consumer is going to foot the bill.

If the PBM's have a vested interest in their owner's products, they will not necessarily be negotiating the best deal for their patients—and this is taking place in the midst of the industry's best pricing environment in years. Look at what Wall Street is thinking. Analysts expect drug price increases to be ''faster in 1995 than in the preceding 4 years.''

I am deeply concerned about the impact of these acquisitions. There is growing evidence that the PBM companies no longer act as independent or honest brokers for their clients. They are going to be acting as brokers for their parent companies who pay the bills. This can only lead to inappropriate health care and to higher prices for consumers, who are already paying some of the highest prescription drug prices in the world.

The FTC has now demonstrated due diligence in investigating the Lilly-PCS deal. The FDA has also signaled its concern over these marketing abuses. Consumers will undoubtedly benefit from this vigilance.

In a textbook-perfect market, competition prevails and the consumer benefits without such scrutiny. But in the real world's imperfect markets, we must sometimes intervene. That intervention is necessary now to guarantee that true competition takes place. It is my hope that we can prevent the anticompetitive practices which I have just described this afternoon.

Mr. President, I hope that we realize what is happening in the drug marketplace in the spring of 1995, and I only hope that we are not going to act too late.

Mr. President, I see another colleague seeking the floor. I thank the Chair for recognizing me. I thank the Senator from Pennsylvania for his patience. I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

FUGITIVE WELFARE REFORM

Mr. SANTORUM. Thank you, Mr. President. I rise to discuss the issue of a bill I introduced recently that I understand is going to be highlighted tonight on a Dateline/NBC telecast having to deal with the issue of fugitives—felons—who are not only running from the law, but under the law receiving welfare benefits, and under the law the police are not able to assert information from the welfare office to be able to help track this person down.

Believe it or not, that is exactly the issue that we are going to discuss and hopefully be able to remedy. I got into this in the House. I was Chairman of the Task Force on Welfare in the House of Representatives and was presented with a whole lot of information about some of the problems in the welfare system, and worked extensively putting together the House welfare reform package in 1993 and 1994.

This issue is while there have been a lot of partisanship with respect to the welfare issue and gnashing of teeth as to the mean-spiritedness of the welfare proposals that have been put forward, this particular area of the welfare bill has attracted broad bipartisan support.

When explained, most Americans—all Americans—support this kind of change. I have not heard of any organized opposition to the bill I introduced along with Representative PETER BLUTE from Massachusetts in the House or the one that was introduced here in the Senate.

The House of Representatives, in the welfare reform debate, debated this issue on the floor and it passed, I believe, unanimously on the floor of the House.

The bill now comes to the Senate as an amendment to the House welfare reform bill. Whether we bring it up, I hope this issue can be addressed, because I think it is important in not only reducing welfare fraud—and this is clearly welfare fraud—but also facilitating police operations in tracking down wanted criminals.

We know from the National Crime Information Center there are roughly 400,000 outstanding fugitive warrants in this country. As I say, believe it or not, a sizable portion of those fugitives are on welfare receiving food stamps or AFDC or some other welfare assistance, Federal welfare assistance. SSI is a big one, where they receive assistance from the Federal Government to help support their lifestyle while hiding from law enforcement authorities.

That is bad enough, but under current, law Federal and State law, law enforcement authorities are not able to contact the welfare offices to assert any information about this fugitive. Why? Because of welfare privacy laws. If a person gets on welfare they can collect their check, collect their benefits, and be completely immune from anybody ever finding out that they are on the welfare rolls. This is almost unbelievable. But that is, in fact, the case.

Now people may say, how many people are on this? Is this really a problem or is this an isolated case?

Let me first give Members the case. The case that really brought this to my attention was an article in the July 29, 1994, Pittsburgh Tribune Review.

I will read:

Fugitive Used Real Name for Welfare

James Brabham knew who he was. During a decade on the lam for a 1984 slaying in Pittsburg, he used at least five aliases and five Social Security numbers.

But when he went on welfare he used his real name—and his State-issued welfare card bore his current address and photo.

The cops who arrested him on Wednesday in Philadelphia saw the card when they asked Brabham for identification. They hadn't known he was on welfare.

''I'm sure it would have made things a lot easier,'' said Detective Joe Hasara of the Federal Fugitive Task Force in Philadelphia, one of the squads that for years pursued lead after dead-end lead searching for Brabham.

I went and met with the Federal Fugitive Task Force in Philadelphia. What they told me was absolutely amazing. They believe from the 90-some fugitives they have caught since

the task force has been put together the last couple of years that 75 percent of the people they have tracked down had welfare cards. Seventy-five percent. They have no way to go and find out the information about what their current address is, what their Social Security number is, or even a photograph.

In Cleveland, the Fugitive Task Force ran a sting operation—one of these things where a person gets free things and they invite only certain people and they catch the folks who show up—33 percent of the people who showed up at this sting operation had welfare cards.

Again, because of court decisions and the Welfare Privacy Act, they had no way of contacting or getting this information from the welfare office.

People may say, ''OK, these folks have welfare cards. But how many of them use their real name?'' I asked that of the Philadelphia Fugitive Task Force. I said, ''How many use their real name?'' They laughed, and they said almost all of them use their real name and real Social Security number.

I said, ''Well, why in the world would they do that?'' The answer is, because they do not want to lose their benefits. They do not want to be accused of a welfare problem, and they can get in trouble for a whole bunch of other things, so they use their real name and real Social Security number so they can get the benefits. It is a very good source of the true name and the true Social Security number of people who are on the lam.

Now, what we have suggested in this legislation is to permit law enforcement agencies that have a fugitive warrant to be able to go to a welfare office and say ''Look, we would like to know if John Doe is in your file and, if so, we would like the address of John Doe, we would like the Social Security number of John Doe, and we would like a photograph of John Doe.''

People wonder why we need a photograph. In the original legislation I proposed in the House, I did not have ''photograph.'' But the Fugitive Task Force in Philadelphia said this is very helpful information because a lot of times they have fugitives who are first-time felons, and they have absolutely no idea what they look like. So this gives a current picture to be able to track this person down. It is very helpful information.

Now, again, this is a bipartisan bill. There is bipartisan sponsorship on the bill here. We hope that this is a measure that can sail through the House, whether we do a welfare reform package or not, and it passes again, this is something we can do to eliminate a welfare problem that we know is occurring.

People who are fugitives are not permitted to be on welfare. Again, there is no way of checking that. And, number two, to give police officers the opportunity to track these people down and get better information.

There is another part of the bill I will briefly discuss, and that is another situation we found out about from our hearings on welfare in the last couple of years, which is the definition of what ''temporarily absent'' is from a home.

We have situations where we have parents who have children who are on AFDC, whose children end in jail for long periods of time, or run away from home for long periods of time, or are in detention, or a whole lot of other things, but they are out of the house.

If they are out of the house for any period of time the welfare benefit that goes with the child—that is where most of the welfare cash goes and other benefits go—should cease to the mother or the parents—not necessarily the mother.

There is no definition in most States as to what ''temporarily absent'' means, so we provide a definition of how long a child should be away from home to determine whether that person is temporarily absent, or in fact, permanently absent. It they are permanently absent, they lose their welfare benefits.

We have seen situations where parents have collected welfare benefits literally for years when kids are in jail, and they keep collecting the money, because the State has never determined what ''temporarily absent'' means. That, we believe, is an abuse that can be stopped.

Again, this provision had bipartisan support and we hope will be so supported here in the U.S. Senate.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent to proceed as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE BILLIONAIRES' TAX LOOPHOLE

Mr. KENNEDY. Mr. President, I hope that we will soon be able to vote in the Senate on the unjustified tax loophole that exists for billionaires who renounce their American citizenship in order to avoid taxes on the wealth they have accumulated as Americans.

This reform was first proposed in President Clinton's budget on February 6. The Senate Finance Committee closed this loophole as part of its action on the bill to restore the health care deduction for small businesses.

The committee took this action to close the billionaires' loophole, despite the fact that the revenue gained was not needed to pay for the health care deduction in the bill. In fact, the committee recommended that these revenues be used for deficit reduction. This is exactly the type of action necessary if we are serious about achieving a balanced budget.

According to the revenue estimates in the committee report, closing this loophole would raise $1.4 billion over the next 5 years, and $3.6 billion over the next 10 years. Clearly, substantial revenues are at stake.

Too often, we close tax loopholes only when we need to raise revenues to offset tax cuts. In this case, the committee closed this flagrant loophole as soon as it was brought to the committee's attention—and rightly so, because this loophole should be closed as soon as possible. The Senate bill did so, and all of us thought the issue was settled.

Yet the legislation came back to us from the Senate-House conference, and the loophole had reappeared. This outrageous tax break for two dozen or so of the wealthiest individuals in the country will remain open.

We have been told that the loophole was preserved because of unanswered questions about whether closing it would violate U.S. and international laws on human rights. But it certainly does not. All citizens of the United States have a basic right to leave the country, live elsewhere, and relinquish their citizenship.

Any and every citizen surely has the right to repatriate. Closing the loophole would not prevent any individuals from shifting their assets and their citizenship to a foreign country. Rather, it would just make sure that those who have amassed great wealth through the U.S. economic system pay their fair share of taxes, as the rest of us do. It is a provision which a dozen other countries have enacted for the same reasons.

Prof. Detlev Vagts of the Harvard Law School has said,

> The proposed tax does not amount to such a burden upon the right of repatriation as to constitute a violation of either international law or American constitutional law. It merely equalizes over the long run certain tax burdens as between those who remain subject to U.S. tax when they realize upon certain gains and those who abandon their citizenship while the property remains unsold.

Andreas Lowenfeld, a professor of international law at NYU said,

> I am confident that neither adoption nor enforcement of the provision in question would violate any obligation of the United States or any applicable principles of international law.

Michael Matheson, a legal advisor at the State Department said;

> This provision does not conflict with international human rights law concerning an individual's right to freely emigrate from his or her country of citizenship . . . a state, in order to protect its interests, may impose economic controls on departure as long as such controls do not result in a de facto denial of an individual's right to emigrate . . . These are comparable taxes to those which U.S. citizens or permanent residents would have to pay were they in the United States

at the time they disposed of the assets or at their death.

Clearly, there is ample support in U.S. law and international law for closing this loophole. Yet, the provision was dropped in conference.

This is all happening, of course, at the same time that we are cutting Federal funds for basic investments in the future of children, students, and working families. Funds for school lunches, education, housing, and other vital social services are all being drastically cut, at the very time our Republican colleagues have decided that this tax break is not flagrant enough to be terminated immediately.

In fact, the conference report on this tax legislation was called up for debate last Friday, just as the Senate was beginning debate on our Democratic amendment to restore some of the harshest cuts in the pending appropriations bill.

Our Democratic amendment contained several key provisions:

We wanted to restore nearly $800 million in cuts in housing programs and in job training programs for young Americans.

We wanted to restore $210 million in cuts in the program to encourage young Americans to participate in national and community services.

We wanted to restore $100 million in cuts from the drug-free schools program.

We wanted to restore $72 million in cuts from education programs for disadvantaged students.

We wanted to restore $67 million in cuts from the Goals 2000 program for local school reforms.

We wanted to restore $42 million in cuts from Head Start, and $35 million in cuts from nutrition programs for expectant mothers and infants.

The contrast in priorities is impossible to ignore. Give every benefit of the doubt to tax loopholes for a few billionaires. Rush to enact spending cuts that jeopardize education, nutrition, and job training for large numbers of children, students and working families.

Yet when it comes to closing a totally unjustified tax loophole used by wealthy citizens who renounce their citizenship to avoid taxes, House Republicans say, ''Go slow; this needs more study; we shouldn't act in haste; perhaps this loophole has some merit we don't know about.''

Nonsense. I wish that our colleagues would show as much solicitude for millions of deserving Americans struggling to make ends meet, as they are now showing for a handful of undeserving billionaires willing to insult America to evade their fair share of taxes.

This amendment will put the Senate squarely on record in favor of closing this gaping loophole in our tax laws. The amendment has two clear provisions:

The first subsection states the Sense of the Senate that Congress should act as quickly as possible to amend the Internal Revenue Code to close this loophole.

The second subsection makes clear that the effective date of any such action should be February 6, 1995.

The February 6 date is the effective date in the original Senate Finance Committee amendment, and it is also the date of the original proposal by President Clinton to close this loophole.

Clearly, everyone has been on notice since February 6 that this loophole is likely to be closed. It would be unconscionable for anyone in Congress to attempt to delay the effective date to enable a few more wealthy Americans to squirm through this notorious loophole before it finally snaps shut.

Finally, all of us must be vigilant as well to see that this important reform is not watered down behind closed doors before it reappears in its next incarnation.

We know what happened last time. We know that the smartest tax lawyers money can buy will be quietly undermining this reform in any way they can, in order to salvage as much of this billionaires' loophole as possible.

Two good measures of the seriousness with which Congress resists that special interest pressure will be maintaining the effective date of February 6, and maintaining the revenue gain anticipated from the provision in the Finance Committee bill.

Obviously, the revenue estimates may be refined as the Joint Tax Committee and the Treasury Department obtain more information on this insidious tax avoidance practice. But refining the estimates is not the same as reducing them because the reform has been weakened.

A useful measure of the strength of this reform is contained in a comparison of the revenue estimates prepared by the Treasury for the President's February 6 budget, and by the Joint Tax Committee for the Senate Finance Committee's report on March 20 on H.R. 831, the small business tax bill. I ask unanimous consent that a table containing those revenue estimates may be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE.—REVENUE ESTIMATES FROM CLOSING THE BILLIONAIRES' TAX LOOPHOLE

[Dollars in millions]

Year	Revenue gain	
	President Clinton's budget	Senate Finance Committee report on H.R. 831 [1]
1995	$0	$47
1996	60	144
1997	200	197
1998	300	257
1999	410	322
2000	530	392
1995–2000	1,500	1,359
2001–2005	(2)	2,274
1995–2005	(2)	3,633

[1] Estimates based on ''modified version of administration's revenue proposal.''

[2] Estimate not provided.

Mr. President, it basically summarizes on the revenue gain under President Clinton's budget submission from 1995 to the year 2000 some $1.5 billion. The Senate Finance Committee is $1.359 billion, and then the Senate Finance Committee goes on from 1995 to the year 2005 to be $3.6 billion.

Although the committee's revenue estimates are based on a modified version of the administration's proposed reform, the estimates are generally similar, and the total revenue gains in the two estimates for the period 1995–2000 are within about 10 percent of each other. Clearly, it is reasonable to expect that at least this much revenue will be gained by closing this loophole.

The most significant difference between President Clinton's proposal and the Finance Committee bill is that President Clinton's proposal would close the loophole not only for U.S. citizens, but also for wealthy resident aliens who renounce their residency status and leave the country to avoid taxes.

The Senate Finance Committee proposal closes the loophole only for U.S. citizens. There is no obvious reason why the loophole should be closed for one type of billionaire and not the other. They have amassed great wealth in America, and they should not be permitted to escape their fair share of taxes by renouncing America. It is time to close this loophole tight—no ifs, ands, or buts, and no escape hatches for anyone.

I urge the Senate to approve this amendment, and to send a clear, simple message once and for all to any wealthy tax-dodgers who are scheming to renounce America—''Good riddance, but you can't take it with you!''

Just a final two thoughts. As I mentioned during my brief remarks, this debate is coming at a time when the minority leader is attempting to restore the cuts under the rescissions. That means that these moneys have already been appropriated. The Appropriations Committee has made a recommendation. It has perceived that we are going to cut the Voluntary Community Service Program, and the Drug Free Schools Program, which is so important to our young people. It also includes funding for safety in our schools.

As I mentioned on previous occasions, we have had long and good debates with good bipartisan support. We are trying to do something about the increasing incidence of violence that is taking place in our schools. We are attempting to restore some $100 million to the program that will help and assist schools at the local level to deal with the problems of violence and substance abuse in their schools.

Title I of the education bill, which was debated here, and has strong bipartisan support—try to bring some focus and attention to disadvantaged children by providing extra help and assistance to them—we have changed that program, is a good program with

strong bipartisan support. We want to make sure that the funding for that program that was included in last year and which local school districts have been depending on will not be pulled out from underneath those young children.

The Goals 2000—again with bipartisan support—each 5 percent of this money, or $67 million, will actually go to the local school districts which are interested in reform; strengthening the academic achievements and accomplishments of young Americans. It has the broad support of the education community and of the parents, teachers, the business community that are in support of the Goals 2000 program.

The Head Start Program, which we revamped and rechartered just over in the last Congress, and had strong bipartisan support, virtually unanimously reported out of our committee and the strong support in appropriating the funds, this represents about a quarter of a reduction in the increases for the Head Start Program. Only about 38 percent of all of our young people get any Head Start Program. We extended the Head Start Program from zero to four to recognize that the recommendations of the Carnegie Commission report that talked about the importance for the nurturing and nutrition, particularly in the early years, and the relationship between that kind of a tension and the academic achievement of children. Now, as is increasingly apparent, we need the kind of support that Head Start provides for that early intervention. We have responded to it. There are school districts all over the country that are depending upon that funding. We should not pull the rug out from the Head Start Program.

The Women, Infants, and Children's program, the $35 million for expectant mothers that do not have the financial resources to get the adequate nutrition to make sure that we are going to have healthy babies, this program has been tried, tested and reviewed. It should not be cut back.

The School-to-Work program, where we have seen a new basis of trying to do something for the 70 percent of our young people that do not go on to higher education. They are the ones who have been too often left out and left behind. We have a good program that again has bipartisan support. This program will be reshaped and adjusted under the leadership of Senator KASSEBAUM and others to be a basis for the whole youth training program. We should not abandon that program.

The child care program, a modest program that only addresses about 4 or 5 percent of the total needs of child care for working families, working mothers primarily, we should not deny that kind of very important support system for working mothers, particularly those that are in the entry-level jobs and the modest income. We know that child care takes up anywhere from a quarter to a third of the income for working mothers. This provided some help and assistance on the basis of need for mothers primarily, but also for single fathers, primarily for single mothers so that they can go out and work and be a part of our whole economic system.

The other programs we have referred to in terms of housing and the youth training are mentioned here.

These are all worthwhile programs that have been tried, tested and evaluated, and in which the local communities—primarily the teachers, the parents, the students—have been depending upon for support. We want to restore education and children's programs.

Against that, Mr. President, we have $1.4 billion that otherwise would be regained for the Federal Treasury, $3.6 billion over a period of 10 years. It is extraordinary to me that, if we are attempting to try to represent the best of what is in the interest of the working families in our society, it is such a compelling case for the support for these programs and such a compelling case to capture the legitimate responsible resources that should be paid in by these billionaires, it is amazing that we have to spend the amount of time that we have had to to get a favorable vote on the Daschle amendment or to get the vote on the billionaire tax break. We have been trying since last Friday to get a vote on that billionaire tax break. We have worked out a procedure by which we will be able to, after we conclude to vote on matters which have been described as at the majority leader's request. This issue is not going to go away. We are going to get a vote on this measure. They may be able to frustrate us by 1 day or a few hours. But we will yet get a vote on that. I hope it will be overwhelming. I hope it will be unanimous. The majority leader has indicated his support for that program, the chairman of the Finance Committee, and Senator MOYNIHAN has indicated his strong support, Senator BRADLEY, and others.

There is no reason in the world why we cannot send the message to the House, which evidently is the reluctant partner in this proposal, that the Senate of the United States is virtually unanimous in support of this proposal. We need to do that. I hope we have the earliest opportunity to do so.

Mr. President, I am sure the American people are wondering why we cannot take action on that particular proposal. I am sure they are wondering why the proposal was dropped in the conference in any event. But they understand what is the issue before us, and hopefully we can have clear, resounding, overwhelming support, hopefully universal support, for that particular proposal.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ABRAHAM). Without objection, it is so ordered.

Mr. SANTORUM. I ask unanimous consent to speak as if in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANTORUM. I thank the Chair.

NO ACTION IN THE SENATE

Mr. SANTORUM. Mr. President, we are waiting around. Probably lots of people are wondering what we are doing while the House of Representatives is storming along at a rapid pace, accomplishing an enormous amount of work here in the first 100 days. They are over there right now trying to pass a tax bill—a tax-cut bill, not a tax increase. You get a tax bill around here and you think to reach for your pocket. No, this is a tax-cut bill.

I actually wonder why the people are here. The action is over there. The action is not here. We are waiting here. We are waiting and waiting and waiting and waiting. What are we waiting for? We are waiting to hear from the leaders on the Democratic side as to how much more money they want to spend this year—not how we can get to a balanced budget but how much more money they want to pack into this appropriations bill, not how we are going to get the budget down to zero but how much more we are going to spend this year.

And I can say that I speak for a large body of people on this side of the aisle who question the sincerity of folks who during the balanced budget debate got up and said, ''I'm for a balanced budget. I am just not for a constitutional amendment to balance the budget. But I am for a balanced budget. We have the power to make these tough decisions. We have it right now. The power is within us. We can do it. We do not need some phony baloney constitutional amendment to get us to face the tough decisions of getting this country back on track. We can do it.''

And so they used that argument and the phony baloney about Social Security to oppose the balanced budget amendment. Well, as a sports announcer in Pittsburgh likes to say, ''The turkey is on the table.'' Right here is a spending cut proposal, a proposal that funds California disaster relief assistance that they need but makes further rescissions, cuts in spending, for this fiscal year and next fiscal year.

So what do we see? We have seen for the past 2 weeks a filibuster. Oh, no, you will not see it called that in the national media. They would not dare call anything that the other side of the aisle is doing a dilatory tactic. They are delaying and delaying and delaying so we do not get this bill passed. This

is the game. The end game is do nothing. Let us not pass a rescission bill. Let us not cut spending. Let us not put a downpayment on deficit reduction. Let us, as the leaders of the other side want to do, trot out an amendment to spend more money.

And so what are we doing? We are waiting. We are waiting—the unwritten story of the first 100 days. I have not seen it anywhere. It is absolutely unbelievable to me. The unwritten story of the first 100 days is not that the House accomplished so much and what happened to the Senate? The unwritten story is the filibustering, delaying tactics of the minority in the Senate to stop what the November election was all about. That is what is going on here.

You want to point to the folks who are trying to derail the train from happening in this country? Look across the aisle. Look at the empty desks. Look at the folks who want to delay, delay, delay. They know if they delay this bill over the recess, a lot of these spending cut proposals go away. Why? Because they are spending cut proposals for this fiscal year. And by the time we get back in May a lot more money will be spent because we are another month and a half into the fiscal year. And so the longer they wait the less we can cut. They know this. And so that is what is going on. Delay, delay, delay. Do not give anybody success. God forbid that we have any bipartisan effort to try to achieve anything around here. Let us play the partisan game of delay, and then stand up and say, ''Geez, these folks can't get anything done around here,'' when the fact is they do not want to change Washington. They do not want to change Washington. They built Washington, and they like it just the way it is. And any time you touch any of their sacred cows, oh, you are mean-spirited. You do not care about people. I care about kids born today who will be saddled, if we do nothing to reduce this deficit—and that is what this bill is all about, reducing the deficit—if we do nothing to reduce the deficit, who will be saddled with 82 percent tax rates—82 percent tax rates over their lifetime, 82 percent of everything you earn goes to the Government to take care of people.

That is the message here in Washington today: You just give it to us and we will take care of everything you need. Folks, that has been rejected all around the world.

It is just incredible to me, it is incredible to me that the very people who blocked the balanced budget amendment will now come to the floor and stop any further deficit reduction.

How can you justify that in your own mind, unless, of course, you are not really for deficit reduction, not really for a balanced budget in the first place.

I do not have any problem—and there are several Senators who come up to the floor, and I give them a lot of credit, who come up to the floor and looked into these cameras and looked around at their colleagues and said, ''I'm not for a balanced budget. I think the Federal Government can be just fine running a deficit and we will be fine.''

That is being intellectually honest. I do not agree with it, but there is a body of economists out there who believe we can run a deficit and disaster is not impending. Again, I do not agree with it. I think the weight of the evidence is contrary to that. But at least they have the courage to come to the floor and say they do not want to do it.

But quit double-crossing the American public by putting out these passionate speeches about how much you want to get this budget into balance and how the children of this country need it, and when the chance comes where the pedal is supposed to be put to the metal and the rubber hits the road, we call off the race. We decide, no, no, no, we cannot do that. Oh, we cannot cut that program; oh, no, we cannot cut that program. ''You know, oh, no, well, this is only .003 percent of the budget. You cannot cut that; I mean, it is so small. Why would you want to cut that?'' Or, ''We have got a brand-new program of AmeriCorps, which is a great program.'' Of course, we have increased funding on that. You can go down the list.

I mean, how is the American public going to take this institution seriously? I mean, they are going to look at what happens here and they are going to say, ''Wait a minute.''

Are we really serious about solving problems? What were we elected to do here? I do not think we were elected in the last election just to come down here and keep doing the same old thing. We were not elected to do the same old thing. We were elected to make changes. We were elected to get our house in order.

And now we have this debate going on between the leaders of the Democratic side and us, the Republican side, about how much more they want to spend. And, do you know something? We made a proposal. We said, ''OK. You want to spend $1.3 billion more''—that is what they came up with, $1.3 billion more—''fine.'' We made an offer. We said, ''How about if we give you half of what you want. You give us half of what we want, we will give you half of what you want. We will split the difference, and let us do the bill.''

That is the art of compromise. I mean, not just here in Washington, but in everyday life. I mean, we do not always get everything we want. Sometimes you have to sit down and you have to have minds meet.

And so we said, ''Let's hear the reasonable offer.'' Now, that is what we are debating right now—whether a reasonable offer will be accepted. Let us just each meet each other half way. In the end we will have a $15 billion deficit reduction. You can restore the programs that you say will jeopardize the health and safety of so many millions of people. We do not agree with that, but you are passionate about it. Let us put the money back in. We will provide some offsets—in other words, some spending cuts—to pay for these programs and we will be able to put it back together and move the bill.

The leader just walked on the floor. I mean, the leader is spending day after day after day trying to get things done around here. All we have is people obstructing, obstructing, obstructing, obstructing, obstructing.

Let us not let these folks succeed in what they want to do. My goodness, if they accomplish the Contract With America, the American public may actually like them; may actually support what they want to do. They may actually vote for them in the next election. We cannot have that. We cannot have them vote for them, because that means they will vote against us. And if they vote against us, then we will not be here. And if we stall, if we delay, maybe—maybe, maybe—we will be able to cloud the issue up enough, muddy the waters enough, that they will blame all of us. Since there are more of them now than there are of us, we will be OK. We may lose a little bit, they may lose a little bit, but we will not really get hurt.

That is the strategy. That is what is going on here in the U.S. Senate.

You know, I ran for U.S. Senate and I was told this was the upper Chamber, a more deliberative body, where, you know, you had statesmen actually come here and do what was right for the country—do what was right for the country—not worry about partisan advantages or playing politics, but do what was in its best interests of this country.

And so what we have seen is the House of Representatives follow through with a promise they made to America. They promised the American public that they were going to do these 10 things. Imagine that. Imagine. Politicians making promises. Oh, we have heard a lot of promises from politicians around here. All over the campaign trail, we make promises.

But think of this: Politicians who made promises who lived up to their promises. Is not that amazing?

That is exactly what they are doing over in the House of Representatives. These 10 things they said we were going to bring to the floor of the House of Representatives and, darn it, did they not? Every single one of them came to the floor for open debate, for amendments.

And, do you know what? After today, when they vote the tax bill—which I understand is supposed to pass—they will have passed 90 percent of the Contract With America. Not only did they live up to the promise of bringing all the stuff to the floor—and that is what the contract said, we will bring it to the floor. They brought it to the floor not saying, well, we are going to promise a tax cut and then bring a tax bill that was a tax increase. No, no. No bait and switch here. No ''read my lips''

here. No middle-class tax cut that turned into a middle-class tax increase.

But elected officials, people in Washington, Congressmen, who actually lived up to what they said they would do. Amazing. Amazing.

And so here we are in the U.S. Senate, looking at the model over there, and saying, ''Boy, wouldn't it be nice if we could come to the U.S. Senate floor, and we could stand up''— and we do not have to vote in lockstep with the House. I would not suggest it. It is a different body; different rules; different procedures; and different ideas.

But to stand here and play politics and delay on an issue that is—of all the issues that we are dealing with here in Washington, the one that is highest above all is getting our financial house in order. That is what the American public want us to do. They want us to get our house in order.

And so, we have our first chance, right here—the first spending cut bill since the balanced budget amendment. The first chance for the U.S. Senate where the vote of the balance budget amendment occurs, right here—all of us, all 100 of us were sitting in our chairs. We stood up one at a time.

It was a very impressive moment for a young—I know the Presiding Officer, the Senator from Michigan, was just as impressed in casting that vote. It was a very awe-inspiring moment.

But we lost. And we lost because of the argument that we did not need the amendment to force us to make tough decisions. OK. Fine. You say we do not need the amendment. We do not have the amendment.

Now we have the tough decisions. And where are we? We are nowhere. We are waiting and waiting and waiting and waiting and waiting. And they are delaying and delaying and delaying, just like they did—you know, the amazing thing is they just are not delaying on this bill. The Democrats have delayed on every bill—every single bill. Even bills they liked.

I have heard the leader stand up here many times and say, you know, we passed a bill here earlier in the year, the congressional accountability bill, that makes us live by the laws here in Congress that we impose on other people's lives around America. It was over a week of debate, of delay, of dilatory tactics. It passed 98 to 1—98 to 1. It took us better than a week. It took the House an hour—98 to 1.

The next bill was the unfunded mandates bill, another bill that passed 86 to 10, 2 weeks or more. Two weeks of endless debate, delay. Why? Did they disagree? Of course not, 86 to 10. Was the bill changed a lot? No.

So what was the point? What was the point there? Why did we do that? Why did we go through that? Why have we gone 2 weeks on this rescission bill?

Are there a lot of amendments substantive to the bill? Oh, a couple.

Have we had lots of interesting debate? Some.

Have there been agreements to move the bill along, to actually come to votes on some of these things? No, no; we cannot do that. Well, tomorrow we have a vote on cloture on this bill. Cloture means to end the debate. Let us get this thing done. Let us end the debate tomorrow and let us stay here and finish the bill. We will see how many of these deficit hawks, these people who really are concerned about getting the deficit under control—and I will guarantee you, every one of the people delaying this bill will go back home to their States over the recess and talk about how they are for deficit reduction; how they are for changing Washington; how they want to make things different here; how this just happened to be a bad bill; how this just went a little too far.

Folks, this is $15 billion in deficit reduction—excuse me, $15 billion in spending cuts and deficit reduction. That is out of $1.6 trillion, and this goes too far? Get serious. Nobody believes it goes too far. These are the decisions we have to make that we are no longer forced to make, that we are not going to be forced to make because the balanced budget amendment did not pass.

So the unwritten story, the story that may be written here—I hope not—but the story that may be written here in the next couple of days is going to be how 46 Senators conspired to stop the train, did everything they could, everything they could to make sure that elections do not matter. That is right, that elections do not matter; that what people on November 8 said is irrelevant, that it did not happen. Denial and hope that if they just keep muddying the waters, if they just keep deflecting away the real issues before us, that maybe they will just blame the whole lot of us and not them.

I had to come out here today and just say the buck stops there. You want to change Washington? You know where the change has to happen. It is very simple. Do not let all these cries about, oh, how this is going to be so terrible—offer your amendments. You want to put back money for WIC? I will offer an offset. I will pay for the increase, and I will vote with you. I will increase money for WIC—Women, Infants, and Children. I have no problem with that. That is a good program. We will put more money back in. You will get a lot of Republicans to vote for that. Just come up with the money to offset it. Just pay for it. Keep the deficit reduction at the same level so if you want to add in $50 million for it, fine, we will take $50 million out of, oh, let us pick the AmeriCorps Program and offset it.

Set your priorities. Is that not what you want us to do? Do you not want us to set priorities? Do you not want us to say this program is more important than this program? We, obviously, would love to give all the money to every program and everything we want to do. But as everybody in America, maybe outside of 46 people in this room, believes and knows, we do not have all the money to give for everything. So we have to set priorities.

Let us set them. Come on down to the floor. Offer those amendments. Put that money back in for WIC. I will be right there with you. Take the other programs you say are just outrageous cuts; come on, let us talk about them and let us set priorities. Let us offset that money. Let us do it. Let us show the American public we really do care, that the deficit is really important.

You have the chairman of the Budget Committee here, the Senator from New Mexico. I know he cares about the budget. I know his family has not seen much of him because that is all he is doing probably is working on how to get to that balanced budget, and he is making a lot of tough decisions. Folks, we are ready to make the decisions. You told us in the balanced budget debate you were ready to make the decisions. Why are you not here? What is the problem? Is it just politics? Is it just partisanship? Do you not want to come here and solve problems? We deserve better. This institution deserves better.

Eleven freshmen Republicans did not come here to let the status quo continue. You want to fight; you do not want to come here and make things happen. We are ready. We are ready. We will stand here as long as it takes. We are ready to do battle.

We are ready to let the American public decide what direction they want this country to take: More spending, more Government, more power, more control in the hands of the people in Washington; or more money, more power, more control, more freedom in your hands on Main Street, America? That is the issue. We are ready. We are waiting. And we will wait, and we will wait, and we will wait.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I want to commend my friend from Pennsylvania, the new Senator, for his remarks, and I hope that I have a few minutes. I inquire what the parliamentary situation is, Mr. President?

The PRESIDING OFFICER. Morning business has been closed, but if the Senator seeks consent, he can speak as in morning business.

Mr. DOMENICI. I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

WORKING TOGETHER TO SAVE MEDICARE

Mr. DOMENICI. Mr. President, I want to talk today to everyone in this body and every American who will listen and, in particular, senior citizens across this land, because something is happening that we are not paying attention to and we ought to be doing

something about. I want to share it with you.

Again, I repeat, I hope the senior citizens, who themselves are concerned about the future, will pay heed to what occurred the day before yesterday when the trustees of the Medicare program issued their release with reference to the status of this fund. The trustees of Medicare released their 1995 annual report, Mr. President, on the hospital insurance trust fund. This looks like yet another boring Government report. But the information contained within it is singularly alarming. The information contained in this report affects the lives of all Americans, and has an immediate effect on the lives of senior citizens.

I want to read from the cover letter that was sent with this report:

> The Medicare hospital insurance trust fund is expected to be exhausted in the year 2002. While the status of the HI trust fund has thus improved slightly since last year, it still does not meet the board's test of short-range financial adequacy.

Translated, this means Medicare is going bankrupt 7 years from now. It will not have the money in the fund to pay the hospital bills of seniors then in the hospitals of America expecting their bills to be paid under the current Medicare program. If we do nothing, Medicare part A, that portion that pays for hospital benefits, will run out of money in the next 7 years.

I rise today to tell my colleagues and the American people that we must work together to save Medicare from bankruptcy.

This is not one part of America's problem. It is not a Republican problem, a Democrat problem, an independent problem. It is everyone's problem.

We will look at why Medicare is going bankrupt. As we can see on this chart, the bottom line is flat. This line represents the money coming into the trust fund from payroll taxes on current workers in the United States.

The amount of money we are projected to pay out for Medicare is going to continue growing. The top line represents money we are going to spend on Medicare benefits. The Congressional Budget Office, our official scorekeeper, tells Members that Medicare outlays are projected to grow more than 10 percent each year. That means if we leave programs like they are, if we leave the delivery system like it is, that program will go up 10 percent a year in cost.

This is unsustainable. The trend is obvious. The black line is the trend of 10 percent a year. I do not think we can afford to let Medicare spending continue to grow more than 10 percent every year. If we do, the consequence is absolutely and unequivocally and simply that Medicare will go under.

I, for one, will strive diligently not to let that happen. I hope many Senators from both sides of the aisle and many House Members from both sides of the aisle will help Members keep that from happening.

My hope that the President would help do that is dwindling rapidly. I will share with the U.S. Senators why I believe that is a fair conclusion.

I cannot sit by and let it happen because I have promised the people of my State I would protect Medicare. To do nothing and leave the program alone is not to protect it. If I do nothing as a Senator, and if we do nothing, it will go bankrupt. Therefore, my commitment and promise requires that we act to save this system. I am not about to let it go bankrupt in 7 years.

There are some other interesting facts in the trustees' report that I believe should be spread out here in the Senate, and for those who are interested, through the networks that tell the people what we are saying, this report says, if we do not change our projected Medicare spending and if we want Medicare in long-term balance, if we want to put it in that position, we would have to raise payroll taxes by 3½ percentage points. The report says that.

I note my distinguished friend from New York is present and I hope I do not misinterpret anything in the report.

Mr. MOYNIHAN. No, sir, you do not.

Mr. DOMENICI. In other words, if we do not change the slope of this top line, which represents 10 percent per year growth, we are going to have to raise the bottom line. That means raising the current HI payroll tax from 2.9 percent to 6.4 percent. That is 120 percent increase. Those are not my numbers, their numbers. Those charts were telling the status of this.

Our other option, obviously, is to slow the growth of Medicare spending by changing the system or changing something within the system.

What else do these trustees say? They say:

> The HI program is severely out of financial balance and the trustees believe that Congress must take timely action to establish long-term fiscal stability for this program. The trustees believe that prompt, effective, decisive action is necessary.

They did not say wait until after the next election. They did not say wait 3 years. They did not say it is too tough, so do not do it. We asked them to tell Members what to do, and they are saying, ''Congress, change it, fix it, and fix it now.''

These trustees are urging Congress to act. They are telling Members to save Medicare. They are telling Members that Medicare part A is going to go bankrupt in 7 years.

I have said that five times. Before I am finished, I hope to say it three more times. Perhaps we should say it 10 times a day until some people in this Congress, besides a few, decide that we must fix this now.

I want to read from another report. Last year I served on the Bipartisan Commission on Entitlements and Tax Reform, cochaired by current Senator BOB KERREY and retired Senator JACK DANFORTH. Thirty of the 32 members of the bipartisan commission signed the interim report to the President. He asked for it. We sent it to him. I want to read finding No. 6 from that report.

> To respond to the Medicare trustees' call to action and ensure Medicare's long-term viability, spending and revenues available for the program must be brought into long-term balance.

Not the black line and the green line and the monstrous wedge, or differential, but so that the lines on the chart are one.

Let Members make no mistake about it. If we pass the President's budget, the highly touted budget of the President, Medicare will go bankrupt in 7 years. The President's budget did nothing on Medicare. The President's budget proposed three tiny changes to the program. These changes have no effect on those lines.

Secretary Shalala testified before the Budget Committee—I believe the distinguished occupant of the chair was present—2 months ago. I asked her what the administration intended to do about Medicare. She said they would wait until the new trustees' report came out before they made a recommendation. So the Secretary, representing the President, 2 months ago said, ''Let's wait until the report.''

Now, of course, there is something slightly funny about all of this. I have not told Members who the trustees are. The trustees are Shalala—Secretary Shalala. She is one of these trustees. Treasury Secretary Rubin is another of these trustees. Labor Secretary Reich is a third member. Out of the six Medicare trustees, three are Cabinet Secretaries to this administration. The fourth also works for the administration.

So, would we not think that the administration Cabinet Secretaries would recommend some specific action, Mr. President? Ultimately, they do not. Instead, they recommend that we create an advisory counsel that will provide information to help lead to the effective solutions to the problems of the program.

The Cabinet Secretaries are apparently recommending that we continue to study the problem, that we engage in a study program instead of changing the program.

Now, however, I want to tell Members the difference between citizens who do not represent this administration or any Members of Congress who are on this board who are trustees, I want to tell Members what they have to say, Mr. President. Citizens understand reality.

I want to turn to trustees Nos. 5 and 6. These are public trustees, two citizens who do not work for the Government but have given their time over the past 5 years to this Nation. I understand by party affiliation one is a Democrat, one is a Republican. In any event, I thank them profusely. Their names are Stanford Ross and David Walker. Mr. Ross and Mr. Walker have been trustees for Medicare and the Social Security for the past 5 years. They

have been trustees during both the Bush and Clinton administrations. They are nonpolitical, private citizens charged with working in the best interests of senior citizens and our country. Most important, they do not answer to the White House.

In the past, Mr. Ross and Mr. Walker have issued their own statements. Believe it or not, the trustees issued a report and the citizen members issue their own report in the back of the book because they do not agree with the public members.

So, what do they have to say? I want to read some of these two public trustees' statements into the RECORD.

The Medicare program is clearly unsustainable in its present form.

Further quote:

With the results of last Congress, it is now clear that Medicare reform needs to be addressed urgently as a distinct legislative initiative.

Continuing the quote:

The idea that reductions in Medicare expenditures should be available for other purposes, including even other health care purposes, is mistaken.

Why do I quote that? I will tell you a little more about that in a moment. Continuing on:

The focus should be on making Medicare itself sustainable, making it compatible with Social Security, and making both [of them] financially sound in the long term.

That is the end the quotes. Now, my own conclusions from that.

That is what public, nonpolitical trustees say we should do about Medicare and that is exactly what I hope we are going to do. I would be quick to add, as Senator CHAFEE has pointed out, when Congress increased taxes on Social Security benefits in 1993, it devoted the increased revenues to this HI trust fund. Therefore there should be no doubt, if we now repeal that increase we would be lowering the amount of money going into this HI fund, causing the system to go bankrupt even sooner.

We must enact comprehensive Medicare reform to make Medicare financially sound now. And we must do that so it will be manageable and sound over the long term. We must make it sustainable and do that now. We must act to preserve the system, to ensure that our senior citizens receive Medicare today and will continue to receive it in 7 years from now. There is nothing magical about it. We have to do something. If we do not do anything it will be bankrupt. Current seniors for the next 5 or 6 years will get their hospital bill paid as per the law, but thereafter they will not.

What kind of public servants and leaders are we, if we do nothing again? So I am committing today that the U.S. Senate Budget Committee is going to mark up a budget resolution. After we return from this recess that will get done. At least from my standpoint, as chairman, I commit to a blueprint that not only achieves balance in terms of our fiscal house, but also addresses this critical problem. In order to make Medicare financially sound and a financially sound program once again, Congress will have to follow.

I made a comment that I did not follow up on, where I said the nonpolitical trustees, the two who are not Members of the President's Cabinet, said that Medicare savings should be used—Senator GORTON—to make the program solvent. Not to pay for something else.

One might say, ''Who intends to spend them for something else? What are you talking about?'' I suggest the President ought to let us know what he has in mind. He proposed a $130 billion in Medicare savings 2 years ago. He did not help with this, not one bit. Because he spent the money. He spent it to cover other people with health care coverage problems. I submit that one of the reasons the President of the United States did not put Medicare reform in his budget is because he intends to use Medicare reform savings to pay for health care reform, not to put it on the deficit. I submit we ought to have that debate.

We ought to ask the American people: Do you want to make this program solvent as it should be, or do you want to take savings that you can get from reform and decide we are so rich we can just spend it on another program? That is simple and that is oversimplification, but it is the real question. Some will say, Senator DOMENICI, it is not that simple. We need to cover all the other people who are not covered and it will ultimately help this program. But to tell you the truth, that is very, very difficult to understand. It is very difficult to figure we are really going to do that someday.

So I submit in the next 6 months this body, the U.S. Senate, has a real chance to vote on whether they are going to make this program for future senior citizens and those who have been paying into this fund for a long time, this 2.9 percent—for those, are we going to make it solvent or not? I believe there is a way to do it without a huge amount of pain. I might just suggest it is amazing that the two programs, big programs in health care that are still on a hell-bent-for-bankruptcy growth line are the two programs the U.S. Federal Government still runs.

There are no other programs that are growing at 10 percent a year. Go ask businesses, are they paying 10 percent more, year after year, for insurance coverage for their employees? They will tell you no. It was 14 percent or 15 percent 3 years ago, but it is down to 4 and 5 in some cases. In fact, we got a report the other day, some of them that were growing at 12 or 13 percent are now down at no growth, getting the same coverage. Why? Because they are trying new delivery systems. They are trying managed care. They are trying health maintenance organizations. They are trying those kinds of delivery systems which everybody knows are inevitable.

But we hang onto Medicare and we lead our senior citizens to believe that they are only going to get good health care if we keep the system that the rest of the public is beginning to say does not work, it is too expensive. So that is why we can fix this and we can fix it without denying our senior citizens good, solid health care. And the programs must continue to grow because we know health care for seniors cannot be a zero sum game.

So I thought we ought to tie in, today, sort of the first presentation of the issue with reference to fiscal policy. If you do not want to fix this you probably do not want a balanced budget and, more important than anything else, you probably do not want to do anything very difficult to get to a balanced budget.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I ask unanimous consent I may proceed as in mornings business.

The PRESIDING OFFICER. Without objection, it is so ordered.

TURKEY MUST WITHDRAW

Mr. PELL. Mr. President, on March 23, together with Senators KERRY, FEINGOLD, and SNOWE, I submitted Senate Resolution 91 condemning the Turkish invasion of Northern Iraq. Since then, Senators BIDEN, D'AMATO, SARBANES, and SIMON have become cosponsors. With such strong bipartisan support, I hoped to move this resolution to Senate passage. Until today, I had intended to offer it as an amendment to the pending legislation. Given the fluidity of the floor situation—particularly the difficulties involving the Jordan debt amendment, and the need to send that matter to the President as soon as possible—I think it best not to offer a foreign policy amendment to this bill.

I remain deeply concerned, however, about Turkey's continued military operations in northern Iraq, and I wish to address that subject now. In the past several days, I have had occasion to pursue this issue at the highest levels of both the United States and Turkish Governments. I have had an exchange of letters with both the President and the Secretary of State, and just this morning, I and other members of the Foreign Relations Committee met with the Turkish Foreign Minister.

Specifically, I am disturbed by Turkey's continued military presence in Iraqi Kurdistan, and by the Government's unwillingness to set a date certain for withdrawal. Turkey should withdraw now.

While I appreciate Turkey's legitimate desire to combat the terrorist threat posed by the PKK, I believe the military action in Northern Iraq goes beyond mere self-defense, and furthermore offers virtually no prospect of eradicating PKK terror. The vast majority of terrorist attacks in Turkey

are carried out not from Northern Iraq, but from inside Turkey itself. Turkey's repressive treatment of its own Kurds has forced thousands of civilian Kurds to flee to Northern Iraq. This has made it easier, in fact, for a small number of PKK terrorists to use civilian settlements in Northern Iraq as cover.

The Turkish incursion puts at risk thousands of Kurdish civilians living in Northern Iraq. To my mind, the Turkish incursion is a violation of international law, that must be brought to an end.

Furthermore, reports indicate that Turkey has made difficult access to areas of the conflict to representatives of international relief organizations, such as the International Red Cross. At a minimum, Turkey should take immediate steps to ensure the protection of innocent civilians and refugees. It also appears that Turkey has restricted journalists' access to critical areas of the conflict.

I must say that I took small comfort in the thought that Turkey is arranging tours for journalists and that it must place limits on access to the ICRC to ensure that the PKK does not receive assistance. I believe that the ICRC has vast experience in these matters, and certainly is as capable as the Turkish Government in determining how best to assist civilians caught in the fighting.

I will say that in my consultations with the U.S. Government on these matters, I have been pleased to see an acknowledgment of—and a concerted effort to—address my concerns. The President has assured me that United States officials in Washington and Ankara are pressing Turkey daily to protect innocent civilians and to withdraw at the earliest possible date.

The Secretary of State acknowledges that Turkey has been denying access to journalists and nongovernmental organizations, and informs me that the United States is working at the highest levels to rectify this situation. I am pleased to learn that United States embassy officials are visiting Iraqi Kurdistan this very week, and that Secretary Talbott and Secretary Holbrooke will travel to Ankara where they will pursue our concerns. I await their reports anxiously.

I welcome the apparent shift in the administration's approach to the troubling aspects of the invasion. The administration seems much more willing to question Turkey's motives and behavior, and to confront Turkey on these troubling issues. Although I still intend to pursue adoption of my resolution at the earliest practical time, I do believe U.S. policy is moving in the right direction.

I yield the floor.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I am glad that my distinguished colleague, the Senator from New Mexico is still on the floor.

If I got the message of the distinguished chairman of the Budget Committee, it is that President Clinton is not doing anything while Medicare is going broke.

Mr. President, that is about as topsy-turvy as you can get it. the truth of the matter is that Presidents Reagan and Bush were the ones who did nothing while we spent ourselves blind. It was the Congress—Republicans and Democrats—who overwhelmingly voted for the Reagan tax cut in 1981. This particular Senator, Senator Mathias, and Senator BRADLEY were the only ones to vote against those tax cuts and also vote for the spending cuts. We were trying to hold the line and pay the bill.

At that particular time, we did not have hundred billion dollar deficits. We had suffered during the 1970's when the impact of the OPEC cartel sent our country into a recession. In response, we had an economic summit with President Ford, and eventually worked our way down to a $57 billion deficit when President Reagan took office.

But after the Reagan tax cuts, we saw the first $100 billion and the first $200 billion deficit. Then, under President Bush, we saw the first $300 billion deficit. Before he left town, if you didn't use the surpluses in the trust funds to mask the size of the deficit, the red ink rose to over $400 billion.

So President Clinton did not cause this problem. What did he do about it? Very admirably, he came to town and put all his political cards on the table, saying that you cannot get on top of this deficit unless you control health care costs.

In his first budget as President recommended cuts in Medicare and Medicaid which the Senate adopted to the tune of $63 billion. Every Republican voted against these cuts. The distinguished occupant of the chair was not here. He may have been over on the House side where we did not get a Republican vote either. In the Senate, the Vice President had to break the tie. The President then followed up with his health care package containing additional Medicare and Medicaid reductions that the distinguished chairman of the Finance Committee, Senator MOYNIHAN, labeled as ''fantasy.'' At the time Republicans took great pride in attacking the President, but to his credit he stuck to his guns.

Mr. President, the purpose of my rising this afternoon is to remind my colleagues of that piece of history. If the chairman of the Budget Committee wants to stand on the floor of the Senate with a big chart showing the deficit going up, let us remember that President Clinton did not start that line up. We did, long before the gentleman from Little Rock, AR, even came to town. Indeed, before President Clinton arrived the line would be even steeper.

Against all of this criticism of the President for ''taking a walk'' or ''waving the white flag,'' I want to get right to the heart of my rub with the chairman of the Budget Committee. I read: ''accepts the President's proposed reductions in the Medicare program and indexes the current $100 annual part B deductions for inflation. Total Medicare savings would reach $80 billion over the next 5 years.''

That is the chairman of the Budget Committee, outlining the ''GOP Alternative Deficit Reduction and Tax Relief Plan,'' just last April.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GOP ALTERNATIVE: DEFICIT REDUCTION AND TAX RELIEF—SLASHING THE DEFICIT, CUTTING MIDDLE CLASS TAXES

The Republican Alternative Budget will reduce the deficit $318 billion over the next five years—$287 billion in policy savings and $31 billion from interest savings. This is $322 billion more in deficit reduction than the President proposes and $303 billion more in deficit reduction than the House-passed resolution contains.

Moreover, the GOP alternative budget helps President Clinton achieve two of his most important campaign promises—to cut the deficit in half in four years and provide a middle-class tax cut. The GOP plan:

Reduces the deficit to $99 billion in 1999. This is $106 billion less than the 1999 deficit projected under the Clinton budget.

Even under this budget federal spending will continue to grow.

Total spending would increase from $1.48 trillion in FY 1995 to more than $1.7 trillion in FY 1999.

Medicare would grow by 7.8-percent a year rather than the projected 10.6-percent. Medicaid's growth would slow to 8.1-percent annually rather than the projected 12-percent a year growth.

It increases funding for President Clinton's defense request by the $20 billion short-fall acknowledged by the Pentagon.

Provides promised tax relief to American families and small business:

Provides tax relief to middle-class families by providing a $500 tax credit for each child in the household. The provision grants needed tax relief to the families of 52 million American children. The tax credit provides a typical family of four $80 every month for family expenses and savings.

Restores deductibility for interest on student loans.

Indexes capital gains for inflation and allows for capital loss on principal residence.

Creates new incentives for family savings and investments through new IRA proposals that would allow penalty free withdrawals for first time homebuyers, educational and medical expenses.

Establishes new Individual Retirement Account for homemakers.

Extends R&E tax credit for one-year and provides for a one-year exclusion of employer provided educational assistance.

Adjusts depreciation schedules for inflation (neutral cost recovery).

Tax provisions result in total tax cut of $88 billion over five years.

Fully funds the Senate Crime Bill Trust Fund, providing $22 billion for anti-crime measures over the next five years. The Clinton budget does not. The House-passed budget does not. The Chairman's mark does not.

Accepts the President's proposed $113 billion level in nondefense discretionary spending reductions and then secures additional

savings by freezing aggregate nondefense spending for five years.

Accepts the President's proposed reductions in the medicare program and indexes the current $100 annual Part ''B'' deductible for inflation. Total medicare savings would reach $80 billion over the next five years.

Achieves $64 billion in medicaid savings over the next five years, by capping medicaid payments, reducing and freezing Disproportionate Share Hospital payments at their 1994 level.

Achieves additional savings through reform of our welfare system totaling $33 billion over the next five years.

Repeals Davis-Bacon, reduces the number of political appointees, reduces overhead expenditures for university research, and achieves savings from a cap on civilian FTE's.

Mr. HOLLINGS. Now, Mr. President, what galls my friends on the other side of the aisle is that the President of the United States did not give them a ball to run with this year. They thought the President might want to be harassed again and would propose another multibillion-dollar plan. Why go through that act again? Instead, he understandably said, ''If you have a better way to do it, you do it.'' But rather than doing it, they come here with the false representation that the President of the United States has done nothing about Medicare. In so doing, the Republicans are making a feeble attempt to justify the enormous Medicare cuts that will be part of the Republican plan.

But we have seen their record on preserving the Medicare Trust Fund. One of the major proposals in the Contract With America would repeal recent changes in Social Security and would result in bankrupting the Medicare trust fund. If there is any movement around town to really make sure that Medicare goes broke quicker than 2002, it is to be found in the Contract With America.

The pundits on the weekend programs need to tell the American people the truth, namely that the entire contract is eyewash. Like a hurricane, as we learned down home, you just have to let it blow on through.

When all fanfare and fireworks are over, it does not create one single job, and it does not pay one single bill. It is all symbols and no substance. Unfortunately, the media treats the entire Government like spectator sport up here, finding out who is on top, and who won this particular vote, without focusing on the long term to find out where we are headed.

Mr. President the inference I took from the comments I heard earlier was that the President was not being responsible. In fact, it is we members of the Budget Committee who have not been responsible. The law that says by April 1 the budget should be reported out of the Senate Budget Committee and by April 15 it is supposed to become law.

Here it is April 5. The Budget Committee has not even started its work on the budget resolution and, yet we are running around with tables, charts, contracts, and hoopla. All symbols, no substance; all process, no product.

In December, Mr. KASICH, chairman of the House Budget Committee, told us on ''Meet the Press'' that we were going to have three budgets. In addition, we were going to have spending cuts and put them in the bank before we got any tax cuts.

Mr. President, we do not have the spending cuts, but in the House today, they are voting on tax cuts. And where are the spending cuts that they promised? In January I put in the RECORD a list of spending cuts and an illustrative glide path to balance the budget by the year 2002.

(Ms. SNOWE) assumed the chair.

Mr. HOLLINGS. We computed that you had to have at least $37 billion in cuts to put us on that glidepath of Government in the black by the year 2002.

That does not take into measure any tax cuts. You are going to lose another $189 billion over 5 years, if the House succeeds with their tax cut. I was asked earlier this morning about the tax cut. I said, ''A tax cut really means a tax increase.''

They said, ''That is doubletalk. What do you mean?''

I said, ''You have to think it through. The first thing your Government did this morning at 8 o'clock was go down to the bank and borrow 1 billion bucks and add it to the debt.'' That is interest costs. They should more appropriately be called interest taxes in that they cannot be avoided. We are adding it to the debt which is now rapidly approaching $5 trillion bucks. Gross interest costs now total $339 billion and, with rising interest rates, it will soon surpass $1 billion a day.

Thus, if you care to have a tax cut for the middle class, you have in reality burdened the middle class by increasing interest taxes and driving ever skyward, the Federal debt.

The contract is a political exercise designed to make it look like we are thinking about the middle class when in reality we are depriving the middle class. You are doing it to them, not for them, when you pass that tax cut.

I cosponsored a bill earlier this year, along with the Senator from Wisconsin, saying that we oppose the tax cuts would rather any savings be used to reduce the deficit. I am glad the Senate now has gone on record to that effect.

I ask unanimous consent, Madam President, to have printed in the RECORD at this point, dated January 23, the truth in budgeting proposal.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HOLLINGS RELEASES REALITIES ON TRUTH IN BUDGETING

Reality No. 1: $1.2 trillion in spending cuts is necessary.

Reality No. 2: There aren't enough savings in entitlements. Have welfare reform, but a jobs program will cost; savings are questionable. Health reform can and should save some, but slowing growth from 10 to 5 percent doesn't offer enough savings. Social Security won't be cut and will be off-budget again.

Reality No. 3: We should hold the line on the budget on Defense; that would be no savings.

Reality No. 4: Savings must come from freezes and cuts in domestic discretionary spending but that's not enough to stop hemorrhaging interest costs.

Reality No. 5: Taxes are necessary to stop hemorrhage in interest costs.

	1996	1997	1998	1999	2000	2001	2002
Deficit CBO Jan. 1995 (using trust funds)	207	224	225	253	284	297	322
Freeze discretionary outlays after 1998	0	0	0	−19	−38	−58	−78
Spending cuts	−37	−74	−111	−128	−146	−163	−180
Interest savings	−1	−5	−11	−20	−32	−46	−64
Total savings ($1.2 trillion)	−38	−79	−122	−167	−216	−267	−322
Remaining deficit using trust funds	169	145	103	86	68	30	0
Remaining deficit excluding trust funds	287	264	222	202	185	149	121
5 percent VAT	96	155	172	184	190	196	200
Net deficit excluding trust funds	187	97	27	(17)	(54)	(111)	(159)
Gross debt	5,142	5,257	5,300	5,305	5,272	5,200	5,091
Average interest rate on debt (percent)	7.0	7.1	6.9	6.8	6.7	6.7	6.7
Interest cost on the debt	367	370	368	368	366	360	354

Note.—Figures are in billions. Figures don't include the billions necessary for a middle-class tax cut.

Nondefense discretionary spending cuts	1996	1997
Space station	2.1	2.1
Eliminate CDBG	2.0	2.0
Eliminate low-income home energy assistance	1.4	1.5
Eliminate arts funding	1.0	1.0
Eliminate funding for campus based aid	1.4	1.4
Eliminate funding for impact aid	1.0	1.0
Reduce law enforcement funding to control drugs	1.5	1.8
Eliminate Federal wastewater grants	0.8	1.6
Eliminate SBA loans	0.21	0.282
Reduce Federal aid for mass transit	0.5	0.1
Eliminate EDA	0.02	0.1
Reduce Federal rent subsidies	0.1	0.2

Nondefense discretionary spending cuts	1996	1997
Reduce overhead for university research	0.2	0.3
Repeal Davis-Bacon	0.2	0.5
Reduce State Dept. funding and end misc. activities	0.1	0.2
End P.L. 480 title I and III sales	0.4	0.6
Eliminate overseas broadcasting	0.458	0.570
Eliminate the Bureau of Mines	0.1	0.2
Eliminate expansion of rural housing assistance	0.1	0.2
Eliminate USTTA	0.012	0.16
Eliminate ATP	0.1	0.2
Eliminate airport grant in aids	0.3	1.0
Eliminate Federal highway demonstration projects	0.1	0.3
Eliminate Amtrak subsidies	0.4	0.4

Nondefense discretionary spending cuts	1996	1997
Eliminate RDA loan guarantees	0.0	0.1
Eliminate Appalachian Regional Commission	0.0	0.1
Eliminate untargeted funds for math and science	0.1	0.2

Nondefense discretionary spending cuts	1996	1997
Cut Federal salaries by 4 percent	4.0	4.0
Charge Federal employees commercial rates for parking	0.1	0.1
Reduce agricultural research extension activities	0.2	0.2
Cancel advanced solid rocket motor	0.3	0.4
Eliminate legal services	0.4	0.4
Reduce Federal travel by 30 percent	0.4	0.4
Reduce energy funding for Energy Technology Develop.	0.2	0.5
Reduce Superfund cleanup costs	0.2	0.4
Reduce REA subsidies	0.1	0.1
Eliminate postal subsidies for nonprofits	0.1	0.1
Reduce NIH funding	0.5	1.1
Eliminate Federal Crop Insurance Program	0.3	0.3
Reduce Justice State-local assistance grants	0.1	0.2
Reduce export-import direct loans	0.1	0.2
Eliminate library programs	0.1	0.1
Modify Service Contract Act	0.2	0.2
Eliminate HUD special purpose grants	0.2	0.3
Reduce housing programs	0.4	1.0
Eliminate Community Investment Program	0.1	0.4
Reduce Strategic Petroleum Program	0.1	0.1
Eliminate Senior Community Service Program	0.1	0.4
Reduce USDA spending for export marketing	0.02	0.02
Reduce maternal and child health grants	0.2	0.4
Close veterans hospitals	0.1	0.2
Reduce number of political employees	0.1	0.1
Reduce management costs for VA health care	0.2	0.4
Reduce PMA subsidy	0.0	1.2
Reduce below cost timber sales	0.0	0.1
Reduce the legislative branch 15 percent	0.3	0.3
Eliminate Small Business Development Centers	0.056	0.074
Eliminate minority assistance score, small business interstate and other technical assistance programs, women's business assistance, international trade assistance, empowerment zones	0.033	0.046
Eliminate new State Department construction projects	0.010	0.023
Eliminate Int'l Boundaries and Water Commission	0.013	0.02
Eliminate Asia Foundation	0.013	0.015
Eliminate International Fisheries Commission	0.015	0.015
Eliminate Arms Control Disarmament Agency	0.041	0.054
Eliminate NED	0.014	0.034
Eliminate Fulbright and other international exchanges	0.119	0.207
Eliminate North-South Center	0.002	0.004
Eliminate U.S. contribution to WHO, OAS, and other international organizations including the United Nations	0.873	0.873
Eliminate participation in U.N. peacekeeping	0.533	0.533
Eliminate Byrne grant	0.112	0.306
Eliminate Community Policing Program	0.286	0.780
Moratorium on new Federal prison construction	0.208	0.140
Reduce coast guard 10 percent	0.208	0.260
Eliminate Manufacturing Extension Program	0.03	0.06
Eliminate coastal zone management	0.03	0.06
Eliminate national Marine sanctuaries	0.007	0.012
Eliminate climate and global change research	0.047	0.078
Eliminate national sea grant	0.032	0.054
Eliminate State weather modification grant	0.002	0.003
Cut weather service operations 10 percent	0.031	0.051
Eliminate regional climate centers	0.002	0.003
Eliminate Minority Business Development Agency	0.022	0.044
Eliminate Public Telecommunications Facilities Program grant	0.003	0.016
Eliminate children's educational television	0.0	0.002
Eliminate national information infrastructure grant	0.001	0.032
Cut Pell grants 20 percent	0.250	1.24
Eliminate education research	0.042	0.283
Cut Head Start 50 percent	0.840	1.8
Eliminate meals and services for the elderly	0.335	0.473
Eliminate title II social service block grant	2.7	2.8
Eliminate community services block grant	0.317	0.470
Eliminate rehabilitation services	1.85	2.30
Eliminate vocational education	0.176	1.2
Eliminate chapter 1 20 percent	0.173	1.16
Reduce special education 20 percent	0.072	0.480
Eliminate bilingual education	0.029	0.196
Eliminate JTPA	0.250	4.5
Eliminate child welfare services	0.240	0.289
Eliminate CDC Breast Cancer Program	0.048	0.089
Eliminate CDC AIDS Control Program	0.283	0.525
Eliminate Ryan White AIDS Program	0.228	0.468
Eliminate maternal and child health	0.246	0.506
Eliminate Family Planning Program	0.069	0.143
Eliminate CDC Immunization Program	0.168	0.345
Eliminate Tuberculosis Program	0.042	0.087
Eliminate agricultural research service	0.546	0.656
Reduce WIC 50 percent	1.579	1.735
Eliminate TEFAP:		
Administrative	0.024	0.040
Commodities	0.025	0.025
Reduce cooperative State research service 20 percent	0.044	0.070
Reduce animal plant health inspection service 10 percent	0.036	0.044
Reduce food safety inspection service 10 percent	0.047	0.052
Total	36.942	58.407

Mr. HOLLINGS. I thank the distinguished Chair.

Finally, I could not get to the floor yesterday, but I heard my distinguished colleague from Kansas, the majority leader, constantly talking about,

Well, if you want to talk about children, why didn't you think about it when we were voting for the balanced budget amendment to the Constitution? That is when you should have been thinking about children. The Democrats flip-flopped.

Well, let me correct that record. The flip-flopper is the majority leader. He voted for my law, section 13301, of the Budget Enforcement Act, signed by President Bush on November 5, 1990. In a word, it says ''Thou shalt not use Social Security funds for the deficit.''

Unfortunately, I cannot find it in the newspapers. If they ever print it, I am going to give them some kind of Pulitzer Prize. I have seen magazine articles. I just saw Susan Dentzer in the U.S. News and World Report; I saw Time magazine; I have seen Newsweek. But have not seen anywhere in print that we have a law saying you cannot use Social Security funds for the deficit.

In direct conflict with that law, section 7 of the balanced budget amendment says, ''On, no, all receipts and all revenues shall be used.''

I cannot go in two different directions. No, I was not thinking of the children. I was thinking of the trust we made with the senior citizens.

But I am thinking of children, though, and what will happen when they begin to use those funds. When their time comes in the next century, they are going to have to be taxed a second time to get their money. And that is why I do not want that $600 billion in Social Security funds to be used for this charade of balancing the budget.

The balanced budget amendment to the Constitution is supposed to put a gun to the head of Congress to give us discipline. Instead, it makes Congress creative.

I remember what happened during the budget summit of 1990. The leadership went out to Andrews Air Base and said, ''We're going to put in caps,'' and the caps—well, they were way higher than this ceiling. I do not believe they ever brought them in for us to look at. All these words, charades, plays and games have to be understood for what they are.

The majority leader says that they do not intend to use Social Security funds. He said so in the debate on the floor, and others have said so.

But we know differently. If they can use $600 billion of Social Security funds to make it look balanced, they will, in effect, only be moving the deficit from the general Government over to the Social Security fund.

I am ready to get serious. The budget was supposed to be reported out on April 1, pass both Houses and be sent to the President by April 15.

So let us not come on the floor of the Senate and chastise the President of the United States for being guilty of a crime that he did not commit. We cannot in good conscience continue this game against the White House.

I can tell you, nothing is going to happen around here because I am going to start joining in this game. I was not going to come to the floor today. I did not feel so kindly toward the executive branch because we had worked, the Republicans and Democrats from both sides of the aisle, on a very complicated telecommunications bill. We reported it out with 8 of the 10 Republicans approving it. We got it out with all nine of the Democrats approving it. We had a bipartisan bill reported out of the Commerce Committee last week. We were ready to go this week. But then along comes the Vice President and says he does not like the provisions in the bill about cable TV. There are a lot of things I don't feel totally comfortable with, but this bill is a bipartisan compromise bill. A compromise between the Republican bill and the Democratic bill that reflects a lot of give-and-take. Overall this bill is good for the public. The Republicans wanted to totally deregulate the upper tiers, the Democrats did not let them. We still have the basic tier regulated. We did the best we could do with the votes we had in committee. Another example where we had to compromise was on the question of RBOC entry into long distance. We still have the Department of Justice in a consultative role. I can go down point by point where the Democrats would have supported a stronger position. Just look at the Democratic draft of February 15. But my reaction this morning when I read the paper about the administration's position reminds me of the story when Churchill was talking to Stalin about the Soviet troops going into East Poland and how the Pope was worried about it. And Stalin is reported to have asked: ''How many divisions does the Pope have?''

This morning my question was, how many votes does the Vice President have? We know the votes pretty well, and I can tell you the votes weren't there in committee. We have a bill we could have passed in a bipartisan fashion here in 2, maybe 3 days, like we had planned. The committee reported out a similar bill, S. 1822, by a vote of 18 to 2 last year. We reported it out 18 to 2. I support Senator PRESSLER's bill.

When we get to the floor, there will be some amendments. But when the executive branch says ''veto''—I hear now the Vice President said he did not say ''veto''—it sends a very conflicting signal. I asked the distinguished chairman of our Commerce Committee this morning, ''Larry, did he say veto?'' He said he used the word five times. So I asked my staff and they said that the administration would veto the communications bill in its current form.

So if they are going to veto it, then I feel sort of relieved of my further responsibility of trying to maintain the core provisions of the bill. I was very fearful we might get rolled on the amendments, such as a date-certain entry on long distance. If that passed, then there would be no so-called level playing field. There would be no competition test, and you would have the RBOC's moving in and extending their monopoly rather than real competition in the local exchange. And bet your boots the RBOC's have the clout to do it.

In the middle of all this criticism of the committee, we can at least be

thankful to the heads of AmeriTech, AT&T, the Justice Department, and particularly Anne Bingaman, the Assistant Attorney General for Antitrust.

That is not the case at all. That lady is an astute trial lawyer. She knows her subject and works around the clock and has been working for months on getting this so-called consent presentation to Judge Greene.

I say kudos to Anne Bingaman; the president of AmeriTech; to Bob Laland, the president of AT&T; and I think it was the fellow from the Consumer Federation of America.

The four appeared on television the day before yesterday. What they had was a proposal. They proposed that they move forward, and they had the steps and we looked at our bill. We looked at the steps and they are one and the same.

Why should we delay and palaver on the floor of the Congress when the parties in the particular discipline have all agreed?

Long distance, ARBOCK, Justice Department, Consumer Federation, have all gotten together. We had a real good kickoff. I am particularly indebted to those parties, and particularly the Deputy Attorney General, and to the Department of Justice, in charge of the antitrust.

I see other Senators wishing to be recognized. I yield the floor.

Mr. GLENN. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GLENN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMERICA'S SENSITIVE NUCLEAR TECHNOLOGY

Mr. GLENN. Madam President and colleagues, I rise to speak briefly today about a rather curious development in the history of U.S. efforts to halt the global spread of nuclear weapons.

The hallmark of a good law is its ability to balance elements of permanence and change. A good law offers both fixed compass points and sufficient latitude for tactical navigation.

Our nonproliferation legislation offers no exception to this rule. When our laws and policies apply too much sail or too much anchor, the consequences can be devastating for vital national security interests of the United States.

For example, the notion of timely warning—that is, a legal precondition for certain forms of nuclear cooperation that was placed into the Atomic Energy Act to ensure stringent controls over exported U.S. nuclear materials and technology—has been rendered virtually meaningless by the way various administrations have used this term over the last decade to expedite commercial uses of U.S.-controlled plutonium in other countries.

United States nuclear cooperation with Japan and with members of EURATOM, the European Atomic Energy Community, a region plagued by daily headlines of new black market nuclear deals, are two specific cases where large-scale nuclear cooperation is proceeding without timely warning having been satisfied within the original meaning of the term.

Madam President, I ask unanimous consent to have printed at the end of my remarks an authoritative interpretation of this concept by Dr. Leonard Weiss, who is now the minority staff director of the Governmental Affairs Committee

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GLENN. Another example, Madam President, in 1985, following repeated and flagrant violations of its peaceful nuclear assurances to the United States, Pakistan was required by the Pressler amendment to satisfy a certification requirement before receiving new aid. Specifically, the President had to certify that Pakistan did not possess a nuclear explosive device and that new aid would, as numerous officials from the Reagan administration had asserted, reduce significantly the risk that Pakistan would acquire such a device.

America funneled hundreds of millions of United States taxpayer dollars into Pakistan after 1985, until President Bush finally stopped making the required certifications in 1990.

Throughout that period, both Presidents Reagan and Bush solemnly certified—using an interpretation of the word ''possess'' that would make even the most cynical of our Government's legal advisors blush—that Pakistan did not possess the bomb.

The interpretations of the words ''reduce'' and ''significantly'' were similarly handled, as though they had been inscribed on something like silly putty. They did not mean anything.

Since the aid cutoff in 1990, by the way, we have finally started to see the first signs of some potential nuclear restraint in Pakistan in the form of a freeze on the production of highly enriched uranium.

Oh yes, I almost forgot to mention the $1 billion or so in taxpayer dollars not doled out to Pakistan since 1990 in the name of restraining Pakistan's bomb program. Those funds remain here at home, thanks to the Pressler amendment.

As a footnote to the sad saga of Washington's failure to implement the Pressler sanctions until 1990, however, our Government has since interpreted the ban on assistance as not covering commercial sales of military equipment, including spare parts for Pakistan's nuclear weapon delivery vehicle, the F–16. Even joint military exercises are not regarded as assistance. Once again, a key nonproliferation term has been molded and distorted beyond recognition.

Yet, my remarks today will focus on another term that has found its way into the ''Twilight Zone'' of nonproliferation. I am referring to the term ''sensitive nuclear technology,'' SNT, as it is known, which the Nuclear Non-Proliferation Act very clearly defines as any information, other than restricted data, ''* * * which is not available to the public and which is important to the design, construction, fabrication, operation or maintenance of a uranium enrichment or nuclear fuel reprocessing facility or a facility for the production of heavy water * * *''.

If we look carefully into the United States-Japan agreement for nuclear cooperation, signed in 1987, we will find a clause in there that says the following: ''* * * sensitive nuclear technology shall not be transferred under this Agreement.'' That is article 2–1-b.

Underscoring this provision, the principal negotiator of this agreement, Ambassador Richard Kennedy, testified on December 16, 1987, before the House Foreign Affairs Committee: ''The transfer of restricted data and sensitive nuclear technology under the agreement is specifically excluded.''

Last September, the international environmental group, Greenpeace, prepared a lengthy analysis of the transfers of United States nuclear reprocessing technology to Japan. This study, titled ''The Unlawful Plutonium Alliance: Japan's Supergrade Plutonium and the Role of the United States,'' makes for interesting reading. It presents considerable evidence of United States cooperation with Japan in the areas of plutonium breeder reactors and nuclear fuel reprocessing.

On September 8, 1994, the United States Department of Energy promised a comprehensive review of the report and further stated that it was ''phasing out collaborative research efforts with Japan on plutonium reprocessing and development of breeder reactor technology.''

The same day, the New York Times quoted a Department of Energy spokesman as saying that this cooperation was ''* * * a remnant of the last administration.''

Later, on September 23, Greenpeace was joined by the Natural Resources Defense Council and the Nuclear Control Institute in demanding several steps to restore United States-Japan nuclear cooperation to the constraints of United States law.

Madam President, I ask unanimous consent to have printed in the RECORD a letter by these organizations to Energy Secretary Hazel O'Leary.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GREENPEACE INTERNATIONAL; NUCLEAR CONTROL INSTITUTE; NATURAL RESOURCES DEFENSE COUNCIL,

September 23, 1994.

Hon. HAZEL O'LEARY,
Secretary of Energy, U.S. Department of Energy, Washington, DC.

DEAR SECRETARY O'LEARY: We are writing to you concerning the Department of Energy's current review of its policies and practices with respect to the export of ''sensitive nuclear technology.''

We urge that the Department immediately suspend its July 1986 guidelines for determining whether technology proposed to be transferred to other countries constitutes SNT within the meaning of the Nuclear Non-Proliferation Act. We further request suspension of all cooperation in reprocessing, uranium enrichment, and heavy water technology pursuant to the guidelines, pending the outcome of the SNT review.

On September 8, 1994, in response to a report issued by Greenpeace, ''The Unlawful Plutonium Alliance'', outlining the history of recent transfers of reprocessing technology to Japan, the Department announced that it was undertaking a ''comprehensive review'' of its SNT guidelines. It promised to publish the results of this review within 60 days, or by November 7, 1994. It further stated that it was ''phasing out collaborative research efforts with Japan on plutonium reprocessing and development of breeder reactor technology.''

As outlined in the Greenpeace report, there is no question that any SNT transfers to Japan are unlawful. Indeed, the 1988 agreement for nuclear cooperation between Japan and the United States flatly prohibits such transfers. While the Department, in reliance on its internal guidelines, has sought to justify the transfer of reprocessing technology to Japan on the grounds that it is not SNT, the justification cannot withstand scrutiny. In fact, the Department's July 1986 guidelines—which permit reprocessing technology to be treated as something other than SNT when supplied to a recipient country with a sophisticated nuclear program or where it would duplicate an existing capability (the rationale invoked in the case of Japan)—cannot be squared with the language and intent of the NNPA.

Indeed, taken to its logical extreme, the Department's interpretation would allow reprocessing technology transfers to countries with questionable proliferation credentials. However, contrary to the Department's guidelines, the NNPA mandates strict, statutory controls over this highly sensitive technology wherever it is to be transferred and without regard to the relative nuclear sophistication of the recipient.

Our conclusion mirrors that of the General Accounting Office, which stated in a 1987 report that the Department's interpretation was ''not fully consistent with the intent of the NNPA.'' (GAO, ''Department of Energy Needs Tighter Controls Over Reprocessing Information'', 41 GAO/RCED–87–150, August 1987.)

Likewise, in House hearings held more than eight years ago, Senator Glenn, a principal co-author of the NNPA, characterized the Department's approach to SNT determinations as reflecting a ''willful determination over a period of years to ignore the intent of Congress.'' (Hearing on Nuclear Exports before the Subcommittee on Energy Conservation and Power of the House Committee on Energy and Commerce, 99th Cong., 2d Sess. 4–5, May 15, 1986.) At the same hearing, Congressman Markey called the Department's views ''bizarre'' and underscored. ''In the NNPA, Congress took the view that enrichment, reprocessing and heavy water manufacture are inherently sensitive activities wherever they are located. No latitude is specified in the act because none was intended.'' *Id.* at 3.

We think the legal positions asserted in the Greenpeace report, echoing those of GAO and key members of Congress, are unassailable. We think far too much time has passed during which the Department has ignored the requirements of law and cavalierly condoned unauthorized SNT transfers. While we applaud the Department for undertaking its review, we do not believe that business as usual is appropriate while the review is underway. Indeed, ''business as usual'', when it involves continued violation of the law, is scarcely something that can or should be tolerated by the Department.

We therefore believe it is incumbent upon the Department to take three firm steps during the period of the review. First, it must immediately suspend the 1986 guidelines. Second, independent of the general phase-out of collaborative reprocessing efforts with Japan, it must perforce suspend approvals of any further technology transfers which might involve SNT to any country. Third, Japan and other countries with whom SNT is shared must immediately be advised of the suspension of the 1986 guidelines and cooperation involving SNT. Only by taking these steps can both the NNPA and the review process be the 1986 guidelines and cooperation involving SNT. Only by taking these steps can both the NNPA and the review process be preserved and can the public have adequate assurance that fundamental U.S. non-proliferation law will not continue to be undermined.

Thank you for your consideration of our views. We would appreciate it if you would promptly advise us of how you intend to proceed concerning our request.

Sincerely,

TOM CLEMENTS,
Greenpeace International.
PAUL LEVENTHAL,
Nuclear Control Institute.
CHRISTOPHER PAINE,
Natural Resources Defense Council.

Mr. GLENN. Months later, on December 28, 1994, these groups received a brief reply from the Department of Energy simply asserting that the transfers to Japan were ''permissible exercises of its statutory authorities.''

Madam President, I further ask to have printed in the RECORD a letter from the Director of the Department of Energy's Office of Nuclear Energy communicating DOD's view that it is permissible for the Department ''to consider the quality of technology already indigenous to the country that would receive the export in making the determination that sensitive nuclear technology was in fact proposed to be exported in a given transaction.''

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF ENERGY,
Washington, DC, December 28, 1994.

Mr. TOM CLEMENTS,
Greenpeace, Inc., Washington, DC.

DEAR MR. CLEMENTS: As you will recall, after receiving Greenpeace's report. ''The Unlawful Plutonium Alliance,'' the Department agreed to review the guidelines it has used since 1986 in determining whether particular proposed exports involve ''sensitive nuclear technology,'' as that term is used in the Nuclear Non-Proliferation Act. In particular, the Department directed its critical scrutiny to the question whether it is legally permissible for the Department to consider the quality of technology already indigenous to the country that would receive the export in making the determination that sensitive nuclear technology was in fact proposed to be exported in a given transaction.

The Department's Office of General Counsel has concluded that consideration of the quality of indigenous technology is permissible in identifying whether sensitive nuclear technology is proposed to be exported in a particular transaction. As a result, the Department has concluded that its determinations with respect to technology exports to Japan were permissible exercises of its statutory authorities.

The Department will codify the overall guidelines it uses to determine which exports should be considered sensitive nuclear technology by December 1995. This decision is consistent with our current practice of codifying statements of general applicability and future effect that implement, interpret, or prescribe law or policy. To begin this process the Department will publish an Advanced Notice of Proposed Rulemaking in the Federal Register by February 1995. The Department will actively seek the public's views about sensitive nuclear technology during the rulemaking process. We encourage your participation.

Sincerely,

TERRY R. LASH,
Director, Office of Nuclear Energy.

Mr. GLENN. In short, because Japan already had demonstrated a capability to separate plutonium, DOE is arguing that our reprocessing technology did not qualify as SNT—even though the technology was not in the public domain, even though the technology was important to a Japanese facility engaged in reprocessing activities, and even though the technology was not classified Restricted Data. In short, the Department is asserting that even though the technology satisfied each and every one of the requisite components of the definition of SNT, the technology transferred to Japan was not SNT.

The Department did, however, indicate that it will soon invite the public's views on this interpretation in a rule making process. By all indications, that should be a lively process indeed.

Madam President, I ask unanimous consent to insert into the RECORD: First, three articles from the trade newsletter, Nuclear Fuel: ''Four-Month Look at SNT Guidelines Yields Three-Paragraph Response,'' January 2, 1995; ''DOE Pressured to Explain Position on Secret SNT Export Guidelines'', October 24, 1994; and ''PNC Argues Against Public Release of RETF-Related Design Information'', October 24, 1994; and second, a January 6, 1995, letter from the three environmental organizations—Greenpeace, NRDC, and NCI—to the Secretaries of Energy and State urging the exclusion of reprocessing technology transfers from any new agreement for cooperation with the European Atomic Community.

There being no objection, the material was ordered to be printed in the RECORD as follows:

FOUR-MONTH LOOK AT SNT GUIDELINES YIELDS THREE-PARAGRAPH RESPONSE

In a pithy three-paragraph letter, a senior DOE official said December 28 that the department is within its legal authority to transfer so-called sensitive nuclear technology (SNT) to other countries if those countries have advanced nuclear programs.

Questions about DOE's export of SNT arose in September when Greenpeace International released a report charging that DOE has for years illegally provided Japan's Power Reactor & Fuel Development Corp. (PNC) with SNT, which PNC has used to research and develop a planned breeder reactor spent fuel reprocessing plant. Greenpeace said such exports violate the Nuclear Nonproliferation Act, which limits such transfers, and the 1987 U.S.-Japan Peaceful Nuclear Cooperation Agreement, which specifically bars them (NF, 12 Sept '94, 12).

DOE promised to review the Greenpeace report, ''prepare a comprehensive response'' and ''analyze the guidelines used in determining whether nuclear technology transferred to other countries is (SNT) which would be subject to export controls under the Nuclear Nonproliferation Act.''

DOE said it would ''make public the results of the comprehensive review within 60 days'' (by November 7), but a lengthy legal analysis added 51 days to the review, culminating in the one-page, three paragraph response faxed to Tom Clements, U.S. coordinator of Greenpeace's plutonium campaign, at 5:30 p.m., December 28.

The letter from Terry Lash, director of DOE's Office of Nuclear Energy, provides no details on how DOE concluded that the exports to Japan are permissible, but rather merely restates DOE's position that SNT export guidelines, prepared by DOE in 1986, permit such exports if a country has an advanced nuclear capability.

Greenpeace and other environmental groups have argued that the guidelines themselves are unlawful because SNT is SNT, regardless of the capabilities of the country that receives it.

In September, a Greenpeace-sponsored legal analysis of the guidelines concluded that DOE ''is not free to designate the same technology as SNT for some recipients and not for others.''

DOE clearly disagrees with that analysis, but has provided nothing to back up its rationale and apparently doesn't intend to. Asked specifically if DOE plans to provide additional information on how it concluded that it had not violated the NNPA or the U.S.-Japan agreement. DOE's Ray Hunter said: ''There is nothing more intended to come out.'' The ''comprehensive review'' DOE promised in early September ''is reflected in that letter'' to Clements, he said.

Clements told NuclearFuel December 29 that DOE claims to have no written record of its legal analysis, even though Lash noted in his letter that the department ''directed its critical scrutiny'' to the question of whether ''it is legally permissible'' to consider a recipient country's level of nuclear expertise when determining whether SNT is involved in a proposed transaction.

Having concluded—without further explanation—that the SNT guidelines are legal. DOE has further concluded that ''its determinations with respect to technology exports to Japan were permissible exercises of its statutory authorities.'' The letter offers no insight as to which ''statutory authorities'' the department's lawyers considered in their lengthy deliberations over the SNT designation issue.

Lash said the department will codify the overall guidelines it uses to determine which exports should be considered SNT by December 1995. He invited Clements to participate in the rulemaking process, which will begin in February when DOE publishes an advanced notice of proposed rulemaking.

TOTALLY INADEQUATE

''We obviously view this as totally inadequate,'' Clements told NuclearFuel, ''and we will continue to legally challenge DOE on this.''

In a press release, Clements said DOE ''has failed in the extreme to conduct the thorough review promised of its 'sensitive nuclear technology' export policy. The DOE determination to leave its SNT export policy in place has no basis in law and stands in contradiction to stated U.S. policies aimed at halting the proliferation of plutonium.''

Greenpeace and the Nuclear Control Institute (NCI), which have long fought breeder reactor technologies and the separation and use of plutonium, also maintained that DOE's response was contrary to opinions by the U.S. General Accounting Office, Sen. John Glenn (D-Ohio) and Rep. Edward Markey (D-Mass.).

''DOE's conclusion creates a massive loophole in the U.S. nuclear nonproliferation regime, which is particularly disturbing in light of the current renegotiation of the U.S. nuclear agreement with the European Atomic Energy Community (Euratom),'' added NCI Deputy Director Daniel Horner.

NCI and Greenpeace are concerned that DOE may be laying the foundation for a new deal with Euratom which would allow virtually unfettered cooperation in plutonium reprocessing technology.

Clements was also disturbed by the way DOE released the letter to him. According to Clements, DOE provided PNC and at least one nuclear industry official with a copy of the December 28 letter before sending it to him.

''The timing of the release of the letter was contrary to openness policies of DOE and we are perturbed that DOE continues to conduct the public's business in this slipshod way,'' he said.

DOE PRESSURED TO EXPLAIN POSITION ON SECRET SNT EXPORT GUIDELINES

DOE critics are pressing the department to explain how and why it adopted export guidelines that allowed the transfer of nuclear technology that would otherwise be barred under U.S. law.

The export guidelines adopted by DOE in July 1986 without any public notice, allow the transfer of so-called Sensitive Nuclear Technology (SNT) if a recipient country has an advanced nuclear program.

The guidelines became an issue last month after Greenpeace International released a report charging that DOE—relying on the guidelines—has for years provided Japan with SNT, in violation of the 1978 Nuclear Nonproliferation Act and the 1987 U.S.-Japan Peaceful Nuclear Cooperation Agreement (NF, 12 Sept., 12).

Critics charge that the guidelines, and the exports made under them, violate the nonproliferation law and the U.S.-Japan agreement because the law and the pact define SNT strictly by the information and technology involved, making no distinction on the recipient.

The day Greenpeace issued its report, DOE conceded that information and technology provided to Japan under a 1987 collaborative arrangement with Japan's Power Reactor & Fuel Development Corp. (PNC) ''may be considered'' SNT if provided to a country with a less-developed nuclear program than Japan's.

The department is analyzing the 1986 guidelines and is supposed to make public the results of its review around November 8. However, sources say that date may slip because the DOE review is disorganized and might be folded in broader review of how the department handles surplus material.

Late last month, Greenpeace, the Nuclear Control Institute and the Natural Resources Defense Council jointly urged suspension of the 1986 guidelines and of ''all cooperation in reprocessing, uranium enrichment, and heavy water technology pursuant to the guidelines,'' pending the outcome of the review.

In a separate six-page letter, dated October 11, Rep. Edward Markey (D-Mass.) urged a similar suspension of the guidelines and ongoing cooperative agreements. He also asked detailed questions about who devised the 1986 guidelines and whether agencies other than DOE signed off on them.

Markey wants to know who were the principal authors of the SNT guidelines and why they were not promulgated in a formal, open process as agency rulemaking. He also wants to know who was the highest ranking DOE official to approve the guidelines and whether DOE did a legal analysis to determine whether the guidelines were consistent with the Nuclear Nonproliferation Act and other applicable law. As of October 20, DOE had not responded to the queries and had not suspended the guidelines.

PNC ARGUES AGAINST PUBLIC RELEASE OF RETF-RELATED DESIGN INFORMATION

DOE's use of controversial, secret guidelines to sanction export to Japan of information and hardware that would otherwise be considered sensitive nuclear technology (SNT) has put the department in a bind over how to respond to a year-old Freedom of Information Act (FOIA) request.

The FOIA, filed in October 1993 by Greenpeace's Tom Clements, requests information concerning technology and information transferred to the Japanese Power Reactor & Nuclear Fuel Development Corp. (PNC) from DOE's Oak Ridge National Laboratory under contract with PNC.

Specifically, Clements has asked for copies of the design of a fuel disassembly system which Oak Ridge delivered to PNC for use at its Recycle Equipment Test Facility Fuel (RETF), a breeder reactor spent fuel reprocessing plant.

For more than a year, DOE has balked at releasing the design information and, for at least six months, the department has been consulting with PNC on the issue.

Clements has argued that if the information provided to PNC was not SNT—and DOE insists it wasn't—then it should be publicly available.

The 1987 U.S.-Japan Nuclear Cooperation Agreement, which bars the transfer of SNT, defines SNT as ''data which are not available to the public and which are important to the design, construction, fabrication, operation or maintenance of enrichment, reprocessing or heavy water facilities. . . .''

DOE determined that this and other information and equipment transferred to PNC for use in its breeder reactor program is not SNT because export guidelines, adopted by the department in July 1986 without any public exposure, allow the transfer of what would otherwise be deemed SNT if a recipient country has an advanced nuclear program.

The guidelines became an issue last month after Greenpeace International released a report charging that DOE has for years provided Japan with SNT, in violation of the 1978 Nuclear Nonproliferation Act and the 1987 U.S.-Japan agreement (NF, 12 Sept., 12).

In April and again July, DOE told Clements that the department had asked the Japanese for comments on the FOIA request.

A July 25 letter from Terry Lash, director of DOE's Office of Nuclear Energy, informed Clements that PNC had ''recently'' assured DOE that the Japanese company's comments would be sent ''in the near future.''

On September 20, following another Clements' inquiry on the status of his FOIA request, Lash advised that the Washington, D.C. law firm of Lepon, McCarthy, White & Holzworth, ''acting for PNC, has provided DOE with a lengthy, detailed legal argument opposing the release of this information to Greenpeace.''

DOE's Office of General Counsel is reviewing the letter, Lash said. Contacted by NuclearFuel, neither the law firm nor PNC would provide a copy of the legal argument or discuss the arguments made.

Clements has argued that, while he is interested in whatever the Japanese might have to say about his request ''their opinion should be of no concern regarding the release of the information to me.'' DOE has taken the position that no SNT was transferred, Clements has noted. Any other information transferred ''should be publicly available.''

NUCLEAR CONTROL INSTITUTE; GREENPEACE INTERNATIONAL; NATURAL RESOURCES DEFENSE COUNCIL,

January 6, 1995.

Hon. HAZEL R. O'LEARY,
Secretary of Energy, U.S. Department of Energy, Washington, DC.

Hon. WARREN CHRISTOPHER,
Secretary of State, U.S. Department of State, Washington, DC.

DEAR SECRETARIES O'LEARY AND CHRISTOPHER: In view of certain recent determinations by the Department of Energy with respect to the identification of ''sensitive nuclear technology'' (''SNT'') in export transactions, we are writing to urge that it be made crystal clear in any new agreement for cooperation with the European Atomic Energy Community (''EURATOM'') that transactions involving reprocessing technology are prohibited. As explained below, failure plainly to bar such transactions would run directly counter to the Administration's expressed non-proliferation policy.

As you know, Section 123a.(9) of the Atomic Energy Act, 42 U.S.C. §2153(a)(9) (the ''Act''), requires that, as a precondition to SNT transfers, agreements for cooperation contain ''a guaranty by the cooperating party that any special nuclear material, production facility, or utilization facility produced or constructed under the jurisdiction of the cooperating party by or through the use of any sensitive nuclear technology transferred pursuant to such agreement for cooperation will be subject to all the requirements specified in this subsection. . .'' including, among other things, full-scope safeguards, adequate physical security and U.S. approval of retransfers. Absent such a guaranty, under the terms of Sections 127 and 128 of the Act, 42 U.S.C. §2156, 2157, no SNT may be exported from the United States to the nation or group of nations in question. Further, under the Department of Energy's regulations, 10 CFR Part 810, technology transfers involving SNT are prohibited unless the Section 127 and 128 requirements are met.

In 1987, the United States determined that no SNT transfers would be permitted under the U.S.-Japan agreement for nuclear cooperation. The U.S.-Japan agreement therefore does not contain the provision required by Section 123a.(9) of the Act. Instead, Article 2(1)(b) provides, ''[S]ensitive nuclear technology shall not be transferred under this Agreement.'' Because SNT is defined in Section 4(a)(6) of the Nuclear Non-Proliferation Act of 1978 (Pub. L. No. 95–242) generally to cover non-public information ''important to the design, construction, fabrication, operation or maintenance of a uranium enrichment or nuclear fuel reprocessing facility or a facility for the production of heavy water,'' it was understood at the time by observers outside the Executive Branch, including ourselves and, to our knowledge, the responsible Congressional oversight committees, that reprocessing technology transfers to Japan would be prohibited.

As it has turned out, this understanding was not shared by the Executive Branch. Under an internal Department of Energy guideline, adopted in 1986, the Department permitted itself to determine whether certain information constituted SNT in part based upon the ''level of expertise of the information recipient.'' In fact, at the time the U.S.-Japan agreement was under consideration in Congress, Oak Ridge National Laboratory (''ORNL'') was transferring reprocessing technology to Japan, based upon a determination that it was not ''SNT' when delivered to a such a sophisticated nuclear nation.

In our view, the Executive Branch misled Congress in 1987 and 1988 into believing that reprocessing transfers were not possible under the ''no-SNT'' provision of the U.S.-Japan agreement at the very time such transfers were already underway. We have since established by means of a Freedom of Information Act request that the Department of State has been briefed by the Department of Energy on the ORNL transaction well in advance of the State Department's testimony in Congressional hearings that no SNT could be transferred to Japan under the terms of the new agreement.

Given the high level of expertise in Japan with respect to reprocessing technology, the Department has proceeded over the past half-dozen years to authorize numerous transfers of such technology to Japan. These transfers have been carried out pursuant to a Department of energy guideline which was, in our view, improperly adopted in secret in the first instance, without public notice or opportunity for comment. The SNT prohibition in the U.S.-Japan agreement has thus effectively been rendered a nullity.

The DOE guideline clearly violated the expressed language of the statute and led to absurd results. Moreover, DOE's interpretation has been rejected as having no basis in law by the chairmen of two Congressional oversight committees with jurisdiction over nuclear exports and by the General Accounting Office, which reviewed DOE's nuclear-export performance and concluded that ''DOE made [SNT] determinations . . . on the basis of factors that are not included in the 1978 act,'' and that ''DOE needs standards for identifying sensitive nuclear technology that are consistent with the 1978 act.''

This fall we raised what we believe are serious concerns about the legality of the Department of Energy's interpretation. In response, the Department promised a ''comprehensive review'' of the entire issue of the lawfulness of its guidelines. However, in a three paragraph letter dated December 28, 1994, not supported by any public, background analysis, the Department rejected our contentions. Instead, it concluded that ''consideration of indigenous technology is permissible in identifying whether sensitive nuclear technology is proposed to be exported in a particular transaction.'' On that basis, the Department then further concluded that its ''determinations with respect to technology exports to Japan were permissible exercises of its statutory authorities.''

We continue to believe that the Department of Energy's conduct was wrong as a matter of law. However, without awaiting resolution of the legal issue, we believe that the policy issues presented by the Department of Energy's conclusions need to be addressed immediately and unequivocally in the context of the U.S.-EURATOM negotiations. Indeed, it is essential that the misapprehensions which attended the U.S.-Japan agreement be avoided in the case of EURATOM.

In his September 27, 1993 Policy Statement on Nonproliferation and Export Control Policy, President Clinton categorically states that the United States ''does not encourage the civil use of plutonium. * * *'' While he also referred to his decision to ''maintain its existing commitments regarding the use of plutonium in civil nuclear programs in Western Europe * * *,'' whatever those commitments are they cannot survive the term of our existing agreement with EURATOM, which expires at the end of December, 1995.

In our judgment, any transfer of reprocessing technology, whether determined to be SNT or not, would involve the encouragement of civil use of plutonium, contrary to the Administration's policy. It is in fact presumably for such reasons that the Department of Energy stated in September, 1994, that it was ''phasing out collaborative research efforts with Japan on plutonium reprocessing. * * *''

The need to curtail any future reprocessing transfers to EURATOM is of particular importance. EURATOM is a conglomerate consisting of numerous countries which have quite different degrees of nuclear sophistication. Twenty years hence it could be even more variegated, perhaps stretching from the Atlantic to the Urals, presenting proliferation and terrorism risks that may vary dramatically from member state to member state. Yet, because the United States treats EURATOM as a single entity under the Act, U.S. nuclear materials, technology and facilities will be able to move freely from state to state within the Community. We think it critical in such circumstances that any new nuclear cooperation agreement with EURATOM leave no doubt that cooperation on the civil use of plutonium will not be permitted.

The United States must act consistently with the President's non-proliferation policy in the context of any new EURATOM agreement. This consistency of action means that whatever approach the Department of Energy may ultimately take in its promised rulemaking on SNT transfers, there should be an explicit prohibition on the transfer of any non-public and/or proprietary technology, whether or not designated as SNT, relating in any way to reprocessing. In this way, the type of controversy which has attached to reprocessing technology transfers to Japan would not arise, administrative interpretation would not be allowed to undercut non-proliferation law and policy, and the Congress and the public would have full and complete assurance that the policy of not encouraging plutonium use would be implemented in a consistent and comprehensive manner.

Thank you for your consideration of our views.

Sincerely,

PAUL LEVENTHAL,
Nuclear Control Institute.

TOM CLEMENTS,
Greenpeace International.

CHRISTOPHER PAINE
Natural Resources Defense Council.

Mr. GLENN. Madam President, my own views on this whole issue are well known. On May 15, 1986, Congressman

MARKEY chaired a hearing of the House Subcommittee on Energy Conservation and Power to assess the effectiveness of DOE controls over nuclear technology exports. The hearing focused in particular on findings of a report by the General Accounting Office documenting several problems in DOE's controls. I testified that ''GAO's documentation of examples where obvious exports of sensitive nuclear technology were covered up by DOE through twisted reasoning allowing determinations that no sensitive nuclear technology was involved, suggests a dangerous attitude of contempt for law on the part of some DOE officials.'' That was clear back in 1986.

The GAO report that was the focus of that hearing was entitled, ''DOE Has Insufficient Control over Nuclear Technology Exports'' (RCED–86–144) and was dated May 1, 1986—about 9 years ago. That same report reached the following specific conclusions—

DoE has not established objective standards for specifically authorizing exports [of nuclear technology] (page 2).

The 1978 act [the Nuclear Nonproliferation Act (NNPA)] . . . limits the determination of sensitive nuclear technology to its importance to sensitive facilities, not to recipient countries. (page 4)

In defining SNT, neither the act nor its legislative history distinguished among countries, their nuclear weapons capabilities, or their nonproliferation credentials. The act requires DoE to determine if information to be provided to a foreign country is important to the design, construction, fabrication, operation, or maintenance of an enrichment, reprocessing, or heavy water production facility. (page 57)

In our opinion, therefore, the better view is that the NNPA requires DoE to make SNT determinations strictly on the basis of the technical importance of proposed assistance to sensitive nuclear facilities. (page 58)

On August 17, 1987, GAO issued another report, entitled, ''Department of Energy Needs Tighter Controls Over Reprocessing Information' (RCED–87–150). This report found that ''DOE has little control over the dissemination of information related to the design, operation, and maintenance of commercial or defense reprocessing technology that it produces * * * [adding that] most of DOE's reprocessing-related information is readily available to anyone who wants it.'' That was on page 17. Here are some additional findings from that report—

DoE has not enforced the SNT export conditions on activities in conducts with foreign countries under technical exchange agreements. (page 33)

DoE's interpretation [of SNT] * * * does not appear consistent with the NNPA definition of SNT. (page 33)

DoE has not fully met NNPA conditions for transferring SNT on any of the cooperative reprocessing activities with other countries. (page 39)

* * * prior approval rights required by the act were not obtained on any of the cooperative reprocessing activities [specifically the UK and Japan].'' (page 39)

[DoE officials] believe that although the information [transferred to the UK and Japan] is 'valuable,' it is not 'important' in the sense intended by the NNPA and is, therefore, not SNT. (page 40)

Neither the definition [of SNT in the NNPA] nor the export requirements [under existing regulations] indicate that SNT decisions were to be based on the nuclear proficiency of the recipient country. (page 41)

Neither the act [NNPA] nor its legislative history distinguishes among countries, their nuclear capabilities, or their nonproliferation status to determine what information constitutes SNT * * * this definition should be consistently applied to all countries on the basis of objective criteria. (page 42)

The assistance DoE provides directly to the reprocessing programs of other countries * * * qualifies in our opinion as SNT as defined in the NNPA. (page 43)

In March 1988, DOE's own Office of International Security Affairs issued a lengthy report on Technology Security (DOE/DP–8008612) which found that ''Success in acquiring unclassified sensitive technology, as identified in the Militarily Critical Technologies List, has enabled potential proliferant countries to construct, outside of the international safeguards regime, sensitive fuel cycle facilities at lower costs and in shorter period of time'' (page 9–2).

Then on September 19, 1989, the GAO issued another report entitled ''Better Controls Needed Over Weapons-Related Information and Technology'' (RCED–89–116), which found that ''DOE makes readily available a great deal of unclassified information and computer codes that could assist sensitive countries in developing or advancing their nuclear weapons programs'' (page 16). GAO also found that ''In addition to obtaining DOE information, sensitive countries routinely obtain hardware from the United States that has both nuclear weapons and commercial applications * * * about 290 of the approved requests [for export licenses in 1987] were destined for facilities suspected of conducting nuclear weapons development activities'' (page 5).

With respect to exports of these so-called dual-use goods, GAO's 1987 data amount to peanuts compared with what GAO found in 1994. In a report bearing a now-familiar title, ''Export Licensing Procedures for Dual-Use Items Need to be Strengthened,'' (NSIAD–94–119), GAO found that the United States approved over 330,000 licenses for exports of nuclear dual-use goods worldwide between fiscal years 1985 and 1992. Even more alarming, some $350 million of such goods went specifically to facilities believed to be involved in nuclear weapons-related activities in eight controlled countries. For further discussion of this GAO report, readers should consult my floor statement on January 4, 1995, where I inserted into the RECORD detailed summaries of this report and another report prepared by four inspectors general describing serious problems in the implementation of U.S. export controls relating both to munitions and to goods relating to weapons of mass destruction.

Fortunatly, DOE is now under new leadership and appears to be trying to grapple with bringing DOE practices back into line with the spirit and letter of our fundamental nonproliferation legislation.

I compliment Hazel O'Leary for the job she is doing there as the Secretary of Energy.

In light of President Clinton's September 27, 1993, policy statement that the United States ''does not encourage the civil use of plutonium,'' I hope that the Department's three-paragraph letter does not represent the administration's final position on this matter. I would urge DOE in the strongest of terms to undertake a truly comprehensive reexamination of its policies and practices for handling such data and to bring these policies and practices back into line with U.S. law.

The United States is not in the business of promoting commercial uses of plutonium or highly enriched uranium around the world, either as a matter of policy or of law. The bizarre notion that just because a country has demonstrated a national capability to separate plutonium or perform some other sensitive nuclear activity does not, should not, and must not exempt it from provisions of our law addressing sensitive nuclear technology. Indeed, if this notion continues to poison our nonproliferation laws, what would keep our weapons labs or their subcontractors from transferring SNT to virtually any proliferant nation, given the capabilities that many of them have already demonstrated in the fields of reprocessing, enrichment, and heavy water production? If today such technology can go to Japan in direct violation of a bilateral agreement, where will such technology go tomorrow?

I will closely monitor developments in this area in the months ahead and am optimistic that the Department will eventually bring its practices into line with statutory controls over SNT. This will be a splendid opportunity for the Department to distance itself from the time-dishonored practice of previous administrations of redefining key nonproliferation terms to pursue short-term political or diplomatic goals.

I will close this statement by attaching a chronology of some relevant documents pertaining to this whole SNT controversy, and I ask unanimous consent that it be printed in the RECORD, and I urge all my colleagues to look into this matter and to support retaining some consistency, predictability, and clarity in the implementation of one of our most important nonproliferation controls.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CHRONOLOGY OF RELEVANT DOCUMENTS

1/6/95: Letter from Greenpeace/National Resource Defense Council/Nuclear Control Institute to the secretaries of Energy and State.

12/28/94: Letter from Terry Lash (DoE/Nuclear Energy) to Greenpeace.

11/9/94: Letter from Sec. Hazel O'Leary to Sen. John Glenn re DoE handling of reprocessing technology.

11/3/94: Letter from Greenpeace/Nuclear Control Institute to Sec. O'Leary.

10/11/94: Letter from Cong. Edward Markey to Secretary O'Leary.

9/23/94: Letter from Greenpeace/National Resource Defense Council/Nuclear Control Institute to Sec. O'Leary.

9/9/94: NY Times quotes DoE spokesman Michael Gauldin on past US plutonium reprocessing cooperation with Japan: Gauldin terms such cooperation ''* * * a remnant of the last Administration.''

9/8/94: DoE Press Release on recent Greenpeace study states that ''The Department of Energy takes Greenpeace's concerns seriously,'' that DoE ''is phasing out collaborative research efforts with Japan on plutonium reprocessing and development of breeder reactor technology,'' and that DoE will ''thoroughly review the Greenpeace study and prepare a comprehensive response.''

9/8/94: Greenpeace releases ''The Unlawful Plutonium Alliance.''

9/29/94: Legal memorandum to Greenpeace by Eldon Greenberg.

8/3/94: O'Leary memorandum to DoE field offices states that ''the President's nonproliferation policy of September 1993, which discourages civil reprocessing, must be integrated into Department of Energy property control and management practices.''

7/25/94: Letter from Terry Lash to Greenpeace.

6/19/89: GAO issues report, ''Better Control Needed over Weapons-Related Information and Technology.''

3/88: DoE/OISA issues study on technology security which finds that existing regulations ''do not adequately protect unclassified sensitive technology from disclosure and foreign access.''

8/17/87: GAO issues report, ''DoE Needs Tighter Controls over Reprocessing Information.''

1/12/87: DoE concludes agreement with Japanese PNC enterprise regarding breeder reprocessing cooperation.

7/86: DoE issues internal document on guidelines for implementing SNT controls.

5/15/86: Cong. Ed Markey chairs hearing on ''Nuclear Exports: The Effectiveness of Department of Energy Controls Over the Export of Nuclear-Related Technology, Information, and Services.''

5/1/86: GAO issues report, ''DoE Has Insufficient Control over Nuclear Technology Exports.''

EXHIBIT 1

THE CONCEPT OF ''TIMELY WARNING'' IN THE NUCLEAR NONPROLIFERATION ACT OF 1978

INTRODUCTION

In 1984, the first major shipment was made of plutonium separated from U.S.-origin spent fuel to a non-weapon state (Japan) since passage of the Nuclear Nonproliferation Act of 1978 (NNPA) (1). Approval of the shipment had been given by the Secretary of Energy, with the concurrence of the Secretary of State, who was required by the NNPA to determine whether the retransfer of this plutonium from France (where the reprocessing of spent fuel took place) to Japan would result in a ''significant increase of the risk of proliferation . . .'' in which the ''foremost'' factor was whether the United States would receive ''timely warning'' of a diversion of the material.

Footnotes at end.

In accordance with procedures adopted pursuant to the NNPA, the interagency discussions of the Japanese request for approval of the shipment involved the Nuclear Regulatory Commission (NRC). Although the NRC concurred with the finding that the shipment would not result in a ''significant increase of the risk of proliferation,'' the Commission questioned whether the Departments of Energy (DOE) and State had followed Congressional intent in arriving at their conclusion that the ''timely warning'' test had been met. The NRC's position was summarized by NRC Chairman Nunzio J. Palladino as follows: (2)

''(T)he Commission's disagreement with DOE's position is focused on whether or not non-technical factors are permitted to be considered in connection with reaching any conclusions on the existence of timely warning. In the Commission's view, the legislative history of the Nuclear Non-proliferation Act of 1978 (NNPA) indicates that Congress intended timely warning to be essentially a technical matter involving such factors as safeguards measures applied to the material and the technical ease of incorporating the material into a nuclear explosive device. Other, non-technical factors were to be considered relevant only in connection with making the overall statutory finding of no significant increase in the risk of proliferation. A close reading of the statutory language in Section 131 b. of the Atomic Energy Act would seem to support the Commission's interpretation regarding timely warning, particularly since otherwise it would be necessary to consider the same non-technical factors both in connection with the timely warning analysis and in connection with the overall ''increase in the risk of proliferation'' finding. The attachment to this letter lists the more significant technical factors that the Commission believes affect timely warning, and that should be addressed in a classified supplement to future DOE analyses of subsequent arrangements.''

The resolution of this issue will set a precedent with possibly profound future implications for U.S. national security and foreign relations.

The DOE/State conclusion on ''timely warning'' was not accompanied by a detailed supporting analysis. Rather, as indicated in the NRC letter, the conclusion was claimed to result from the presence of certain favorable political factors surrounding the U.S./Japan relationship. Subsequent inquiry (3) has revealed that DOE and State interpret the NNPA as saying that political factors, such as the nature and condition of the governmental system and nonproliferation policies in a recipient country, independently of the technical capabilities of that country, could be determining factors in judging whether the U.S. would receive ''timely warning'' of a diversion. Therefore, according to this view, some political factors, which determine the ''inherent risk of proliferation'' (4) in a country, could determine that ''timely warning'' was available, and these and other political factors could be used to determine that there was ''no significant increase in the risk of proliferation'' stemming from a proposed retransfer for reprocessing or return of plutonium. Further, it is claimed that there was no stated or implied legislative requirement for a supporting analysis of the DOE/State ''timely warning'' conclusion or the weight given to the latter in relation to other factors in determining proliferation risk.

It is the purpose of this paper to show that the DOE/State position is not in keeping with the legislative history of the NNPA or any other indication of Congressional intent. Rather, we shall show that; (a) the Congressional intent was to separate and independently weigh the ''timely warning'' test from the set of possibly counterbalancing political factors listed in the NNPA as being pertinent to an overall judgment as to whether a proposed retransfer would result in a significant increase of the risk of proliferation; and, (b) that Congress meant the ''timely warning'' test to compare the time needed by the U.S. to effectively react to a diversion of nuclear material to the time needed by the diverting country to produce an explosive device, the latter time being estimated by technical assessments only. By this view, a political assessment based on specific political factors could result in approval of a retransfer request even if the ''timely warning'' test fails, but then the burden is on the political assessment to show that such political factors override ''foremost'' consideration of the technical capabilities of the recipient country to make a nuclear explosive device quickly from diverted materials.

I. The Language of the Act

The key paragraph, Section 131b (2) of the Atomic Energy Act of 1954 (Section 303a of the NNPA of 1978) states that,

''. . . the Secretary of Energy may not enter into any subsequent arrangement for the reprocessing of any such material in a facility which has not processed power reactor fuel assemblies or been the subject of a subsequent arrangement therefor prior to the date of enactment of the Nuclear Non-Proliferation Act of 1978 or for subsequent retransfer to a non-nuclear-weapon state of any plutonium in quantities greater than 500 grams resulting from such reprocessing, unless in his judgment, and that of the Secretary of State, such reprocessing or retransfer will not result in a significant increase of the risk of proliferation beyond that which exists at the time that approval is requested. Among all the factors in making this judgment, foremost consideration will be given to whether or not the reprocessing or retransfer will take place under conditions that will ensure retransfer will take place under conditions that will ensure timely warning to the United States of any diversion well in advance of the time at which the non-nuclear-weapon state could transform the diverted material into a nuclear explosive device. . . .''

This language was originally offered by Senator Glenn to the Administration during negotiations prior to the beginning of markup of the NNPA by the Subcommittee on Arms Control, Oceans, and International Environment of the Senate Foreign Relations Committee on September 14, 1977. It was a substitute for proposed language by the Administration that would have replaced the ''timely warning'' criterion with consideration of ''the probability of timely warning'' as one (not ''foremost'') factor among many in determining whether to approve a retransfer request. We shall examine this markup in more detail later on. For now it suffices to note that the Subcommittee approved the Glenn language and ignored the Administration's proposal.

Following the markup by the full Committee (there were two earlier markups by the Committees on Governmental Affairs and Energy and Natural Resources), the legislation was reported out and a report filed which contained the following statement on the meaning of ''timely warning'' (5):

''* * * the standard of 'timely warning' * * * is strictly a measure of whether *warning of a diversion* (emphasis added) will be received far enough in advance of the time when the recipient could transform the diverted material into an explosive device to permit an adequate diplomatic response.''

The Senate bill language was accepted by the House on the grounds that there were no substantive differences between the Senate bill and one passed by the House some months earlier. Representative Zablocki (D-Wisconsin), the floor manager for the House bill, while offering a resolution on February 23, 1978, directing the Clerk of the House to make certain technical corrections in the NNPA, made the following observation about

the Senate amendments (6): ''The House reviewed these and found the amended Senate version to be, in all essential respects, consistent with (the House Bill). Upon reaching this judgment, the House, by unanimous consent then moved to recede and accept (the House Bill) as amended.'' Indeed, on February 9, 1978, when Representative Zablocki received unanimous consent to bring up the Senate bill and successfully proposed its passage by voice vote, he stated (7):

''All of the central elements of the House bill—including the important ''timely warning'' criterion—were faithfully preserved. * * * On the critical issue of timely warning, I am pleased to say that the Senate's legislative history was indeed consistent with our own.''

The concept of ''timely warning'' was explained in the House report as follows (8):

'''Timely warning' has to do with that interval of time that exists between the detection of a diversion and the subsequent transformation of diverted material into an explosive device.''

Despite Representative Zablocki's clear statement, the Senate Report's phrase ''warning of a diversion'' as opposed to the House Report's ''detection of a diversion'', along with some additional Senate report language has been used by some in State/DOE to bolster a claim that the intent of the Senate on the meaning of ''timely warning'' was substantially different from that of the House.

We shall show that such a claim is logically unsupportable.

II. A Precise Reformulation of the Timely Warning Issue

Thee are four time intervals associated with the notion of ''timely warning'' to the U.S. of a diversion by country ''X''. For purposes of explanation, we define them as follows.

Reaction Time: The amount of time needed to fashion an appropriate and effective diplomatic response to prevent diverted material from being converted by country ''X'' into an explosive device. Reaction time is a function of bilateral and multilateral relationships and, therefore, involves a political assessment.

Conversion Time: The time needed by country ''X'' to convert diverted material into an explosive device. (Note: Conversion time is a function of the industrial and bomb-making infrastructure in country ''X'', the nature of the diverted material, and the availability of any technology needed to process the diverted material into weapons-usable form. A technical assessment of country ''X'''s capabilities would yield an estimate of conversion time, and no political factors are involved.)

Detection Time: The time between diversion of material and either the last detection of the diversion by the safeguards system or the earlier prediction of diversion through intelligence information. (In the latter case, detection time is a negative quantity, and may depend upon observations of political changes in country ''X''. Note that if we tacitly assume that the safeguards system works as designed, no political factors enter into an estimate of positive detection time. Quality of safeguards is then measured by the value of positive detection time, with smaller values indicating better safeguards.)

Warning Time: The interval between the time when the U.S. learns a diversion has occurred or may occur and the time at which country ''X'' is capable of producing a nuclear explosive device following the aforementioned diversion of material. (Thus, warning time = conversion time − detection time. It is important to note that warning time involves political as opposed to technical assessments only when detection time is negative.)

In terms of the above definitions, the concept of ''timely warning'' in the NNPA becomes as follows:

Definition: The U.S. has received ''timely warning'' of a diversion by country ''X'' when warning time is greater than reaction time.

The only thing remaining in order to show equivalence with the statutory concept is to make the connection between some auxiliary concepts in the Senate report with the terminology in this paper.

The phrase ''warning time required'' in the Senate report as in, ''The amount of warning time required will vary (and cannot be defined in terms of a certain number of weeks or months) . . .'', (9) refers to what is here called ''reaction time''. Thus, if a multinational response is needed for effective diplomacy, a quicker reaction time can be expected in the event that the diverted material was multinationally owned or came from a multinational plant, since all the parties in that venture would have reason to feel aggrieved by the diversion.

The phrase ''time . . . available'' as in ''. . . it will be necessary to determine how much time be actually (sic) available under any specific circumstances,'' (10) refers to what we are calling here ''warning time''.

The State/DOE position boils down to the claim that Congress did not intend the ''timely warning'' criterion to involve, on either side of the inequality in the above definition, a quantity estimated only on the basis of a technical assessment.

Since ''reaction time'' clearly involves political factors, and ''warning time'' can involve political factors, there appears, superficially at least, to be some merit to the State/DOE argument. On closer examination, however, the apparent merit vanishes.

We reiterate that ''warning time'' may involve political factors *only* when ''detection time'' is negative. The key observation to make is to note that detection time can be negative only in two situations: 1) Either the U.S. has learned of plans for (or suspects) diversion at a time prior to the time of actual retransfer (in which case the approval of retransfer is denied or revoked and there is no problem), or 2) There is a significant interval of time after the retransfer occurs before a diversion is achieved. In this case it can be argued that the clock marking off warning time could be triggered by observed changes in the political character of the government of country ''X''. But there is nothing in the Senate or House floor debate or report language or in the statute language that suggests making an assumption of existence of a significant time interval between retransfer and diversion, or equivalently, to assume that a significant change had occurred on the meaning of timely warning by the time the final version of the NNPA was passed by the Senate on February 7, 1978, and by the House two days later without further amendment.

To show this, we provide a detailed history of the Congress' consideration of the timely warning issue during its deliberations on the NNPA.

III. The Senate Legislative Markup Record on Timely Warning

Committee markup records, which are uncorrected and not publicly filed, and therefore not readily available to the rest of the Congress, are usually given little or no weight in legal determinations of congressional intent on legislation. Nonetheless, they may, in conjunction with the committee report on the legislation and the floor debate, give some clue as to the meaning of certain legislative provisions when such meaning is otherwise obscure.

The DOE/State defense of its position on ''timely warning'' in the NNPA apparently includes a claim that the Congressional interpretation of the statutory language at the time of passage reflected the Carter Administration's view as expressed in a formal communication from the State Department to the Senate Foreign Relations Committee (see (4)). Since the only place in the legislative history of the NNPA where the Administration's position on ''timely warning'' is substantively discussed by Senators occurs in the Senate Foreign Relations Committee markups (11), (12), (13) of the legislation, we consider these (uncorrected) markup records in examining the DOE/State claim.

On September 14, 1977, at the Foreign Relations Subcommittee markup (see (11)) Senator Glenn introduced the language on approvals of retransfers for reprocessing or return of plutonium, including the ''timely warning'' test, that subsequently was adopted as the statute language. This language was a substitute for a previous formulation identical to that contained in the House bill, H.R. 8638, which passed with a dissenting vote on September 28, 1977, the same day the Senate Foreign Relations Committee reported out the NNPA. As indicated earlier, Senator Glenn offered this new language following discussions with and in response to objections by the Executive Branch that the previous formulation on approvals of retransfers was too ''restrictive in scope'' (14).

It is important to note the motivation as well as substance of the Administration's position at this point. The Administration was facing a serious problem in that the House and Senate bills had virtually identical provisions that subjected decisions on retransfers for reprocessing or return of plutonium to consideration of a single factor, the timely warning criterion. The Administration was concerned that this single test could be used to block U.S. approvals of any such retransfers and disrupt trade relations with our allies. Accordingly, the Administration had to either try to get the Congress to alter the definition of ''timely warning'' or broaden the test for approvals of retransfers to include other factors besides timely warning. Thus, in its comments on the marked up version of the NNPA reported by the Government Affairs Committee, the Administration said this about the proposed test for retransfer (15):

''First, it would jeopardize negotiation of new, strict nuclear cooperation agreements since an overly strict interpretation of the ''timely warning'' standard could rule out all forms of fuel processing necessary for future fuel cycle activities. Second, timely warning should not be the sole basis for making determinations concerning the acceptability of subsequent arrangements, taking into account the existence of other factors which must be evaluated. Additional factors of importance include the nonproliferation policies of the countries concerned, and the size and scope of the activities involved.''

Now, it is interesting that the language actually proposed by the Administration by way of compromise, language that was arrived at following negotiations with Senator Glenn, clearly takes the path of broadening the test for approvals for retransfers, and does not change the definition of ''timely warning'' but merely attempts to make the determination fuzzy by referring only to the probability of timely warning being available. The proposed language was as follows (16).

''The Administrator may not enter into any subsequent arrangement for the reprocessing of any such material in a facility

which has not processed power fuel assemblies or been the subject of a subsequent arrangement therefore prior to the date of enactment of the Act or for subsequent retransfer to a non-nuclear-weapon state of any plutonium in quantities greater than 500 grams resulting from such reprocessing unless in his view such reprocessing to retransfer shall take place under conditions that will safely secure the materials and that are designed to ensure reliable and timely detection of diversion. In making his judgment, the Administrator will take into account such factors as the size and scope of the activities involved, the non-proliferation policies of the countries concerned and the probabilities that the arrangements will provide timely warning to the United States of diversions well in advance of the time at which the non-nuclear-weapon state could transform the diverted material into a nuclear explosive device; and''.

Senator Glenn's explanation of the amendment he offered at the Foreign Relations Subcommittee markup left no doubt that it was not his intention to change the meaning of timely warning, but rather to broaden the test for approvals of certain retransfers. To see this, we note that in his statement, Senator Glenn referred approvingly to recent congressional testimony by then NRC Commissioner, Victor Gilinsky, defending the timely warning standard against Administration criticism that it was ''unnecessary, unworkable, rigid, and unrealistic'' (17). Senator Glenn went on to say, (18).

''The idea of timely warning is the explicitly stated objective of the so-called blue book safeguards of the IAEA, which polices the Non-Proliferation Treaty. Under this system, as under the U.S. bilateral safeguards which preceded it, records are kept of all nuclear material going into and coming out of civilian power reactors throughout most of the world, and verified by an international inspectorate. The idea is simply that the disappearance of any of this material will be reported to the international community in plenty of time to allow for appropriate counteraction. Thus timely warning is essential to effective safeguards.''

Senator Glenn's references to safeguards and timely warning strongly imply that the timely warning criterion in his amendment could be met only if the reaction time afforded by the safeguards system's detection of a diversion was sufficient ''to allow for appropriate counter action'' (19).

This thought was echoed in substance by Representative Bingham (D–NY) in introducing this language on the House floor 14 days later. He said (20):

''(W)e consider (timely warning) to be an essential to the safeguarding of nuclear facilities. If there is no timely warning, there are no effective safeguards.''

At this point in the Senate markup and without challenging Glenn's view, the Chief Administrative spokesman, Ambassador Gerard C. Smith, expressed two Administration concerns explicitly. First, he said (21):

''May I observe on that Gilinsky quotation that we don't disagree with the concept of timely warning. It is a very appropriate consideration here but we feel it will lead to distortions if it is made the *exclusive* (emphasis added) consideration.''

This statement shows that the Administration understood that ''timely warning'' was a concept that could stand separately and apart from other considerations in determining how to exercise U.S. consent rights for certain retransfers. Indeed, prior to Senator Glenn's statement, Senator Pell had stated that (22):

''The Executive Branch believes that the timely warning standard should not be the sole basis (emphasis added) for measuring an arrangement's acceptability. . . .''

There is no hint in this markup record that the Committee viewed the position of the Administration as seeking to alter the meaning of ''timely warning'' or how to determine it. On the contrary, the position statement by Senator Pell indicates that the Committee saw the Administration's goal as replacing the timely warning test with a broader one in which the test of ''timely warning'' was an important factor.

The second concern expressed by the Administration at the markup stemmed from its own confusion between ''timely warning'' and ''reaction time''. The House report had stated in essence that the amount of reaction time needed to effectively counter a diversion from a reprocessing plant based on the Purex process was unlikely to be larger than the conversion time to make the bomb (23). The drafters of that report also tried to provide some guidance for a minimum acceptable amount of reaction time, corresponding to a situation where the diverting country only possessed stored spent fuel and had no reprocessing facility. The effect of this would have been to force the denial of nearly all reprocessing requests since ''reaction time'' would have been mandated to a level greater than ''conversion time'' in almost all cases, thereby leading to a failure of the ''timely warning'' test.

In sum, the administration's second complaint was directed to the fixing a priori of a high ''reaction time'' guideline that effectively did not allow approval of any reprocessing requests. This lack of flexibility in judging reprocessing requests was viewed by Senator Glenn as having been taken care of in his amendment, which did not mandate a ''reaction time'' beyond that needed for ''effective safeguards'', and which allowed other factors (besides ''timely warning'') to be taken into account in judging whether to approve a request. Indeed, although Ambassador Smith's initial reaction to the Glenn language was that ''. . . it doesn't move enough in the direction of flexibility that I think is necessary . . .'' (24), the Administration's own proposed language at that point, as we have already seen, gave no hint of altering the meaning of ''timely warning'' or the factors that would have involved its determination. Therefore, when the subcommittee adopted Glenn's language, it had no alternative meaning of ''timely warning'' before it.

This conclusion was reinforced at the opening of the discussion of the Glenn amendment during the full Committee markup on September 20, 1977. In response to the Chairman's (Senator Frank Church, (D-Idaho)) request for an explanation of the amendment, Senator Glenn replied (25):

''The main issue on the timely warning amendment is this. Timely warning really means technical safeguards and making a judgment as to whether approving reprocessing for some country will result in a significant elevation of risk. The question arises as the weight that should be given to technical safeguards as opposed to, say, political or foreign policy considerations.

My position, as relected in the language adopted by the subcommittee was that technical safeguards, that is, timely warning, should be given primary consideration in these cases. We should not be able to override that because it seems to me that the technical methods of giving timely warning are so critical to the system of safeguards and protections that we have in this area that they should not be ignored.''

Now this quote is from an uncorrected record. In the first paragraph, when Glenn says, '''Timely warning' really means technical safeguards'', it should be understood (indeed, cannot be understood any other way) from the context of all that has gone before, that the statement implies '''timely warning' really means effective technical safeguards,'' where, in the Subcommittee markup, Glenn made it clear that effective technical safeguards meant detection of a diversion by technical means ''in time for use to do something about it'' (26).

The second paragraph, in the absence of further elucidation, could have been interpreted as meaning that the absence of ''timely warning'' can never be overridden by political or foreign policy considerations. A later statement by Glenn (27) indicates that he meant for ''timely warning'' to be the largest single factor (''it would be given the bulk of the consideration'') in judging whether a retransfer would result in a significant increase in the risk of proliferation. This view was not challenged by the Committee during its discussion of ''timely warning''. Rather, the committee concentrated on those other factors which, in strong combination, could produce a decision in favor of a retransfer even if ''timely warning'' is not clearly determinable. Senator Glenn turned the general discussion to specifics by suggesting that (28):

''. . . in the report language we put in that there are situations in which other factors, besides timely warning, may induce the Secretary of State to give his approval. I will give a few examples.''

Senator Glenn then listed the factors that ended up being mentioned in the Senate report and in his floor statement during debate on the bill. Senator Church summarized the discussion by saying (29).

''Clearly what is sought is to give timely warning a very high priority; but at the same time to recognize that there may be circumstances . . . that will suffice and lead us to grant such a request even though timely warning is not present.''

Note that there is no suggestion of any change in the definition or interpretation of timely warning as given earlier by Senator Glenn.

Moreover, Senator Glenn indicated that discussions had been held on his proposed language with members of the House Committee on International Relations (indeed, there was much staff contact on this issue at the time) and that ''they are in agreement with this language (30).'' What is implied here is that the House members agreed not only with Glenn's language, but also with his interpretation of that language.

At this point, Senator Richard Stone (D-Florida) asked for the Administration's views on this matter. Mr. Philip Farley, the chief Administration spokesman at the full Committee Markup, stated that the Administration's position was set forth in letters to the Senate Foreign Relations Committee dated September 12 and September 19, 1977, and asked that these letters be placed in the record (31). The letter of September 19th, from Assistant Secretary of State Douglas Bennett to Senator John Sparkman (D-Alabama), contained the substantive details of the Administration's position. The most important paragraph is reproduced below (32):

''Agreement has been reached on suitable language relating to the timely warning standard to govern U.S. approval of reprocessing with the leadership of the House Committee on International Relations. This language is acceptable to the Administration. While setting forth strict standards, it recognizes that other foreign policy and non-proliferation factors must be considered. It should also be recognized that warning time associated with alternative reprocessing technology is difficult to quantify but does represent a continuum, progressing from a minimum time associated with processes

that involve separated plutonium to longer times for processes that involve uranium and most of the fission products present in irradiated spent fuel. Timely warning is a function of a number of factors, including the inherent risk of proliferation in the country concerned, the amount of warning time provided, and the degree of improvement in warning time that alternative reprocessing technology provides relative to other technologies.''

We note that the phrase ''inherent risk of proliferation'', which appears almost gratuitously and with no explanation of its meaning, was never used in any previous Executive Branch communication to the Congress on ''timely warning''. We also reiterate our comment in note (4) that this phrase or concept was given no substantive acknowledgment in the legislative history of the NNPA beyond its appearance in the September 19th letter.

In discussing the content of this letter, Mr. Farley went into a long and cogent explanation concerning the amount of warning time available to the U.S. under various circumstances involving the retransfer of nuclear materials. But his explanation does not reflect, in words or implication, any notion that timely warning is a function of ''the inherent risk of proliferation'' in a country, whatever the meaning of that phrase. Indeed, Mr. Farley's explanation of warning time conforms with the notion that one must consider the worse case possibility of a completely unexpected diversion in determining whether one's warning time is ''timely'' or not. He said (33):

''For many States, clearly achieving the capability to proceed fairly quickly to a nuclear explosives capability is increasingly going to be something which they have. *In that case, there will be very strict limits on the amount of warning we can expect*'' (emphasis added).

Mr. Farley did not say that the ''strict limits'' he referred to depended on a fuzzy concept like the ''inherent risk of proliferation'' in a country. He tied those limits only to technological capability. There was no further substantive discussion on this point in the markup because the Executive Branch's explanation of the timely warning language was not viewed as differing from the explanation offered earlier by Senator Glenn.

Thus, the State Department letter of September 19th played no role in changing the congressional view of ''timely warning'' that had existed from the beginning. The Glenn compromise allowed for ''timely warning'' not to be the controlling factor in every circumstance where one had to judge whether a given subsequent arrangement would result in a significant increase of risk of proliferation, but the meaning of ''timely warning'' was unaffected.

The above claim is nailed down for good by considering the House floor statements on timely warning, following the Senate markup.

IV. The House Discussion of the New Language on Timely Warning

The House floor debates clearly show that House members viewed the new language as not altering the relationship of timely warning to effective safeguards, i.e., that timely warning was still to be viewed as having to do with ''that interval of time that exists between the detection of a diversion and the subsequent transformation into an explosive device'' (see (8)).

In support of this proposition we have already offered a statement by Representative Bingham in introducing the Glenn language on September 28, 1977. Statements by other key participants also are supportive of our claim. For example, Representative Paul Findley (R–Ohio), Ranking Member of the House Committee on International Relations, in two speeches given before and after the final markup of the NNPA in the Senate, showed that his view of the meaning of ''timely warning'' was unaffected by the Senate action. He stated (34):

''Moreover, the definition of an effective safeguard standard—timely warning—will insure that recipient nations cannot manufacture, undetected and overnight, bombs from materials we provide for peaceful purposes.''

Representative Findley solidified his view of timely warning in the floor debate on September 28, 1977, with the following discussion of the related concept of ''warning time'' (35) (recall that timely warning is present when warning time exceeds reaction time):

''One needs to have warning times that are ample enough to give supplier states or the international community an opportunity to orchestrate an effective response *to an act of diversion* and to be able to do this, moreover, before the violator is able to transform his stolen material into bombs.'' (Emphasis added.)

Representative Lagomarsino (R-California) in support of the compromise amendment described it as follows (36):

''Specifically, it requires that the reprocessing of U.S.-supplied fuel must occur under conditions that provide timely warning of illicit diversion of bomb-usable material. Without such timely warning, the nuclear safeguards system becomes meaningless. We would discover that the plutonium has been diverted after the bombs have been built. Delayed warning or no warning at all would render deterrence impossible.''

Representative Lagomarsino went on to paraphrase the amendment, and describe it further. He said (37):

''. . . the timely warning amendment . . . will further require the Administrator to give foremost consideration to the question of whether the reprocessing facility and the reprocessed product *can be safeguarded so* as to provide timely warning (emphasis added) to the United States of any diversion well before the time at which a *violating* (emphasis added) country could transform weapons-useable material into a nuclear explosive device. Such warning time is essential if the international community or the community of supplier states is to have the opportunity for action. And it is only when such an opportunity for action exists, that safeguards can reliably be considered to deter''.

Finally, Representative Legget (D-California), while expressing general support for the House bill on the day it passed (September 28, 1977), expressed a number of reservations about the changes in the measure, including ''timely warning'' (38). His complaints, however, do not address any perceived change in definition, but address the fact that certain facilities were exempted from immediate application of the timely warning standard. The tenor of his remarks suggest that if he had perceived a change in the definition of timely warning to make it ''more flexible'', he would have cited this as a problem.

The congressional statements discussed above make clear that the change in wording of the amendment did not alter the intent of Congress to view ''timely warning'' as a measure of whether effective action was possible *after discovery of a diversion* (i.e., the worst-case scenario) to deter or prevent the diverting country from fashioning a nuclear explosive device. There is no reference in the House debate to any concept such as the ''inherent risk of proliferation'' as being part of the ''timely warning'' test. Indeed, there is no indication that any member of the House saw a copy of the Bennett-to-Sparkman letter that contained this phrase, let alone paid any attention to it. The only Administration communications that appear in the record of the House debate are identical letters (39) dated September 17, 1977 from Secretary of State Cyrus Vance to Representatives Zablocki and Findley approving proposed amendments to be offered by Congressman Bingham and expressing support for the amended bill. There is not only no reference to ''inherent risk of proliferation'' as an ingredient of ''timely warning'' in these letters, but one of the letter's recipients, Congressman Findley, *in the statement that preceded his placement of the letter in the Congressional Record* reiterated his view that ''timely warning'' was connected to the notion of effective international safeguards. In his words (40):

''Moreover, the definition of an effective safeguard standard—timely warning—will insure that recipient nations cannot manufacture, undetected and overnight, bombs from materials we provide for peaceful purposes.

''By requiring safeguards to provide reliable, timely warning of diversion we are not committing to a new standard but are returning to an old truth.''

Later, in the same statement, Representative Findly said:

''Existing safeguards when applied to reactors do provide reliable, timely warning'', but that ''present safeguards, when applied to reprocessing, do not . . . permit timely warning.''

He went on to say that:

''[W]e must devise safeguards that, when applied to reprocessing, will provide reliable, timely warning. Promising technologies exist which, if pursued, may satisfy this standard. This bill, by defining the standard that safeguards must meet intends to stimulate these new technologies.''

Congressman Findley then referred to collaboration between the Committee and the Administration ''to fashion this safeguard standard'', and remarked that ''. . . the president and Secretary of State have urged that this legislation pass Congress during this session—in its present form—without amendment'' (41).

Obviously, it was not Congressman Findley's understanding that the Administration was proposing any substantial alteration of interpretation of ''timely warning'' from the one he had just laid down.

The conclusion is therefore inescapable that the House did not see the Senate action as changing the meaning of timely warning, but only as broadening the test for determining whether a subsequent arrangement for reprocessing or return of plutonium would result in a significant increase of the risk of proliferation.

V. Conclusion on the Meaning of Timely Warning

There is no logical alternative to the conclusion that the Congress meant for the ''timely warning'' criterion to apply to the most difficult or ''worst-case'' situation, where the U.S. would not suspect in advance that a diversion might occur, but would learn about it after the fact, when the safeguards system had detected it. That is, when detection time is a *positive* quantity. In this case it follows from the definition that *''timely warning'' is met only when reaction time is less than conversion time* (which depends only on a technical and not a political assessment). This explains why the legislative history of the NNPA is replete with references to ''timely warning'' as being associated with what we are here calling ''conversion time'', and squares the statutory (Senate) language on ''timely warning'' with the discussion of the concept in the House report.

VI. The Relationship of Timely Warning to Other Factors in Determining Proliferation Risk

The Senate report, after a discussion of factors that are involved in judging whether ''timely warning'' would be present (i.e., factors entering into an assessment of ''conversion time'' and ''detection time''), launches into a listing of ''other factors which may be taken into account in determining whether there will be a significant increase in the risk of proliferation.'' These are (42):

(1) ''whether the nation is firmly committed to effective non-proliferation policies and is genuinely willing to accept conditions which would minimize the risk of proliferation'';

(2) ''whether the nation has a security agreement or other important foreign policy relationship with the U.S.'';

(3) ''the nature and stability of the recipient's government, its military, and security position''; and,

(4) ''the energy resources available to that nation''.

There would have been no reason for the Senate to label these as ''other factors'' if they already were included in judging whether the ''timely warning'' test was met. To do otherwise would have meant that the Senate was counting such factors twice in giving guidance to DOE on retransfer requests, in which case these component factors would become the ''foremost'' factors in practice, a result not in keeping with the clear congressional intent to identify ''timely warning'' as a separate, ''foremost'' factor.

We have thus established through examination of the NNPA, the Senate and House Reports on the legislation, the Senate Markups, and the floor debate, that Congress intended ''timely warning to be an important factor (the ''foremost'' one), separable and apart from specific political considerations in determining whether a proposed subsequent arrangement for reprocessing or retransfer of plutonium will result in a ''significant increase of the risk of proliferation.''

VII. The Need for Adequate Analysis of the Timely Warning Criterion by the Executive Branch

The chief sponsor and Senate floor management of the bill, Senator John Glenn, stated during the floor debate on February 7, 1978, that (42):

''It is important to note, however, that the bill requires that foremost consideration be given to the question of timely warning. This implies that the latter will receive the greatest weight among all factors. Although this does not require denial of a request when timely warning is not clearly determinable, the language suggests that in the absence of a clear determination that timely warning will indeed be provided, a strong combination of other factors would be necessary to compensate for this weakness in safeguards.''

This statement emphasizes the importance of clearly determining that the ''timely warning'' test has been met. Since Executive Branch decisions on retransfers were made optionally reviewable by the Congress under the NNPA, it would have made no sense for the Congress, which went through tortuous hours of debate and negotiation with the Executive Branch on this issue, to intend the Executive Branch to make an important, possibly critical, determination on ''timely warning'' without adequate supporting analysis showing that the test, as laid out by the Congress, had been met. Therefore, an Executive Branch determination, such as in the Japanese plutonium case, in which there is inadequate analysis revealing how the presence of ''timely warning'' was arrived at, which does not show how ''foremost consideration'' was given to it, and which suggests that extraneous political factors were the main component in the determination, is directly counter to Congressional intent.

FOOTNOTES

(1) P.L. 95–242, enacted on March 10, 1978.

(2) Letter from NRC Chairman Nunzio J. Palladino to DOE Secretary Donald P. Hodel, September 13, 1984.

(3) Private communication.

(4) A phrase used without definition or explanation by the Administration in discussing its own position on ''timely warning'' in a letter dated September 19, 1977, from then Assistant Secretary of State Douglas Bennett to the Chairman of the Senate Foreign Relations Committee, Senator John Sparkman (D-Alabama). It should be noted that this phrase was never mentioned or acknowledged in any way in the extensive House and Senate debates on the floor, during markups, or in hearings.

(5) Senate Report 95–467, October 3, 1977.

(6) Congressional Record—House, February 23, 1978, p. 1456.

(7) Congressional Record—House, February 9, 1978, p. H918.

(8) House Report 95–587, August 5, 1977, p. 18.

(9) See (5), p. 11.

(10) Ibid.

(11) Stenographic Record of Markup—S. 897, U.S. Senate Subcommittee on Arms Control, Oceans, and International Environment, Committee on Foreign Relations; Alderson Reporting Company, September 14, 1977.

(12) Stenographic Record, Committee Business, U.S. Senate Committee on Foreign Relations; Alderson Reporting Company, September 20, 1977.

(13) Stenographic Record, Committee Business, U.S. Senate Committee on Foreign Relations; Alderson Reporting Company, September 28, 1977.

(14) See (5), Section on Executive Branch Comments on S. 897 (As reported by Senate Committee on Governmental Affairs), September 12, 1977, with cover letter from Secretary of State Cyrus Vance, p. 42.

(15) See (14), p. 47.

(16) Ibid.

(17) See (11), p. 14.

(18) Ibid.

(19) Ibid.

(20) Congressional Record—House, September 28, 1977, p. H10280.

(21) See (11), p. 15.

(22) Ibid., p. 11.

(23) See (8), p. 20.

(24) See (11), p. 15.

(25) See (12), p. 45.

(26) See (11), p. 14.

(27) See (12), p. 61.

(28) Ibid., p. 60.

(29) Ibid., p. 61.

(30) Ibid., p. 57.

(31) Ibid., p. 62, The letter of September 12th from Secretary Vance to Senator John Sparkman, Chairman of the Senate Foreign Relations Committee, is identical to the cover letter referred to in (14).

(32) See (5), p. 59.

(33) Ibid., p. 65.

(34) Congressional Record—House, September 22, 1977, p. H9833.

(35) See (20), p. H10282.

(36) Congressional Record—House, September 28, 1977, p. H9835. Although this statement was made on September 22, it was made in reference to the new language on ''timely warning'' that was formally considered by the House on September 28, 1977. (See colloquy between Representatives Lagomarsino and Bingham in Congressional Record—House, September 28, 1977, p. H10280).

(37) Ibid.

(38) See (20), p. H10282.

(39) See (35), pp. H9832 and H9834.

(40) See (35), p. H9833.

(41) See (35), p. H9834.

(42) See (5), p. 12.

(43) Congressional Record—Senate, February 7, 1978, p. S1310.

(44) Section 131a (1) of the Atomic Energy Act as amended provides for a 15 day period of notice before a proposed subsequent arrangement goes into effect.

Mr. GLENN. Madam President, we started working on this effort of nonproliferation back many years ago in my very early days in the Senate. We have been on it ever since. Sometimes you feel like the little story of the Dutch Boy with his finger in the dike. You feel like you are not getting very far, and then you find some nations which are willing to sign up under the Nuclear Nonproliferation Treaty [NPT] and place their confidence in some of the restrictions we have had going on around the world. They express admiration that we and Russia finally are at long last getting our nuclear stockpiles downhill somewhat. So maybe over the long term we are making considerable progress in that area.

IRS COMPLIANCE INITIATIVE

Mr. GLENN. Madam President, I rise today to take issue with my distinguished colleague, the majority leader, whose amendment would severely impact the wide variety of Federal programs on which all Americans rely.

The amendment being offered by the majority leader seeks a recession in the funding of the Internal Revenue Service of $100 million. The funding in question is part of the IRS' new compliance initiative, a broad-based effort to collect all the outstanding tax revenue rightfully due the Federal Government. This excellent program, which was passed with bipartisan support by the Congress last year, will bring in more than $9.2 billion in additional revenue over the next 5 years at a cost of just $2.2 billion during the same period. This is a great deal by anybody's calculations.

In fact, as we stand here and debate, this initiative is already working. For the first quarter of 1995, the IRS has generated an additional $101 million of enforcement revenue, 31 percent of the fiscal year 1995 commitment. These are outstanding results for which we should commend the IRS, given that the program has only just begun and that some lag is always necessary to hire new compliance staff. Do we really want to stop a program that brings in revenue to the Government?

Madam President, I am as aware as any of my colleagues of the need to save scarce tax dollars and effectively spend resources provided by the public. I have long believed that there is a lot of fat, fraud, waste and abuse in Government programs. It has been the focus of our activity on the Governmental Affairs Committee for the last several years.

But I must respectfully take issue with cuts that would come in a program expected to bring in $9.2 billion. If the Senate approved this amendment to the recession bill, then the IRS would be seriously affected by the resulting funding cut. IRS estimates that at this point in the fiscal year, the agency would have to furlough all 70,000 compliance personnel for up to 10 days. At the same time, a cut of this magnitude would cost the Government approximately $500 million in lost collections in addition to the loss of revenue from this initiative.

I am aware that some of my colleagues think that because this appropriation last year was made outside of the domestic discretionary caps, that it undermines our budget strictures and unfairly provides one agency with additional resources. While I sympathize with this reasoning in general—and would not be eager to make exceptions for other agencies—I think that in the case of the IRS, the only responsible choice is to make an exception. To cut compliance funds from the IRS, when each new revenue officer brings in five times their keep, is truly penny wise and pound stupid.

Cutting compliance funds for the IRS is not good logic and it is not good business. I cannot support this amendment that the majority leader has offered. I hope it goes down to defeat.

Madam President, the IRS has had problems. We followed those problems through a number of GAO reports. They have had some financial management problems. After we passed the CFO Act, the IRS management was one of the areas that was targeted to have a first look made of it under the CFO Act to see how they are doing. They are making a number of improvements now as a result of those studies.

Another area that I have followed for several years in which we are beginning, I think, to maybe get our hands on is in the area of IRS receivables. I do not think most Members of this body, or most Americans, people out across America, realize the IRS has owed to it somewhere around $156 billion. Why do we not go out and collect that? Part of that is not collectible in that it is debt that is not validly collectible; where people have gone into bankruptcy, either individually or as corporations. So a big chunk of it fits in that category.

How much can we go out and collect? Peeling that $156 billion down, they have active accounts, they estimate, of $79.5 billion. But they expect, when they look into those, that some are going to be abated or suspended because it will cost more to get them than the money they would get back anyway. But when you come down to the hard core figures that we were given just day before yesterday in a hearing by the Commissioner of the IRS, Margaret Richardson, they feel over there right now that actually collectible money, if we had the people to go out and collect it, is $27.5 billion out there. That is collectible money on IRS accounts if we had the people to go out and get it.

We provided them with additional people last year. We have several thousand people, 4,000 I believe it was, a little over 4,000, that we got as new, full-time employees to go out and collect those accounts because each employee actually brings back in about five times his or her keep as an agent in the IRS.

Now, I think that is a good investment. I think when we talk about cutting back in some of these areas and cutting back on their enforcement money, I cannot understand that, when they bring back far more than what it costs us for those particular people.

The impact of the $100 million rescission would have some far-reaching effects also. We had a hearing just this morning on earned income tax credit. Now, that is a program that has had a lot of fraud and problems because people file either some false income data or they file the wrong number of dependents or whatever and a fairly high percentage of those returns are fraudulent returns.

Now, what do we do? Just as the IRS at the beginning of this year said they were going to do, hold up and look at those returns before they automatically send the money out. They are doing that right now. And we are about to cut the people who do that. We are going to lose far more than the $100 million rescission that has been proposed.

What the amendment would do, it would actually cut the IRS tax law enforcement appropriation by $100 million, 25 percent of the amounts approved in fiscal 1995 for a compliance initiative which is intended to collect an additional $9.2 billion over the fiscal 1995 to fiscal 1999 time period.

The amendment would further require that any revenue officers hired since the beginning of fiscal 1995, which are those addressing the accounts I just mentioned, would have to be redeployed as collection call site assisters.

And third, the amendment would limit the cuts that could be made to the examination and inspection activities of IRS to accommodate the rescission. Reductions cannot take these activities below fiscal 1994 approved levels.

The IRS compliance initiative is designed—and is carrying on right now—to try to already reduce the deficit. Last year, Congress approved a $405 million annual investment to collect an additional $9.2 billion to reduce the deficit over a 5-year period. And the initiative is working. That is the good news. Early results show that IRS will meet or exceed the goal of generating the additional $9.2 billion. In fact, through the first quarter alone, the initiative has generated an additional $101 million of enforcement revenue—in the first quarter of this year. That is 31 percent of the fiscal 1995 commitment. It is ahead of schedule. In other words, they have collected more this year already than it would cost to keep the program in place.

These initiative results are being tracked. They have a new system for tracking enforcement initiatives, and revenue has been developed and approved by GAO. The first-quarter report was delivered to Congress on schedule on March 31.

Further, cutting the initiative increases the deficit. For every appropriated dollar saved, tax revenues are reduced by nearly $5. The cost of this cut in lost revenue is $500 million, if it is limited just to 1 year—a 5 to 1 ratio. If the cut is permanent, the revenue loss is in the range of $2.5 billion. The rescission will negatively impact examination coverage, collection of delinquent accounts, information returns matching, and efforts to curb fraud and abuse with refundable credits.

Just think of that. If we make this cut of $100 million, we are going to reduce impact; we are going to reduce examination coverage; we are going to reduce collection of delinquent accounts, and we are going to not reduce one of the big problems, matching information returns in order to curb fraud and abuse on those refundable credits that we send out.

These are only direct revenues. The Service's enforcement activities also encourage voluntary compliance. When other people see what is going on and they are not able to get away with fraud and abuse, they think twice before they do it and they check that return an extra time before they send it in to make sure there are not mistakes in that account. An estimate has been made of this. Every 1-percent increase in voluntary compliance increases tax revenues by about $10 billion annually. I think that is a very, very impressive figure.

There are some other aspects of what this $100 million rescission cut would do to IRS. Stop-and-go financing disrupts IRS operations. IRS put in place a long-range hiring and training plan. They did it with our support, with our encouragement. Over 4,000 people have been hired or redeployed to compliance jobs so far as part of this initiative. It is a good initiative. In balanced tax administration, ACS addresses predominantly the high volume of low- to middle-dollar cases while revenue officers address the more complex higher dollar individual and business cases. Uneven enforcement could lead to a perception of unfair tax administration. So we want a balanced tax administration.

There are limits to telephone intervention. Certain issues, such as trust fund recovery penalty, cannot be resolved with the telephone. Additionally, certain enforcement tools require face-to-face contact, including seizure and sale, lien priority investigations, and offers in compromise.

The IRS fiscal 1995 savings options are few. With only 6 months remaining in the fiscal year, IRS would need to

make reductions through a combination of an across-the-board hiring freeze in the tax law enforcement appropriation and the staff furloughed.

Now, the worst case I mentioned a moment ago is a furlough of all 70,000 tax law-enforcement appropriation personnel for a 10-day period. A 10-day furlough could result in $500 million in lost revenue collections. So that sounds like a poor bargain to have to do that.

Another factor, too, is using revenue officers as call-site assisters is not practical. In allocating resources for the fiscal 1995 initiative, IRS listened to GAO and congressional concerns regarding staffing for automated collection call sites. The fiscal 1995 initiative contained 2,200, FTE's, full-time employees, for collection; 1,450 of these FTE's were allocated to positions other than revenue officers such as ACS, service center examiners, bankruptcy, account notice work in toll-free operations, and early intervention. Counting the early intervention initiative, 900 additional full-time employees were allocated to ACS.

I wish to also mention the capacity issues. IRS has 3,276 full-time employees assigned to ACS. There are space, equipment, and system limitations that would need to be addressed to accommodate the redeployed revenue officers if this legislation went through. The usual procurement cycle for space and equipment is 18 months.

Since the start of fiscal 1995, only 216 revenue officers have been hired, 89 from outside the IRS and another 127 from other occupations within the IRS.

And redeployment is costly. Even if there were available ACS positions to be filled, redeploying recently hired revenue officers would be costly and it would be inefficient. Revenue officers were not hired in the same location as ACS sites. Revenue officers from around the country would have to either travel to distant cities, incurring travel and hotel costs, or be permanently moved. It has its own costs associated with it. This would mean as much as $7 million in unnecessary travel costs. Further, IRS would be using higher skilled revenue officers to do call-site work that could be done at lower salary costs.

Madam President, this is simply not good business, to cut $800 million out in the interest of balancing the budget, much as we may want to do that, and at the same time cut back on the modernization systems that the IRS has undertaken.

These are good programs that they have and cutting $100 million from law enforcement is exactly the wrong way to move.

I will quote from another document that came to my attention in the office. The headline is:

Cutting $100 Million From Law Enforcement Bad Move, Richardson Says.

Congress should reconsider before it rescinds $100 million of a $405 million compliance initiative enacted last year, IRS Commissioner Margaret Richardson testified April 3.

Richardson told the Senate Appropriations Subcommittee on Treasury, Postal Service and General Government that the rescission proposal ''is simply not good business.''

The proposal is part of S. 617, which would cancel $13 billion in fiscal 1995 spending. It was offered as an amendment by Sens. Robert Dole, R-Kan., and Thomas A. Daschle, D-S.D.

Richardson, defending the agency's $8.2 billion request for fiscal 1996, said any reduction in law enforcement funds or personnel could reduce revenue $2.5 billion. ''Unlike many agencies, the IRS is not a program agency. Over 70 percent of the IRS's budget is personnel cost,'' she said.

And she went on to detail some more of this.

I ask unanimous consent that that article, and another article out of the Washington Times, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From Highlights & Documents]

CUTTING $100 MILLION FROM LAW ENFORCEMENT BAD MOVE, RICHARDSON SAYS

(By Ryan J. Donmoyer)

Congress should reconsider before it rescinds $100 million of a $405 million compliance initiative enacted last year, IRS Commissioner Margaret Richardson testified April 3.

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Except for her comments on the rescission proposal, Richardson's testimony was basically the same she has given to several congressional panels since the Clinton's budget was released in February.

Yet even as Richardson tried to justify a $739 million budget increase for fiscal 1996, she found herself talking an awful lot about this filing season.

Sen. J. Robert Kerrey, D–Neb., criticized Richardson and her entourage of deputy commissioners for delays this year in the issuance of the earned income credit. Accusing the IRS of harassing ''hard-working Americans,'' Kerrey said measures such as getting a notary and a clergy member to attest to a child for suspect returns amounted to abuse of taxpayers.

Richardson, taken aback by Kerrey's criticism, said the Service had uncovered several schemes, many involving multiple returns. Fraudulent EITC refunds cost Treasury $1 billion to $5 billion last year, according to official estimates.

Kerrey criticized Richardson for characterizing ''some'' of those caught as ''common street criminals'' and wondered aloud how much of the fraud is committed by organized efforts and how much by individuals trying to snag an extra hundred dollars. Richardson could not say.

''There are bigger fish in the ocean,'' said Kerrey, who suggested the IRS should pay more attention to corporate fraud and individuals who try to avoid all tax.

Richardson tried to escape the examination by saying she would testify on the EITC before the Senate Governmental Affairs Committee the next day.

Subcommittee Chairman Richard C. Shelby, R–Ala., quizzed her about problems with electronic filing and whether the Service could cut its staff positions by 30,000 in seven years if it got all of its budget request.

Shelby also asked Richardson about a March 29 Tax Analysts article that said IRS computers were responsible for some of the millions of returns rejected this year. Richardson said the IRS has found that all of the rejects were caused by taxpayer errors.

[From the Washington Times, Apr. 4, 1995]

IRS FIGHTS RECISION, TELLS HILL PANEL IT WOULD BOOST DEFICIT

(By Ruth Larson)

A Senate proposal to trim the current budget of the Internal Revenue Service ultimately will increase, not decrease, the federal deficit, IRS Commissioner Margaret Milner Richardson told a Senate panel yesterday.

The cuts are part of a $1.2 billion recision package now being considered on the Senate floor. Senate Republicans want to pay for federal disaster relief by trimming funds already appropriated for federal agencies like the IRS.

IRS' share of the cuts—$100 million—would come from the $405 million appropriated by Congress last year to help the agency increase tax compliance by hiring 4,000 more agents. The plan was touted as a relatively painless way to raise $9.2 billion in revenues in the next five years, to be earmarked for deficit reduction.

That compliance initiative may be jeopardized just as it gets under way if some Senate Republicans have their way. An amendment expected to be introduced today by Senate Majority Leader Bob Dole of Kansas and Sen. John Ashcroft of Missouri would rescind a quarter of the IRS compliance funding.

Mrs. Richardson said that while she understands Congress is being forced to make difficult funding choices, ''some cuts that might appear to produce a short-term benefit may not actually do so. The recision proposal is simply not good business.''

The IRS estimates that for each dollar spent on compliance, such as hiring more enforcement officials, it receives $5 in extra tax revenues. Thus, cutting $100 million could translate to a $500 million loss in revenues next year, and a five-year loss of $2.5 billion, Mrs. Richardson said.

Budget cuts could force the IRS to furlough all 70,000 of its compliance agents for up to 10 days, or even lay off the 4,000 newly hired agents, Mrs. Richardson told the Senate Appropriations subcommittee on the Treasury.

Sen. Richard C. Shelby, Alabama Republican and subcommittee chairman, has been skeptical of the IRS initiatives. Last year he supported an amendment, eventually rejected, that would have eliminated funding for the additional enforcement agents.

For its fiscal 1996 budget, the IRS has requested $8.2 billion—an increase of $700 million over this year's budget. ''Many of us are asking, What are we getting for this large expenditure?'' Mr. Shelby said.

More than half the increase is tied to the agency's on-going tax systems modernization.

Next year the IRS plans to upgrade its computer scanning equipment so it can enter all tax forms and supporting documents into its database. Basic tax data is now entered

manually, a time-consuming task prone to error; many supporting records are not even entered in the system.

The General Accounting Office has long criticized the IRS modernization efforts, saying it doubted the project would result in more revenue, even if it were completed. The GAO also has questioned the need for hiring more compliance staff. It found that the IRS has used the extra compliance funds to pay for budget shortfalls, such as locality pay.

Mrs. Richardson said, ''While the IRS agrees with many of the issues raised by GAO, we believe a number of their criticisms are not valid.'' An independent evaluation team from GAO has been looking at the program and is expected to report its findings to Congress next month.

Mr. GLENN. Madam President, when introducing this legislation, Senator DOLE, when he was listing the cuts, said ''IRS, 100 million—that ought to be a favorite of everybody.''

Well, I disagree with that. I disagree that cutting the IRS is going to prove to be popular with very many people.

On the following page of the Congressional RECORD, Senator KYL is quoted as saying, ''For example, as the majority leader says, it cuts $100 million from the IRS bureaucracy, and makes other changes,'' as though there was a bureaucracy over there that is not working properly to get in the amount of revenue that is owed to the Government.

Let me tell you why I think Senator DOLE is wrong in that regard. When I go back home, what makes people more unhappy than anything else—while they are unhappy at paying taxes, of course; no one likes to pay taxes—but what really burns people up is to feel that they are paying their taxes, they fill out that form, they are honest about everything they do, they do the most honest job they can in submitting their data in for the IRS to consider, but then, when they hear about other people getting away with falsifying accounts and with not submitting all the data and with getting away with something and not paying their fair share, that is what really concerns people very much. It makes them very, very angry. And it makes me angry, too, and, I am sure, every Member of this body.

Yet when we know there are compliance difficulties like this, and we know the earned income tax credit has some difficulties, and where we have programs that are set up now to address those difficulties and get every person to pay their fair share, and now we are saying that instead of expanding that program and making sure that that program is big enough to really make sure everybody does pay their fair share, we are going to cut it.

We are going to cut those funds by one-quarter? That just does not make any sense at all, just from a plain business, flat business standpoint, when we know that each IRS agent gets approximately five times his or her keep in return of revenues that they have found that should have been submitted or should have been paid for and was not. Now that just does not make any sense.

I appreciate the necessity to try to cut the budget here and so on, but this is absolutely the wrong, wrong place to do it.

Madam President, I would like to go to a different subject for a moment.

Another one of the cuts that has been proposed by the Republican Conference this year, which I think is very shortsighted and I hope it does not go through, is an attempt to cut the funding for the General Accounting Office by one-fourth in this 1 year.

Let me give just a little bit of background. We, in the Governmental Affairs Committee, have been the committee of jurisdiction and of supervision over the General Accounting Office ever since I have been on that committee and long before that. We work very closely with them.

They started over 2 years ago, before the last election, to downsize. They wanted to be more efficient. They started their own program of modernization and downsizing at GAO and it has been on schedule. What has happened? They are already down some 12 or 13 percent now and they plan by the end of 1997 to be down one-fourth smaller than they were when they started this program. They are doing that at their own initiative.

Now what happened? The Republican Conference came out with a policy that they want to see GAO cut one-fourth this year, an additional one-fourth of what the GAO is already doing, an additional one-fourth cut in this year alone. This would decimate the GAO.

We depend on the GAO as our investigative arm of Congress.

When they were before us a short time ago over in committee, I could detail just what my own personal efforts where, as committee chairman on the Governmental Affairs Committee, I had asked them to do certain reports. They would come back and then, as a result of that, with action here on the floor or working with other committees, we would point to several billion dollars just that I had saved, just with my own initiative working with GAO.

They have pointed out all sorts of problems. And yet we are trying to cut them back.

Where did this start? Where did people get down on the GAO to the point where they are proposing to be cut back by one-fourth when they do good work and where they their own downsizing already going. And, as Comptroller General Bowsher has said, if you just let them alone and let them proceed until the end of 1997, they will have reduced by one-fourth over that period of time and accomplished on their own an orderly reduction that still enables them to do their job without getting slashed as the proposal would do out of the Republican Conference this year.

There is an editorial in the Hill newspaper, Wednesday, April 5, today. That editorial is entitled ''Don't gut the GAO.'' By and large they state the situation pretty well, I think. I just read this a few moments ago, before I came on the floor. I quote from this editorial:

Ever since the General Accounting Office uncovered the House bank scandal, which cost many lawmakers their jobs and sent some to jail, Congress has been gunning for the watch-dog agency. Republicans were particularly incensed by GAO reports critical of President Bush's tax policies.

It now appears that the GAO, the research arm of Congress, may have to pay a heavy price for its independence. Senate Republicans want to slash the agency's budget by 25 percent.

The ostensible reason for this cut is a deeply flawed report by a panel of the prestigious National Academy of Public Administration, which concluded that the GAO had strayed from its role as a numbers cruncher and wandered into the more esoteric realm of evaluating government programs and policies. But how does an agency evaluate whether taxpayer funds are being well spent except by evaluating the programs and policies for which they are used?

Since its inception in 1921, the agency has saved taxpayers billions of dollars—more than $200 billion by some accounts.

In fact, I correct the editorial here. The $200 billion I think was since 1985, not going clear back to 1921.

I continue with the editorial:

It was the GAO that found the money trail in the Iran-Contra scandal. After uncovering the HUD scandal, the agency went to work on the Department of Defense, and found $36 billion in supplies not needed to satisfy current operations of war reserves. GAO also turned the spotlight on wasteful Medicare reimbursement practices, including hospitals whose physical therapists billed as much as $600 an hour even though their salaries were as low as $20 an hour.

Last year, the agency examined the Department of Energy's Rock Flats plant in Colorado, and found numerous safety problems, including ''plutonium liquids leaking from pipes and tanks, fire hazards and risks of exposing workers to plutonium.'' The GAO is currently studying Supplemental Security Income, which now costs $60 billion a year, a 140-percent increase in the last 10 years. The agency is seeking ways to bring the mushrooming costs under control.

Scotty Campbell, former head of the Office of Personnel Management who directed the critical study, nevertheless warns that a 25-percent budget cut ''could do serious damage to that organization in terms of getting on with its work and readjusting its mission.''

The agency, whose $443 million budget is the largest of any legislative branch agency, has already cut its staff from 5,325 to 4,700 since 1992, and is prepared to reduce it to 3,975 during the next two years. They would have to dismiss 1,600 employees in the next nine months to comply with a 25-percent cut in one year.

The GAO does have its internal problems. The agency is stymied by an antiquated management system that never ceases reviewing its work. It seems constitutionally incapable of producing reports to Congress on time—only 21 percent met GAO's own deadline.

Paradoxically, although Congress wants to slash the agency's budget, it bears most responsibility for GAO's workload. About 77 percent of the agency's work was at the request of Congress. Only last week, the Senate approved giving GAO responsibility for

reviewing every significant regulation promulgated by a Federal agency, a task currently performed by the Office of Management and Budget.

Clearly, the agency that uncovered the House bank scandal doesn't always give Congress what it wants. That makes the GAO all the more needed, especially when budget cutters are honing their axes.

This is definitely not the time to shackle Congress' most effective fiscal watchdog.

I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Hill, April 5, 1995]

DON'T GUT THE GAO

Ever since the General Accounting Office uncovered the House bank scandal, which cost many lawmakers their jobs and sent some to jail, Congress has been gunning for the watchdog agency. Republicans were particularly incensed by GAO reports critical of President Bush's tax policies.

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Since its inception in 1921, the agency has saved taxpayers billions of dollars—more than $200 billion by some accounts. It was the GAO that found the money trail in the Iran-Contra scandal. After uncovering the HUD scandal, the agency went to work on the Department of Defense, and found $36 billion in supplies not needed to satisfy current operations of war reserves. GAO also turned the spotlight on wasteful Medicare reimbursement practices, including hospitals whose physical therapists billed as much as $600 an hour even though their salaries were as low as $20 an hour.

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This is definitely not the time to shackle Congress' most effective fiscal watchdog.

Mr. GLENN. Madam President, it just does not make any sense that we are going to cut GAO at a time when we need their investigations more than ever.

It came as a big surprise to me back several years ago, as chairman of the Governmental Affairs Committee, to learn that the departments and agencies of Government are not required to do a bottom-line audit every year, as any business would have to do. The biggest spending organization in the world, the U.S. Government, and we are not required to do any audits at the end of the year.

We worked over several years putting together legislation. It was put together with the assistance of Dick Darman in the White House, during the years when he was head of OMB, and with Charles Bowsher, who is the Comptroller General, and we put together what we called the Chief Financial Officer Act, which has been in effect since 1990.

What does that do? It requires a bottom-line audit every year of every Department, every agency. We started GAO out auditing just three pilot projects trying to see whether we could get audits or not and what kind of shape they would be in. Nobody is passing, at this point, what in business would be called a certified audit. It will be a number of years before we get to that point. But who is required to analyze those new activities that we have put on every Department, every agency of Government to make sure that they are truly doing an audit—in other words, checking the audits, making sure the bottom-line audit is valid? The GAO, the General Accounting Office. That is one of their assigned jobs.

We are assigning them new roles all the time, and yet, at the same time, we are saying in addition to what they are already cutting down, 12 to 15 percent, we whack them out one-fourth this year when we need more accounting capability, not less.

I wish we could go not just to three agencies of the Government or Departments of Government and say, ''Yes, the GAO is coming over to audit you and you better get your books in order.'' I wish we could go the whole length and breadth of Government. We are going to do that next year, and they are phasing it in slowly and doing a good job of phasing it in slowly, because they do not have the resources to go further into this and do it more rapidly.

It is unbelievable some of the things we found in our hearings going on over at the Pentagon, as far as accounting. GAO found across the whole length and breadth we have 200 different accounting systems, most of which cannot talk to each other on computers. The Pentagon alone has 160 different accounting systems; the Army has 43 different accounting systems. GAO is working closely with the Pentagon, with John Hamre, the comptroller over there, trying to make some sense out of this and trying to get reports and combine some of these systems so that we can know what happens to the money that we appropriate for the Pentagon. I use that as just one example.

I think it was $32 billion in unmatched disbursements, for instance, where they are just sort of written off. We hope they were all valid payments, but we could not really document what those payments were, whether they were as valid as they should be or not.

We did not have the paperwork trail there to do it. They are helping the Pentagon upgrade their system so we can get that kind of an audit trail every single year, not just once in a great while. Yet, at the same time, we are talking about cutting their funding back by a fourth when they are on the downswing now.

It was rare we used to hear any comment about problems with the GAO, and I know, as chairman of the Governmental Affairs Committee, where I heard the first major complaints. I think maybe this is where some of the problems started with the reputation of GAO in the Senate at least.

I know that the editorial I read a moment ago puts some of the problem over in the House on what they did in uncovering the House bank scandal. But in the Senate, everybody went along thinking GAO was doing a good job, which they were, up until President Bush was elected. And during that transition period is when the GAO took it upon themselves to issue the transition reports, giving advice, which was not solicited by the new administration at that time.

These were transition reports that called on GAO's background and their experience in these different areas as to where they saw some of the major problems in Government. This was unsolicited by the new administration. We had very few Senators here, but some—I still have one of the letters in my file that was just caustically critical of the General Accounting Office for going outside what this particular Senator saw as their proper role of doing only reports that we had requested specifically from here, committee chairmen or individuals, of course. But they voluntarily made these transition reports.

If that affronted some people, I am sorry it did, but it certainly did not affront me and it would not have affronted me had it been a Democratic administration coming in.

I do not think there is any agency of Government—no one certainly at the congressional level—to give us advice whose views go clear across the length and breadth of Government, all the way across, and is more qualified to give advice than the General Accounting Office.

I know if it had been a Democratic administration coming in, I would have welcomed those transition reports to give a new administration some guidance. Instead of that, their initiative, which they took on their own, seemed to have affronted some people here. And we heard continual criticism of the General Accounting Office ever since that time. Even up to and including one of the reported suggestions after the Republican conference made their suggestions on cutbacks at 25 percent, one of the Senators was quoted as saying he thought they should be cut back 50 percent. That would virtually do away with the fine job the General Accounting Office does for the Congress.

So I hope that we can think about this very carefully as to what we are doing when we cut funds back for the General Accounting Office. I hope they can be permitted not to take a one-quarter cut in this year, all in this year. That would decimate them. It would interrupt all their programs. They are on a reduction of about one-fourth of their work force right now. It started back 2 years ago and will be completed by the end of 1997. That is their target for this, and they are on schedule for it right now.

They can go that kind of reduction in an orderly fashion and accomplish the same thing if just given the time to do it.

I realize the efforts that we try to put forth around here to cut the budget, but if we are cutting the budget with regard to the General Accounting Office to that level, I think we are making a very, very, major mistake and one that we will regret.

If we do not have them, who are we to use for investigations that they have done in the past? I have used them. As chairman of the Governmental Affairs Committee, I used them for quite a number of different projects.

One I will mention. We are all concerned about the nuclear waste across the country, nuclear waste out of the nuclear weapons production program across the country that went for so many years without anybody even looking at it.

Back in 1985, I was at Fernald in Ohio. People wanted me to come out there, and it was one of the first steps in the nuclear weapons process, a processing plant at Fernald, and they felt there were problems there with waste.

I went out not knowing quite what I would find. The situation was worse than I thought it was. I went to work on that.

Then we asked the General Accounting Office to do a study of the site, which they did. I thought it could not possibly be this bad all over the whole country at the 17 major sites in 11 different States that were part of that nuclear weapons process. It turned out we asked GAO to do studies in some of the other areas, which they did, and what did they find? They found what I had run into at Fernald was only the starting point. What was out there across the whole nuclear weapons complex was a hideous ignoring of what had been going on all during the cold war as we fought to get fissile material and nuclear weapons produced as fast as we possibly could.

We had been just ignoring the waste. Everybody was so concerned, including me, including Members of this body, including most Americans, we were concerned, ''The Russians are coming, the Russians are coming.'' We have to get those nuclear weapons out there fast.

What are we going to do with the waste? Put it out behind the plant and we will deal with that later. That is what we did. This ''out behind the plant and deal with it later'' was all the nuclear waste that we are now going to have to spend hundreds of billions of dollars to clean up.

The organization that has given the best definition of that whole problem all across the country is the General Accounting Office. I add this. Back then, when we first ran into this and had the first GAO reports, we asked for estimates from the Department of Energy as to how much they thought it was going to cost to clean up this whole thing out across the country. This was in about early 1986. They estimated it was going to cost $8 to $12 billion to clean these places up.

Better defining as GAO went through this showed in about 2 years it would cost closer to $100 billion. That was our estimate for several years. Then the cost went up, through better refining of the data, to about $200 billion and 20 to 30 years to do the cleanup.

Now this past week the Department of Energy has finally estimated that depending on how clean we want to make the sites, the cost will be $200 to $375 billion. Some can be done in 20 to 30 years, and some of it may take as long as 75 years as we try to learn how to do it.

GAO is the one who has defined most of this problem and pointed it out. They deserve a lot of credit for having done that.

We could go on. I could talk all night here, all afternoon and all evening about what has happened in GAO on the different projects and what we have been able to save. They have gotten back so many times their cost, the cost of having GAO so many times.

I indicated just my own personal case of requests for information that has resulted in several billion being saved on different accounts that we can document. This $200 billion I said they saved since about 1985, I believe it was, they can document. They have follow-up activities that show. These are not some wild pie-in-the-sky estimates to make them look good. They document this with follow-up review procedures to see how much has actually been saved, and $200 billion over the last 10 years is an enormous savings. Yet at the same time we are talking about whacking them by one-quarter in addition to the reduction they are already making. That would be the most false economy I can think of if we went through with that.

Madam President, I have spoken longer than I usually speak on the floor today, but I think these are very important matters. We talk about pulling back money for the IRS at a time when they are getting their TSM, their tax system modernization in place. That is a mistake. They are getting back far more than what it costs.

If we cut them down on their compliance activities, their follow-up on tax returns, their follow-up to make sure that everybody is paying their fair share, their follow-up to make sure the IETC—the earned income tax credit—is not given incorrectly to the wrong people, when we start cutting back on activities like that, that is a mistake.

I personally would like to see funding increased for GAO and increased for IRS because their track record is that they are getting back more than those additional dollars would cost.

I hope we are not going to, in the interests of balancing the budget here, make some false economies here that will cost more in the long run than it would to fully fund these agencies as requested right now.

I appreciate the consideration of my colleagues. I yield the floor.

BUDGET PROCESS STATUS

Mr. GREGG. Madam President, I wish to address the underlying legislation and also generally about how we stand in this budget process, because obviously this piece of legislation has an impact on the budgets generally.

We are about to break here for a couple of weeks, and when we return from this break, we will have a chance to debate the basic budget resolution before the Congress. This rescission package which we are presently taking up is sort of a precursor to that whole debate, the budget resolution of the Congress.

What it all comes down to is an issue of how we preserve the American dream for our children. What this debate is about is whether or not we are going to start putting fiscal discipline into the Congress and into the Federal Government in a manner which will allow Members to avoid an economic catastrophe which is looming over the horizon and which, unfortunately, our children will be the recipient of.

If we do not soon get control over the extraordinary amount of debt which the Federal Government is running up, we will essentially pass on to the next generation a nation which is bankrupt.

In fact, the national debt today stands at about $5 trillion. It will stand at about $8 trillion by the year 2010. Today, about every American owes about $19,000 if we take the national debt and divide it by the number of Americans. As a result, we are essentially creating a situation where the next generation will not have the capacity for paying the costs of Government which has been passed on to them by our generation. We will be the first generation—talking about the postwar baby boom generations that dominates the membership of this Congress—we will be the first generation in the history of this great country which passes less on to our children than was given by our parents. The opportunity to survive and have a lucrative and a prosperous lifestyle will essentially have been snuffed out for our children by our actions.

Federal taxes today consume about 25 percent of the median income of an American. In the year 1970 it was only 16 percent. Combined Federal and State taxes consume about 50 percent of the incomes of an average American. That is today. That is a huge amount of money. By the time that our children begin to earn and produce, unless we get control over the growth of the Government, taxes will consume 84 percent—84 percent of their income.

Now, that is not my number. I did not come up with that number. That was a number that was actually in the President's prior budget, not in the one he presented this year but the one he presented a year ago. He took it out of this year's budget, I suspect, because it was such a startling number he did not want to disclose it again.

Madam President, 84 percent of all the earnings of all Americans will be absorbed simply to pay for the Government as we move into the beginning of the next century unless we do something, unless we begin to bring under control the rate of growth of our Federal Government.

The current spending policies of this Government also directly affects the cost of doing business and the cost of living in this country.

For example, the national debt adds nearly 2 percent to interest rates, and that, of course, directly affects everyone's lifestyle. For example, those 2 percent in additional interest points represents $900 on the cost of financing a $15,000 car and represents $37,000 on the cost of financing a $75,000 house.

CBO has projected that interest rates would fall, however, if we were able to bring under control Federal spending. In fact, if we were able to balance the budget and put in place a balanced budget, interest rates would fall by fully 1 percent.

In addition, we know if we look into the outyears, what is driving this deficit, what is driving this rate of growth of the Federal Government is entitlement spending. It is not that this country is essentially an undertaxed country, it is not that the people of this Nation do not pay enough in taxes, it is that the people of this country are being asked to spend too much by the Federal Government.

This chart reflects that, and the problem. The green line, which is hard to see, which runs across the middle of the chart, shows what the revenues of the Federal Government are, as we project out into the future years what they have been since 1970 and what they are as we project in future years.

The blue spaces represent discretionary spending. The yellow space represents interest on the Federal debt. And the red space represents entitlement spending.

What this chart essentially says is by the year 2010, we as a Government are going to be spending so much on entitlement programs and interest on the Federal debt that it will absorb all the revenues of the Federal Government. We will not be able to pay for things like national defense, education, roads, libraries, all the services which are discretionary spending. Unless, of course, we wish to tax people at 84 percent of their earnings. Then, around about the year 2015, what this chart essentially says is that because of the force of the cost and the rate of growth of the cost of entitlement spending, this country essentially goes bankrupt.

Ironically, the Medicare system, which is one of the major entitlement programs and which is the primary health care system for senior citizens, that goes bankrupt in about the year 2002, around here. But as a result of demographics and the fact that a large number of citizens in the postwar baby boom generation become senior citizens beginning in about the year 2007, and that group starts to peak around the year 2020, as a result of the huge number of people then receiving benefits under things like Social Security and Medicare, the whole country essentially goes bankrupt in about the year 2015. We end up like Mexico, essentially, a country unable to pay for the operation of its Government and unable to secure or provide a prosperous lifestyle for its people.

All of this occurs not as a result of the fact that people in this country are not paying enough taxes. You would believe they are not paying enough taxes if you listen to many of the Members on the other side of the aisle, that simply raising taxes will address this issue. But that is not the case. As the next chart shows, all of this occurs because we are simply spending too much money. Taxes have remained fairly constant over the last 20 years and will remain constant over the next 20 years as a percent of our national income. But spending has gone up dramatically and stays up and then goes up even more dramatically as we head into the outyears. So it is spending that we must address and addressing the issue of spending we must also address the entitlement spending.

How has the other side decided to do this? How has the President and his party approached this issue? The President sent us a budget about a month ago which projected $200 billion deficits for as far as the eye could see—$200 billion deficits. It added $1 trillion of new debt, just in the next 5 years, to our children's shoulders. It made no major proposals to control any costs in any of the entitlement programs. Imagine that. Entitlement spending makes up 60 percent of the Federal accounts—60 percent. And not one proposal was made in the President's budget to address any of the entitlement accounts.

It was, to say the least, a political document—not designed to address the substance of the major issue confronting this country, which is the fiscal viability of our children's future; not designed to address the fact that we are facing an impending bankruptcy in the Medicare system and a bankruptcy of this Nation for our next generation—but a budget designed to get reelected in 2 years from now.

I call it the Pontius Pilate school of budgeting. Essentially, the President and his party washed their hands of the issue of addressing the deficit and the issue of controlling spending and the issue of how we protect our children's future, and walked off into the distance and said they would give us $200 billion deficits for as far as the eye can see.

This, in my opinion, was an outrage, an inexcusable act, and one which clearly did not reflect the need to manage this Government correctly and to face up to what is the most significant issue we as a Government confront.

On the other side, we, as Republicans, have proposed substantive proposals to address this deficit problem. Today we are taking up this rescission bill. It represents specific reductions in spending for the next 6 months, the balance of this fiscal year, reductions in spending which actually exceed in 6 months what the President has allegedly sent up to us over 6 years. He suggested another $13 billion in spending cuts. We are proposing $13 billion more—more than $13 billion in spending cuts in the next 6 months. He is talking about it over the next 5 years and actually does it through budget gimmicks on top of that.

So that is the first step in this exercise, in this critical exercise of protecting our children's future. But the more important step is how we address the major budget for the next 5 years and how we address specifically the entitlement spending that is driving the issue of the deficit.

If you look at the entitlement accounts there are obviously a large number of them. Many people do not understand what they are. Basically, those are accounts where you have the legal right to receive a payment from the Federal Government, unlike discretionary accounts, where the Federal

Government has the option to spend the money. In defense we have the option to spend the money. In education we have the option to spend the money. In building roads we have the option to spend the money. But in entitlement accounts, if you meet certain criteria, you have the right to be supported by the Government or have the Government pay you.

In the entitlement accounts are such areas as Social Security—it is considered an entitlement account although it is really an insurance account—health care, especially Medicare and Medicaid, farm programs, SSI, EITC, pensions for Civil Service and military retirees. Those are some of the biggest ones—welfare. Those are all entitlement accounts.

To begin with, Social Security is something that in the short run is not a problem and we have not proposed doing anything that would impact that in a negative way. Why is that? For the next 7 years, actually, Social Security runs a surplus. Every year more money is paid into the Social Security system than is paid out: $60 billion this year, by the year 2000 it will be $100 billion annually. That is a factor of demographics and a tax increase that occurred back in 1983.

After the year 2005 the postwar baby boom generation hits the system. Then Social Security becomes a major problem. But for people who are over the age 50 there is no proposal and there should be no proposal that would impact their Social Security benefit. So we have not addressed that in the short run of the next 5-year budget.

So we take Social Security off the table but we leave—that leaves on the table the other major entitlement issues. Of those health care is 55 percent of the spending, health care accounts.

In the health care accounts we are talking about two major areas, Medicare and Medicaid. Medicaid is essentially a welfare proposal, where moneys come out of the general fund to support people who cannot afford their own health care and their own long-term care; Medicare is an insurance proposal for the most part, where people pay into it through their earnings. What we propose, as Republicans, is not to cut Medicare, not to cut Medicaid. There has not been any proposal to do any of that. What we propose is to change those programs to make them deliver a better service to the people who are receiving them and, in the process, slow their rate of growth.

Today the Medicare and the Medicaid accounts are growing at about 10.5 percent annually—10.5 percent. That is three times the rate of inflation. It is actually about 10 times the rate of inflation in the health care community in the private sector. Last year the health care community in the private sector actually had a negative rate of growth. So it is actually 10 times that. But it is three times the rate of growth of the general economy. That is simply too fast and it cannot be afforded. What we are suggesting is we should slow that rate of growth from 10.5 percent down to about 7 percent. That is still twice, in the Medicare area, twice the rate of growth of inflation.

How do we do that? How do we slow that rate of growth? We are going to do it by suggesting to senior citizens that they should have more choices. In fact, we are going to say to them essentially we are going to try to give you the same type of choices a Member of Congress has. That seems pretty reasonable to me. They do not have that today. Today most seniors function out of what is known as a fee-for-service service in health care. Why? Fee for service is where you go out, hire your local doctor, you know him personally, and you pay him personally, and you pay whoever he refers to personally. It is a one-on-one type of relationship to health care. Most seniors in the fifties, sixties, seventies when they were growing up, that was the health care provided in this country, about the only health care, and they were comfortable with it. So the culture of senior citizens today use the fee for service. It happens to be fairly expensive. In fact, it is the most expensive form of health care. It is why health care is growing so fast as a function of cost.

So we are going to say to seniors, I hope, as a way to control the rate of growth of cost, if you want to stay with fee-for-service, fine, do that. We are not going to limit your ability to do that. You can keep that program. But if you as a senior decide to choose a program which is captivated, where the fee for that program is fixed, you go and buy the program at the beginning of the year, they supply you all your health care needs, and the needs they supply are the same as you get as under your fee for service, if you go into that type of program, and that type of program costs less even though it supplies the same type of care—it has to supply the same type of care as you get today—if that program costs less, and it probably will, these are HMO's, PPO's, we are going to let you, the senior, say keep part of your savings. In other words, if it costs $5,000 to get fee for service and you can go out and buy into an HMO for $500, you get to keep 75 percent of the $500 you saved. That is a pretty good deal for seniors. They are going to get the same, probably better, health care in many areas and it is a good deal for the Federal Government. Why? Because it gives us a predictable amount of cost for health care and its rate of growth.

We know that if we can move people out of the fee-for-service system into a captivated system, we can in the outyears save a dramatic amount of money and be assured of the rate of growth. We can afford, instead of the 10-percent rate of growth, closer to the 7-percent rate of growth which we need to reach.

It also creates a huge attitude in the marketplace where you will see competition rise, and you will see seniors given all types of choices. Who knows what will come forward. The market has imagination. They will be able to get programs today that we cannot conceive of, probably offers to give them drugs, long-term care, and probably offers to give them all sorts of different opportunities that they continue to have today under their present plan.

That is a result of marketplace forces competing for those dollars, as a thoughtful senior out there purchasing and make the senior a smarter purchaser. As a result the Federal Government and the seniors are the winners. We will see a reduction in the rate of growth. That is one approach which we will take. We call that creating a better program.

Medicare was created in the 1960's. It is a sixties health care program. It no longer functions in the present climate effectively as a way to deliver health care. We need to change it. Unfortunately, the forces of the status quo which have dominated this place for the last 30 years resist any type of change. But this type of change is needed in order to bring these costs under control, and in order to assure that our children have an opportunity to have health care and that the Medicare system does not go broke so that our seniors get health care after the year 2002. Medicaid accounts, and the welfare accounts, two major entitlements where we have essentially said—and I think most people would agree with this, especially in welfare—the Federal Government has failed. If there is an example of the failure of the liberal welfare state, it is welfare. We have created generations of dependency and despondency. People are locked into their system and told they cannot be productive citizens, and if they try to be they are beaten down by a bureaucracy which says you are not capable of being productive. We are going to keep you in this atmosphere, this endless cycle of dependency on the Federal Government and on the Federal dole. It has not worked. Welfare is a failure. The vast majority of Americans know that. The only folks who do not seem to know that are some of our more liberal colleagues who appear to be tied inexorably to this holdover from the concepts of the past.

What we are going to suggest is that the States should have the responsibility of managing the welfare systems, and they are willing to do it. Given the imagination, the creativity and the flexibility the States have shown in all sorts of areas, release that sort of enthusiasm and energy on the issue of welfare reform and Medicaid, and you will see programs which are better. You will see the recipients and the people who need the care and the assistance get better care, better assistance programs, and the States feel they can do it at less cost. We will design these programs in relationship in conjunction with the Governors so that they will be Governor-driven, so to say. They will be imaginative. They will be

creative, and bring to the process a much better view and a much better approach to welfare and to Medicaid. We will get a better program, and we will get it for less money again because the States freed of this huge overhead of Federal bureaucracy can deliver more for the dollar, deliver it for less because they do not have to comply with all of this endless paperwork and bureaucracy.

As Governor of New Hampshire, I knew that if I did not have to comply with an overwhelming morass of Federal red tape and the number of people that we had to keep on the payroll just to comply with the absurd regulations, the massive regulations that were coming out of Washington, that I could have taken that dollar and gotten more dollars out of my welfare for recipients who needed it, make sure the folks who did not need it did not get it, make sure the people who you had to help transition out of welfare were helped transitioned out of welfare, and in the process do it for considerably less and be more efficient. The Governors feel that way too. That is why they have supported this initiative.

So we will undertake that process in reforming that type of program. In other entitlement accounts we can take the same type of approach—imaginative, creative approaches which will slow the rate of growth. That is what we are talking about; slowing the rate of growth of these entitlement accounts. Why? For two simple goals. First, to make sure that these programs work a lot better because they are not working today very well. But, second, to make sure that we do not bankrupt our children's future. That must be one of our primary thoughts.

So as we go forward in this budget debate, we need to be sure that we understand what is at risk here. We can follow the course which has been laid out by some of our colleagues on the other side of the aisle which is to resist every proposal that comes forward to impact any of these programs, and to say that it is wrong—wrong to change one ''i'' or change one ''t'' as it has been dotted and crossed for the last 20 years. But we can attempt to go in and fundamentally change and reform the manner in which Government is delivered in this country, to slow the rate of growth of Government, to downsize the size of the Federal Government, to return power to the States, the power to the people, to have a Government which understands the delivery of these programs to be significantly improved through delivering them at the State level, and with the programs that we retain here make sure we take a number of imaginative, more creative approaches such as giving choice to our seniors in the area of health care. Those are the types of changes we need to undertake in order to assure that our children have some opportunity for a prosperous lifestyle.

If we make those choices here on this rescissions bill, and when we come back on a budget bill which would substantially reduce the rate of growth over the next 5 years, then we will see a budget that will come into balance. That is what this black line means. The red line happens to be the President's budget as it is projected out over the next 5 years, with the $200 billion deficits, continuous $5 trillion new debt. But the type of budget we are going to propose will be a budget that will lead us to a balanced budget by the year 2002.

Yes. The decisions will be challenging, and I suppose the votes will be defined as tough, hard-to-make votes. But they really are not. They really should be fairly easy votes because what we are talking about here is how to reform this Government so that it delivers the services it is supposed to deliver, but delivers them in a manner which can be afforded not only by our generation but by the next generation which is going to have to pay for the costs which we are passing down to them.

I believe we can accomplish that. I believe we must reject the debate tactics which we have heard on this floor for the last few days which has essentially demagoged every cut as an act that shows no compassion to whatever constituency has been identified for the moment and acknowledge the truth of the matter, that if we are truly concerned about our children—and there has been so much rhetoric from the other side about this program or that program being an issue of caring for children and compassion for children—if we really care about our children, then we have to be willing to address the deficit and the fiscal crisis which we are facing today and the fact that we are going to pass into a bankrupt Nation if we do not act and act quickly and act now.

We should also reject the view that all compassion is retained here in Washington, that the only people who can run a program that really is caring and thoughtful is some small cadre of bureaucrats aided by their assistants here in the Congress of the United States out of Washington. How arrogant that is. How elitist that is. It assumes that Governors are not compassionate, State legislators are not compassionate, that the people on the main frontline of the issue, the folks in the towns and cities across this Nation who deliver these programs do not have the compassion to manage them themselves; they must be told how to do it by this cadre of self-appointed experts here in Washington.

That theory of compassion holds no substance. It is not defensible. This debate, when you hear those terms, is not about compassion. This debate is about power. That is all it is about, the fact that there are folks in this city who have built their careers around the capacity to control the dollars which flow back to run these programs. And they understand that when we move these programs back to the States and the dollars back to the States, they will lose that power and they do not like it. And so they mask their fear of losing that power or they cover up their desire to retain that power with this inflammatory language about compassion which on the face of it is not defensible because it presumes that they are the only ones who possess such traits and that elected officials at the local level and at the State level cannot equal their level of compassion, which is absurd.

So as we move out back to our States over the next couple of weeks and we discuss the issue of the deficit and of the budget, and as we take on issues such as this rescission package and later this budget itself, I think it is absolutely critical that we be honest with the American people, that we explain to them that if action is not taken very soon on bringing this deficit under control, on bringing the rate of growth of this Federal Government under control, our senior citizens will find a Medicare system that goes bankrupt in the year 2002 and that our children will find a nation that goes bankrupt in the year 2015, 2020, somewhere in that range; that we will have passed on to the next generation a nation that is unable to supply them the opportunities for prosperity and hope that we were given by our parents. And as I said at the beginning of this talk, it is not right and not fair for any generation to do that to another generation.

So I hope that as we go forth over these next few weeks we will honestly discuss what is truly at risk here, and what is at risk is the future of our children.

Mr. President, I yield back the time.

Mr. President, I make a point of order that a quorum is not present.

The PRESIDING OFFICER (Mr. GRAMS). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ASHCROFT. Mr. President, we have a solemn responsibility the people have given us. It is a responsibility to control the spending of this Government, to bring it in line with the concept of balance, to somehow manage the resources of this Government in a way which would not continue to jeopardize future generations.

You and I are keenly aware of the fact that every man, woman, and child in the United States of America has a debt of about $18,000, every family of four a debt of about $72,000.

We have before us a rescission bill, this measure to try and rescind certain spending items which we think we can afford not to spend—as a matter of fact, we cannot afford to spend. These are items which ought to be cut.

The freshman class of the Senate in this body in the last several days has forwarded additional cuts that would

allow us to save additional resources. The original proposal for rescissions in the Senate was about $13.3 billion, and this Senate just a few evenings ago in an act of rather courageous judgment decided that we would defer an additional $1.8 billion in spending by deferring the construction of a number of courthouses around the country.

I think it is important for us to look carefully at the proposal of the freshmen Senators that would provide for another $1.3 billion in spending reductions. That money would be available for future generations because it would not be an encumbrance of debt placed upon them. And the kinds of places in which there are projected cuts are places where we can afford to trim back spending, not the least of them is the AmeriCorps of President Clinton, the so-called volunteer arena where people are paid significant sums of money in order to go and volunteer.

What is interesting about AmeriCorps is that it has been costing the American citizens an average of $30,400 per volunteer.

Now, most people do not think of $30,400 price tags on volunteers. We think of volunteers as a part of a great American tradition of giving. This is part of the great American governmental tradition of spending. Not only is it $30,400, a lot of that just goes into the bureaucracy to support those so-called volunteers. As a matter of fact, the data we have indicates that $15,000 of each one of those $30,400 items goes into the bureaucracy and overhead and administrative costs to support the volunteers. That only leaves $15,400 remaining. So that money then supports the so-called volunteer.

But it is interesting to know where the volunteers work. The volunteers, 20 percent of them, one out of every five of them, works for the Government. And frequently these individuals are not really volunteering in the traditional area of volunteer service in America at all. It is just a back-door way of bringing more people into the bureaucracy.

So the AmeriCorps Program is a program that ought to be carefully looked at. And when the freshman class proposed, in response to the mandate of the American people, that we cut an additional $206 million from the AmeriCorps Program, it was a worthy thing to consider.

Now there are those who have come to say to us, ''Well, volunteering is noble; volunteering is wonderful.'' It is noble and it is wonderful, but it is very expensive if you accept the administration's definition of a volunteer. Here you have volunteers in the State of Alaska averaging over $40,000 apiece in terms of cost. I know there are a lot of folks in my home State that would consider that kind of volunteering a great opportunity.

So, I would just say that when we have come forward with the potential of cutting $206 million from the AmeriCorps Program, I think we have come forward with a reasonable way to say that we ought to restrain spending, to rescind this appropriation so that we do not unduly jeopardize future generations with debt.

Another important area they are recommending and we are recommending for rescission is the area of foreign operations, in the area of our generosity to countries overseas. The original recommendation of the Senate was that we would have a foreign operations cut of $100 million. That represents about an eight-tenths of 1 percent cut. The House had recommended $191 million. If we were to move from the eight-tenths of 1 percent, or $100 million, figure to the $191 million figure, we would only be moving to about a total of 1.4 percent cut in the so-called foreign operations budget.

Now, this foreign aid that we give to other countries can be important, can be in the national interest. But let us not suggest to the entire world that the American people are the only people that are going to have to act responsibly in the area of restraining spending. Other countries around the globe are going to have to participate with us, as we tighten our belt in order to reach a balanced budget, in order to have the kind of fiscal restraint and financial responsibility that our children are demanding of us. As a matter of fact, not just our children and their yet unearned wages, but the people across America are demanding of us.

Incidentally, I think countries around the world are demanding that we act responsibly. If you will look at what has been happening to the American dollar on world monetary markets recently, we have been in a free fall. We ought not to have the picture of George Washington on the American dollar. We ought to have a parachute, if we are going to continue to see its value plummet.

Why does the American dollar plummet on world markets? I think it is a lack of confidence in the discipline of this Government to restrain its spending. And we ought to be restraining spending. So if we do restrain spending and if we are in a position to restrain spending in such a way as to protect the future of America and stabilize the world economy, our restraint of spending the additional $91.6 million in foreign operations will be a great benefit not only to us in balancing the budget, but of great benefit to the world because we will have helped create an environment of financial stability.

Well, there are a whole range of things that are a part of this proposed rescission bill. It includes everything from public broadcasting, to the foreign operations, to the AmeriCorps, to the Legal Services Corporation, a variety of items, all of which at one time or another, or some of which even today are laudable things, but things we simply cannot afford.

Mr. President, I believe the American people expect us to live within our resources. The question is not, Is it something you want? The question is, Is it something that we should be spending for, especially in light of the fact that we do not currently have the resources?

When you and I sit down at our kitchen table to develop the budgets that we must have with our family, we ask more than the question: Is this a good thing or is it a bad thing? We have a list of good things that we might like that would be a mile long. We look at the catalog, whether it be from Sears or Lands End, or wherever it was that we are looking at. There are all kinds of good things there.

The question is not whether they are good things. It is whether or not they are a priority for us, whether or not we really have the wherewithal to engage in this kind of activity.

Now those who have come to attack the committee's proposed reductions have suggested that we are cutting children; that we are somehow injuring young people. They have elevated horror stories. They have elevated very sad scenarios, suggesting that we are heartless and compassionless.

This has been done irresponsibly, in my judgment, because, as a matter of fact, we are responsibly addressing these problems.

One of the things that was projected for reduction and rescission was the WIC Program, Women, Infants, and Children. It is a nutrition program. There was a modest reduction there, I think, of $35 million.

There is a great outcry as a result of that modest reduction, saying that this was heartless, it was compassionless, it was going to be taking food from the mouths of women, infants, and children, and it was going to be destructive of the future because people would have lower levels of nutrition.

The truth of the matter is this money was to be rescinded from an unallocated, undistributed surplus in the Women, Infants, and Children Program. The surplus was about $150 million. And to reduce the surplus by $35 million, from $150 million to $115 million, would not impair the nutrition, not impair the health, not impair the safety, not impair the standing of any of these individuals.

But it is important for us to impair the deficit. And we need to look carefully at the way we are managing resources, even resources that are devoted to things of relatively high priorities, even resources that are devoted to things like health and the like. If they are not being utilized, if they are in unallocated and undistributed surplus accounts, let us make sure that we do not leave that resource there or otherwise fail to rescind it so that we occasion additional spending somewhere else.

We have come in response to the voice of the people last November. As one of the newly elected Senators, I know my colleagues and I, when we came to add our voices to the voices

that were asking for rescission of unnecessary spending, we knew we were doing that representing the American people. We were doing that because the people are demanding responsibility in Government. They were demanding reasonable, but tough decisions. They were demanding we restrain the growth of Government. They were demanding that we limit the kind of jeopardy into which our children will go because the debt is higher and higher and higher.

We are not talking about an environment where the debt is going down and down and down. The President has proposed debts of $200 billion a year as far as he is forecasting.

As a matter of fact, the data from which he is creating the forecasts is data that is now coming out of OMB. A year ago, it was represented that we would be using data from the Congressional Budget Office, but that data is not nearly as favorable to the President as the OMB data is.

The OMB data suggests the deficit would only be about $200 billion—only about $200 billion—next year and the year after and the year after and the year after and the year after. But the Congressional Budget Office data indicates that the deficit is substantially greater, hundreds of millions of dollars greater in the outyears than the President's forecasts have indicated.

So we are not talking about a circumstance or situation where it does not matter whether we are cutting, it does not matter whether we are rescinding. It does matter. It matters not only to taxpayers today, but it matters to the young people of tomorrow.

An ordinary family, the father, the mother, no matter how deeply they go into debt, they simply cannot provide or mandate that the youngsters will some day have to grow up and pay that debt. There is a rule against that in America, you cannot be held responsible for the debt of another. No matter how reckless I might be, I cannot create debts my children would have to pay off.

However, there is an exception to the rule. The Congress can incur debt that the next generation will have to pay off, and we have been incurring that debt at an incredible rate. Now each family of four faces a debt of $72,000, and it is growing and growing and growing.

We have the opportunity in this body to say we will stop some of the spending, we will stop the hemorrhaging where we can, we are going to restrain this outflow, and it is time for us to restrain the outflow.

We will restrain it in terms of the AmeriCorps Program, yes, the so-called volunteer program that costs $30,000 per volunteer. We will restrain it in the area of foreign operations and foreign aid. Yes, if we are going to have some belt tightening in this country, other countries around the world should share in that belt tightening as well. We will restrain it even for the Corporation for Public Broadcasting, which is an institution of great wealth, but is an institution which ignores that great wealth and continues to draw upon taxpayers' resources and which ought to be able to use that wealth to avoid having to draw on taxpayers' resources.

We need to make sure that we even implement the rescission cuts which the President of the United States has asked us to implement. When we first started this debate on rescissions, we were going to ignore over $300 million of cuts that the President asked us to make. It is time for us to knock those earmarked special projects out. Those are the projects which the President next year, under a line-item veto, will have the authority to knock out.

He said this year that he would like for us to knock those out, and I think we ought to accommodate the President in that respect and knock out that kind of spending. If we do, we will be responding constructively to the mandate of the people. If we do, we will be responding constructively to what they have asked us to do in the election last year. I believe that is very important. They have asked us to be responsible in restraining spending.

The Senate has an opportunity, as a result of the report of the committee and the amendment offered by the freshmen Members of the U.S. Senate, to rescind the expenditure of resources, the expenditure of which will drive us deeper and deeper into debt.

Mr. President, it is time for us to accept the challenge of the American people to respond constructively to rescind unnecessary spending and to devote the proceeds of the rescissions to the reduction of the Federal deficit. That is the mandate of the people. It is the opportunity which we have. I yield the floor.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

NATIONAL 4–H DAY

Mrs. HUTCHISON. Mr. President, I ask unanimous consent that the Judiciary Committee be discharged from further consideration of Senate Resolution 100, a resolution submitted by me proclaiming April 5 as National 4–H Day; further, that the Senate proceed to its immediate consideration; that the resolution and preamble be agreed to, the motion to reconsider be laid upon the table; and that any statements relating to the resolution be placed at the appropriate place in the RECORD.

The Democratic side has agreed to this request.

The PRESIDING OFFICER. Without objection, it is so ordered.

So the resolution (S. Res. 100) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 100

Whereas the Senate is proud to honor the National 4–H Youth Development Program of the Cooperative State Research, Education, and Extension Service for 85 years of experience-based education to young people throughout the United States;

Whereas this admirable Program seeks to provide a learning experience for the whole child (including head, heart, hands, and health) and help children of the United States to acquire knowledge, develop life skills, and form attitudes to enable the children to become self-directed, productive, and contributing members of society;

Whereas the 5,500,000 urban, suburban, and rural participants in the Program, ranging from 5 to 19 years of age, hail from diverse ethnic and socioeconomic backgrounds and truly represent a cross-section of the United States;

Whereas the Program could not have achieved success without the service of the more than 65,000 volunteers who have given generously of their time, talents, energies, and resources; and

Whereas throughout proud history of the Programs, the Program has developed positive roles models for the youth of the United States and (through its innovative and inspiring programs) continues to build character and to instill the values that have made the United States strong and great: Now, therefore, be it

Resolved, That the Senate—

(1) proclaims April 5, 1995, as National 4–H Day;

(2) commends the 4–H Youth Development Program and the many children and volunteers who have made the Program as success; and

(3) requests the President to issue a proclamation calling on the people of the United States to observe the day with appropriate ceremonies and activities.

Mrs. HUTCHISON. Mr. President, I was pleased to submit Senate Resolution 100 proclaiming today, April 5, 1995, as National 4–H Day. As part of the Cooperative Extension System, 4–H is a program of informal education for youth. It is open to all interested young people, age 5 through 19, regardless of race, sex, creed, or national origin.

The mission of 4–H is to help youth acquire knowledge, develop life skills, and form attitudes that will enable them to become self-directed, productive, and contributing members of society. This mission is carried out through the involvement of parents, volunteer leaders, and other adults who organize and conduct educational experience in community and family settings.

4–H gives young people the opportunity to contribute to food production, community service, energy conservation, and environmental protection. In addition, they learn about science and technology and participate in programs that help them with employment and career decisions, health, nutrition, home improvement, and family relationships. In the process, 4–H youth apply leadership skills, acquire a positive self-image, and learn to respect and get along with others. As a result of international cooperation with 82 countries, 4–H is also contributing to world understanding.

Approximately 5.5 million young people participate in 4–H. The program has almost 50 million alumni.

The 4–H's are:

Head—clearer thinking and decision-making; knowledge useful throughout life.

Heart—greater loyalty, strong personal values, positive self-concept, concern for others.

Hands—larger service, work-force preparedness, useful skills, science and technology, literacy.

Health—better living, healthy lifestyles.

The 4–H pledge is:

I pledge my head to clearer thinking, my heart to greater loyalty, my hands to larger service and my health to better living, for my club, my community, my country, and my world.

The 4–H motto is: ''To make the best better.''

Mr. President, this organization provides positive and nurturing experiences for our country's youth. Many of our Members have served in 4–H. I am pleased to inform you that 4–H'ers from all over the Nation are visiting Washington today.

Senator HEFLIN, a cosponsor of this resolution, and I would appreciate passage of this resolution in acknowledgment of the fine contribution members of this organization make to our society.

Mrs. HUTCHISON. I yield the floor.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

SETTING THE RECORD STRAIGHT

Mr. WELLSTONE. I thank the Chair. I actually will be brief, Mr. President. I, between other work, had a chance to hear some of my colleagues speak on the floor. Since they are not here now, I do not choose to get into a major debate. Others Senators are not here. Hopefully, we can do that at the right time.

Just a couple quick points for the record, Mr. President. We have for now, several days or at least the last day and a half, been at an impasse. I just want to set the record straight.

One or two of my colleagues were talking about the delay and the, if you will, filibuster of this rescission bill. Actually, I think it was yesterday morning, I came out with a sense-of-the-Senate amendment. I made it very clear that I was willing to vote on it, was more than willing to have a time agreement. But the majority leader then came out and second degreed that amendment.

For those watching, second degree means that his amendment took precedence over my amendment.

From that point in time, we really have been pretty much at an impasse. The amendment I brought to the floor of the Senate yesterday dealt with the Women, Infants, and Children Program, nutrition standards, all of which, by the way, is quite relevant to this rescissions bill, since there are proposed cuts in the WIC Program.

The majority leader's second-degree amendment dealt with Jordan.

At that point in time, Mr. President, we have been pretty much at an impasse, but it is certainly not because Senators like myself and others do not want to move forward. We do.

There has been another amendment which has taken up a good deal of the time this week by my colleague from New York. That amendment deals with Mexico—financial assistance to Mexico.

Mr. President, the rescissions bill of proposed cuts, we have had some debate about that. There has been some discussion of the minority leader's amendment which I think is a very important corrective step in restoring some funding for programs that are really not programs—bureaucracy—but perhaps that really make a difference. Childrens' lives, senior citizens' lives—just name it.

Mr. President, by and large the last 2 days have been pretty much an impasse, but it is not because on the part of Democratic Senators that there is not a willingness to move forward. We are more than willing to move forward.

I did not second-degree my amendment. I wanted to have an up-or-down vote. I did not have an amendment that dealt with aid to Jordan on the rescissions package. That was not my decision.

I just want the record to be clear when Senators come out here and say, well, where are they? Why are we not moving forward? I would be pleased to. I had an amendment that was in a sense only a sense-of-the-Senate amendment, but it did not deal with Women, Infants, and Children, did not deal with nutritional standards, did not deal with children, and those are some of the programs we are talking about and debating.

Second point, Mr. President, some of the discussion about Medicare, tonight is not the night to really go into this in great detail or depth, but I feel like some of the comments of colleagues deserve a response—a brief response. I fear that it is just too easy for Senators to come to the floor about the statistics and data about Medicare, and then make the argument that this is the area that we really have to kind of make the cuts.

Mr. President, a couple of points. In the State of Minnesota, with some of the projected cuts that we will be discussing if not today, certainly during this session, those cuts can amount to as much as $10 billion for Medicare and Medicaid. By the way, about 40 percent of Medicaid is for the elderly in nursing homes.

I can just say, and I speak to my colleague from Minnesota, that if we talk to people in rural Minnesota and we ask them what that will mean either in terms of less reimbursement for some of the hospitals and clinics that already struggle because of the inadequate reimbursement, or if we add to copays or deductibles or make seniors pay more out of their pockets, we will across-the-board from senior citizens and the care givers, get the same response: Its impact will be devastating.

Mr. President, I would just raise two points. Point one, I wonder why some of my colleagues who talked about the dangers of rationing when we were talking about universal health care coverage last Congress, now when we talk about just the focus on Medicare and Medicaid and the need for deep cuts in those programs, are not talking about rationing.

Quite clearly, in the absence of overall health care reform, in the absence of some courage about how to contain costs—and by the way, I think we have to contain costs to have universal coverage—if we just target Medicare and Medicaid, then we are guaranteeing that there will be rationing: by age, by disability, and by income.

I can assure Members that those citizens that would be most affected by these proposed cuts are going to be the citizens who are going to have a very bold and I think clear voice. Not because there are some awful special interests but because they have every reason to raise questions.

The Medicare program, imperfections and all, passed in 1965, has made a huge difference for me. I can say that as a son of two parents with Parkinson's disease. For my mother and father, who were not exactly wealthy, Medicare was the difference between being able to survive and financial disaster.

The Medicare program is not perfect. There are imperfections. There are imperfections to all public and private sector programs, but I think that most view Medicare and Medicaid, both passed in 1965, as steps forward, made our country a better country.

Now, I am not opposed to reform at all. But I do want to make it crystal clear that in the projections that have been laid out here, and what is to be done, I have noticed a certain silence, and that silence is deafening on two counts.

Number one, based upon the criteria of ''Well, aren't you going to then be rationing?'' And, number two, ''What about containing costs within the overall health care system?''

When the Congressional Budget Office scored these different health care plans last Congress, the one proposal to contain costs that really got a very strong score, that really made sense, I say to my colleague from Utah whom I respect and who I know is immersed in this debate, the one proposal that did extremely well was to put some kind of limit on insurance company premiums.

No question about it, in terms of the effectiveness of such a proposal as a

part of overall cost containment strategy. It was taken off the table immediately. Taken off the table immediately. I wonder why? Sure, the insurance industry has a tremendous amount of power.

I would just say to my colleagues before we start talking about all senior citizens herded into managed care plans, forgetting fee-for-service period, I thought choice was an important issue. And before we start talking about the way we contain health care costs is target Medicare and Medicaid, we should be sure that we are intellectually rigorous and that we are very honest in our policy choices. We also look at other ways of containing costs.

I will just say to my colleagues, we can take a look at the CBO studies last Congress when they looked at a lot of different proposals, and I see no reason in the world why, in fact, insurance company premiums are not on the table as well in terms of where we try to put some kind of limit as a Senate strategy of cost containment.

Last point, a discussion about welfare. I am just responding to some of what I heard on the floor today. I apologize to colleagues that are not here. When there will be time for debate there will be debate. Nothing that I will say will be personal. Nothing that I will say on the floor right now will be at all hard hitting because I think people should be on the floor to have a right to respond to whatever we say.

I do think that the concern that I have, at least about some of what is in this rescissions package which is cuts in this year's budgets, much less some of the proposals in the future, vis-a-vis some of the block grant, is not flexibility.

That is not the concern I have. The concern I have is that in real dollar terms, when we look at some of the proposed cuts, I really think that the effect of those cuts on too many citizens, and I will start with children, is too much in the negative.

Again, whether it is the insurance companies and their premiums, that somehow that is not on the table when we talk about how to contain health care costs, but we want to target Medicare or Medicaid, same thing here.

Whether it is school lunch or school breakfast or whether it is WIC, or whether it is just the child care block grants programs right now, all that is on the table, clear proposed cuts; but on the other hand, subsidies for oil companies or coal companies or tobacco companies or insurance companies are not on the table.

I think there has to be some standard of fairness, Mr. President. I think that is what people in Minnesota and the country are interested in. I think everyone is aware we have to get our fiscal house in order, although I think there are different views about how to do that. I think we have to have balance.

There has not been an effort on the floor of the Senate on my part, and I do not think on the part of Democrats, to slow anything up. I wanted a vote on the amendment I introduced yesterday.

I will go back to that and end on this. I wanted a vote on the amendment I introduced yesterday morning, which was a long time ago. I did not choose to second-degree that amendment. That was not my amendment on Jordan and financial aid to Jordan. That was the majority leader, the Republican Party. That is his choice—skillful legislator—he did so. Ever since, we have essentially been tied into a knot.

That is really the story of the last 24 hours in the Senate. I look forward to when we get back to this debate. I hope that we can have some good debate on this rescissions package. I yield the floor.

SENATE VOCABULARY

Mr. BENNETT. Mr. President, I have had to learn a new vocabulary since I have come to Washington. I would like to explain to people of America and particularly the people of Utah about this vocabulary, because they may have been watching this debate and have not learned the things that I have had to learn since I have been a Senator.

When I came to the Senate, I came naively from the private sector thinking that the word ''cut'' meant that we would spend less on a program than we were previously spending.

Indeed, when I talked to my children and I say, ''We are going to cut your allowance,'' that means we will give them less money per month than we were giving them before. When my wife and I sit down and we say we have to cut our household budget, that means we will spend less this month than we were able to spend last month. That is what the word ''cut'' means to me in the outside world.

When I come to Washington, however, I had to learn, as I say, a new vocabulary. I learned that the word ''cut'' does not mean that we spend less this year than we spent last year. In many instances, in Washington vocabulary, the word ''cut'' means that we spend more this year than we spent last year. But you do spend less than someone promised that you might spend at some future time.

So, I have had my staff look through this rescission bill to help me understand this vocabulary, and they have come up with the list of cuts, Washington style, and then compared those to cuts as the term is used outside of Washington. I would like to share a few of those.

One that caught my attention—I got letters from Utah saying, ''Senator, this rescission bill will cut $42 million from Head Start. I do not want to do that. I am a very strong supporter of the Head Start Program.''

Mr. President, $42 million, under my definition of the word ''cut'' means that we would spend $42 million less this year on Head Start than we would have spent last year. However, in Washington terms that $42 million cut means that we will only spend $168 million more this year than we spent last year.

Mr. WELLSTONE. Will the Senator yield?

Mr. BENNETT. I will be happy to yield.

Mr. WELLSTONE. Two questions to the Senator, and I appreciate the graciousness of my colleague.

First of all, and I do not remember the exact statistics, maybe he can help me out on this, is it not true that right now, those children who are eligible to benefit from Head Start, we only right now, in current appropriations, cover maybe half or a little more than half of those young children?

Mr. BENNETT. Like the Senator from Minnesota I do not have those figures at my fingertips. I do know that the Head Start Program from fiscal 1990 to fiscal 1995 has had a 128 percent increase during that period, and as I said in my statement, in this rescission bill it will have a $168 million increase over fiscal 1994, for a total of $3.492 billion.

Mr. WELLSTONE. Let me try—if my colleague will take another question. This gets to the semantics about cuts, because I do not think either one of us are trying to be clever. I think it is an honest difference of opinion.

Mr. BENNETT. I will be happy to yield.

Mr. WELLSTONE. I say to my colleague, the background of the context seems to be the following. I do not have it precisely.

First, we say, with Head Start, we intend to do exactly what the title of it is, give a head start to children who come from disadvantaged backgrounds.

Second, even though we say that, we have never funded the program anywhere close to the level where those children who really could benefit from such support get such support.

Third, my colleague says the fact that this is an increase over what is now, over the funding right now, means you cannot call it a cut. But if every 30 seconds a child is born into poverty in this country and the demographics are such and the trend line is such that by definition you have more and more children who are in need of Head Start and you are not funding it anywhere near up to the level to keep up with that increased need, then, in fact, that is a cut. That is a cut by any way in which I think you would imagine it.

In other words, I say to my colleague, my family, we were living on a salary—take my salary when I was teaching, $40,000 a year. And by the same token, then the next year there was an increase in my salary, but it went up just a few percentage points, but the cost of living went up, in terms of food, in terms of utilities, in terms of housing, so in real dollar terms we

had less of a standard of living than I had before, that would be a cut.

If the trend line is many more children are eligible so we are now losing ground, is that not a cut from what the program is about?

Mr. BENNETT. Mr. President, the Senator from Minnesota has given us the theoretical, with respect to his own employment which may or may not constitute a cut. He has not produced any figures in it. But ultimately the basic disagreement here has two points.

No. 1, with respect to his issue regarding Head Start, is it not a cut because we have not fully funded it? That is based on the assumption that money alone will solve the issue of poverty that he raises when he talks about the number of children being born into poverty every year. That is a managerial decision involving an analysis of Head Start and its contribution, how well it works, how often it does not work, what the various problems are, what problems are addressed by Head Start, what problems are not. That is not the issue I am talking about here.

Mr. WELLSTONE. Will my colleague yield?

Mr. BENNETT. Let me finish my point here, if I may. I am not talking about that because that is not what is going out over the television to the American people. I am responding to letters, not addressing the question of whether Head Start is adequately funded or inadequately funded; whether it is being properly managed or improperly managed; whether it is achieving its goal or not achieving its goal. I am getting letters saying, ''You are cutting back Head Start by the rate of $42 billion. Senator, we do not want to cut Head Start from its present level. We do not want to cut Head Start from the job it is currently doing.''

The point I am making is that we are not cutting Head Start back from its present level. The semantics of Washington are deceiving the American people by leading them to believe things are happening that, in fact, are not happening. And Head Start in this rescission bill does, in fact, receive an increase of $168 million, more than it had in fiscal 1994; and over the total period of time from fiscal 1990 to fiscal 1995, it has had a 128-percent increase.

I want to say to the people of Utah and the people throughout the country who are saying, ''Do not cut us back $42 million from last year's level,'' we are not cutting back $42 million from last year's level. Begin to understand the Washington mentality and the Washington vocabulary. When we use the word ''cut'' on this floor, we do not mean what 99 percent of the American people think we mean, and we do not mean what 99 percent of the American people themselves mean when they use the word ''cut.'' That is the point I am trying to make. If the Senator wants to debate with me the issue of the efficacy of Head Start or the wisdom of Head Start on the adequacy of funding for Head Start in terms of what it does, that is a separate issue for a separate time.

If the Senator has a further question on the issue, I will be glad to yield to him.

Mr. WELLSTONE. I appreciate that. Actually, this will be the last question because I want to enable my colleague to go forward with his remarks.

First of all, I would say to the people of Utah who have written the letter to you that I honestly and truthfully believe that they have a fine Senator. The Senator's reputation here for fairness is unsurpassed by anyone else.

Second, I want to say to my colleague, I think that, however, he is deceiving himself in making the case, the semantic case about cuts. Because it does not seem to me to be that strong kind of high ground you are standing on here—though you are considerably taller than I am—when we understand first, that right now, though we say we want children from disadvantaged backgrounds to have a head start, we do not anywhere near come close to fully funding it and second, in addition, unfortunately, it is the reality that we continue to see a dramatic rise in the poverty of children. Every 30 seconds a child is born into poverty in our country, and then third, we have a budget which was going to increase the funding for Head Start and that now has been cut back. That is exactly what this rescission is, a cutback.

So based upon a program that is inadequately funded, that deals with the most important goal we could have, a head start for disadvantaged children, with more and more children, unfortunately, being disadvantaged, I do not see how my colleague can take any comfort in the very remarks he has made.

Why would you want to trim this back at all? Why would you not want to expand the funding? What is the case for any kind of rescission in the Head Start area?

Mr. BENNETT. I thank the Senator for his kind remarks. I appreciate his comments and I reciprocate the personal friendship that we have because we do have a genuine personal friendship even though on the political spectrum we are probably about as far apart as we can get. But one of the delightful things that comes out of the service of this body is you become friends with people with different pasts, different attitudes, different backgrounds, different parties as well as different parts of the country, and you form the warm personal friendships that the common experience of serving in this body gives us. I thank the Senator for his comments. I do say that perhaps we should have the debate as to whether or not Head Start is the logical way to spend money in an attempt to eradicate poverty or, if there are other places to spend it more effectively I think that is the debate for another day and another time.

I will return now, Mr. President, to some of other items that are on this list that I think appropriately belong in this debate.

Here is one, Goals 2000. That was in the debate last year with respect to education. We are told that there is going to be a $55.8 million cut in Goals 2000. Well, after that cut, the Washington vocabulary which is applied to the bill, we find that the increase for Goals 2000 is $224 million more will be spent on Goals 2000 in fiscal year 1995 than was spent in fiscal year 1994.

So people who are worried about that, ''Gee, you are cutting back Goals 2000,'' be reassured we are spending $224 million more on Goals 2000 than we did last year.

Chapter 1, this is a very emotional area. If the Senator from Minnesota was concerned about Head Start, I am sure he is very concerned about chapter 1 children. In this bill, there is a cut, Washington style vocabulary, of $80.4 million. However, be reassured those of you who are afraid that there is going to be an $80 million cut from the level spent in 1994, the actual number spent in fiscal year 1995 will be $321.6 million more in fiscal 1995 than was spent in fiscal year 1994. The total spent on chapter 1 money is $7.1 billion. Again, Mr. President, $321 million more this year than last, not the $80 million cut that a lot of people think they are protesting.

The Eisenhower Professional Development State Grant, a $69 million cut. I list this in the name of fairness because this is the only one on the list where I cannot say, in fact, we are going to spend more in 1995 than we spent in 1994. The effect of this action in the rescission package will be that the Eisenhower Professional Development State Grant Program will be frozen at the same level in 1995 as it was in 1994. So if you are concerned about that, you can be reassured there will be exactly the same amount of money this year as there was last year.

There are more on the list. I will just touch a few of them. School to Work, people say, ''Oh, there is a $15 million cut in School to Work. We love School to Work.'' In fact, School to Work has more than doubled in fiscal year 1995 over the level it had in fiscal year 1994. So if you like School to Work in fiscal year 1994, be reassured there is more than double the money available in fiscal year 1995, and so on it goes on through.

Mr. President, I ask unanimous consent that this list appear in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BENNETT. Mr. President, I will leave this issue without getting into the merits of the cuts, or the Washington style cuts, rather, that we have been debating here. But I think it is something that everyone in America needs to understand. In these programs I've listed, we are not talking about

cutting back from prior levels, as many people are afraid we are. We are simply talking about holding down the increases, increases that in many cases, as I say, are double what they were last year, which seems to me in many cases that is enough.

To my colleagues who say, no, these problems are so pressing that even a doubling of the money is insufficient to solve the needs, I share with you my perspective from the experience I have had in the business world, which is that many times the worst thing you can do to a promising program or a business circumstance, product development activity, is to give it too much money too fast. There are many times the temptation to say, ''Oh, this problem is not solving itself fast enough. Let us give it more money. This problem is not moving as rapidly. Let us fully fund it.'' And you push money at a problem at such a rate that the managers of the program simply cannot absorb it and spent it intelligently.

I served, Mr. President, in the executive branch. I can tell you the most hectic day in the life of anyone who serves in the executive branch is the last day of the fiscal year because on that day the spending authority expires, and all effort is exerted to get the money spent before the year ends. And money is being pushed out the door as rapidly as it possibly can be because they live on a use-it-or-lose-it circumstance. They say, ''If we do not spend the money this year, we will not get the same appropriation next year.'' Then the managerial data come back. And they say, ''You know. We had to spend it so fast that we had to take care of this artificial requirement that we do it by the end of the fiscal year that we spent it badly, we spent it sloppily, in many cases we spent it in a fashion that was counterproductive to the program we were supporting.''

That is the real reason for these rescissions, Mr. President. As a Member of the Appropriations Committee I can assure you and the American people that we went through these programs, and said, ''Where is the money that is not likely to be fenced in 1995 for intelligent management reasons? And, if we can find money of that kind, let us rescind the budget authority and only give them the amount of money they can intelligently and properly spend as good managers.'' And for that we are being accused of cutting vital programs and throwing people out into the snow, and all of the other rhetoric that has come along on this floor.

I hope, Mr. President, that the information developed by my staff and available to readers of the RECORD following my remarks will make it clear that in many programs, we are not cutting, we are simply rescinding money that could not be intelligently spent and properly spent during this fiscal year, and, in fact, in the programs listed we are funding at a level equal to, or in some cases double, that of the level of fiscal year 1994.

With that, Mr. President, I yield the floor.

EXHIBIT 1

WHEN IS A CUT A CUT?—LIST OF CUTS THAT INCREASE FY 1994 APPROPS

[As Contained in Rescission Bill]

Program	Proposed ''Cuts'' (millions)	Increases over FY94 (Total: Approp w/cut'').
JTPA: Adult Job Training	$33	$33 million increase 3.4% increase over FY94. Total: $1.02 billion.
JTPA: Title III: Dislocated Worker.	[1] 35.6	$142 million increase 13% increase over FY94. Total: $1.3 billion.
School to Work	[1] 15	More than doubled. Total: $110 million.
Employment Service (One-Stop Career Center).	[1] 20	Doubled. Total: $100 million.
Healthy Start	[1] 2.5	$10 million increase. Total: $107.5 million.
Head Start	[1] 42	$168 million increase FY94—$3.324 billion. Total: $3.492 billion (128% increase FY90–95).
Child Care Development Block Grant.	[1] 8.4	$33.6 million increase. Total: $926 million.
Goals 2000 (Title III)	[1] 55.8	$224 million increase; FY94: $92.4 M. Total: $316 million.
Disadvantaged (Chapter 1)	[1] 80.4	$321.6 million increase. Total: $7.1 billion.
Eisenhower Professional Development State Grant (Education).	69	Freeze at 1994 level. Total: $251 million.
Education Infrastructure [2]	20	$80 million increase. Total: $80 million.

[1] 20 percent reduction of increase.
[2] New program: Feds should not fund this at all.

Mr. BENNETT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. THOMPSON). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. DOLE. Mr. President, I move the Senate stand in recess subject to the call of the Chair.

The motion was agreed to, and at 7:17 p.m., the Senate recessed subject to the call of the Chair; whereupon, at 9:06 p.m., the Senate reassembled when called to order by the Presiding Officer (Mr. FRIST).

EMERGENCY SUPPLEMENTAL APPROPRIATIONS ACT

Mr. DOLE. Mr. President, I ask unanimous consent that the Senate resume the pending bill, H.R. 1158, and immediately proceed to a vote on the pending Dole amendment, as modified, without any further debate.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the unfinished business.

The assistant legislative clerk read as follows:

A bill (H.R. 1158) making emergency supplemental appropriations for additional disaster assistance and making rescissions for the fiscal year ending September 30, 1995, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Hatfield amendment No. 420, in the nature of a substitute.

D'Amato amendment No. 427 (to amendment No. 420), to require Congressional approval of aggregate annual assistance to any foreign entity using the Exchange Stabilization Fund established under section 5302 of title 31, United States Code, in an amount that exceeds $5 billion.

Daschle amendment No. 445 (to amendment No. 420), in the nature of a substitute.

Dole (for Ashcroft) amendment No. 446 (to amendment No. 445), in the nature of a substitute.

Wellstone amendment No. 450, to express the sense of the Senate that before the Senate votes on block granting WIC to States the Senate Committee on Agriculture, Nutrition, and Forestry should investigate whether there is any improper food industry lobbyists' involvement in the transfer of WIC into State controlled block grants.

Dole/McConnell modified amendment No. 451 (to amendment No. 450), to establish debt restructuring and debt relief for Jordan.

AMENDMENT NO. 451 TO AMENDMENT NO. 450

The PRESIDING OFFICER. The question is on agreeing to amendment No. 451.

The amendment (No. 451) was agreed to.

Mr. DOLE. Mr. President, I further ask that following the disposition of the Dole amendment, the Senate proceed to vote on the Wellstone amendment, as amended, without further debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 450, AS AMENDED

The PRESIDING OFFICER. The question is on agreeing to amendment No. 450, as amended.

The amendment (No. 450), as amended, was agreed to.

ORDER OF PROCEDURE

Mr. DOLE. Mr. President, I further ask that the cloture vote scheduled for Thursday occur at 2 p.m. and the mandatory quorum under rule XXII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, for the information of all Senators, the two leaders with several other Members have been working in good faith all day to reach a compromise with respect to the consideration of the Daschle and Dole/Ashcroft amendment. I hope to reach a unanimous-consent agreement early tomorrow which would allow us to complete action on this bill by noon or shortly thereafter with no further amendments in order. Therefore, Members should be on notice that votes can be expected to occur during Thursday's session of the Senate including final passage of the rescissions bill.

Also, the Senate is expected to consider and pass the paperwork reduction conference report, H.R. 1345, D.C. financial board. I understand there may be some amendments. They are trying to work those out. I also understand it is

very important we do this before the recess. Then if we complete action on the defense supplemental conference report, H.R. 1240 regarding child pornography, executive calendar nominations, and I think we are working together on all those, we hope to get them all done by tomorrow.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Democratic leader.

Mr. DASCHLE. Mr. President, I concur with the information that has just been provided by the distinguished majority leader. Let me say, as I understand it, at some point he will be putting into the RECORD the summary of our progress so far in our negotiations.

I think it certainly accurate to say that there is complete agreement on the add-backs. We have a number of issues that we have to raise with our caucus. That caucus will take place at 9 o'clock tomorrow morning, and I urge all Senators to be there for this very important discussion. Whether or not we have any amendments will be dependent upon our discussion there.

We have come a long way in the last day or so, and as the distinguished majority leader has indicated, there have been a lot of good-faith discussions on both sides of the aisle. I am pleased with our progress, but I think we are now at a point where this ought to be subject to a good discussion within our caucus. And we will be prepared to talk more about the specifics of this compromise as soon as that caucus is complete.

But I do hope we can finish our work as a result of our negotiations. And I am confident that, as a result of our progress, we are much closer tonight.

Mr. DOLE. Mr. President, I thank the distinguished Democratic leader.

Mr. President, I will place in the RECORD at this point a description of the Daschle-Dole compromise, which includes the add-backs and the offsets and the total cost of the add-backs, plus total deficit reduction, in addition to paying for the add-backs.

So my colleagues will have notice, it will appear in the RECORD tomorrow morning and they will have a chance to go over it. If there are any questions, they can contact either myself or Senator DASCHLE. Hopefully, they will not have any questions.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Possible Daschle-Dole Compromise

[Dollars in millions]

Add-backs	*Cost*
Women, Infants, Children	$35.0
School to Work	25.0
Child Care	8.4
Head Start	42.0
Goals: 2000	60.0
Title I Education	72.5
Impact Aid	16.3
Safe and Drug-free Schools	100.0
Indian Housing	80.0
Housing Modernization	220.0
Americorps	105.0
Community Development Banks	36.0
Total	800.2

Offset	*Savings*
Foreign Operations	$25.0
HUD Section 8 Project Reserves	500.0
Airport Improvement	700.0
Libraries	10.0
Federal Admin. and Travel	225.0
Water Infrastructure	62.0
IRS	50.0
Corp. for Public Broadcasting ($3.4 in 1997)	21.6
Total	1597.0
Deficit reduction	$796.8

Addendum: Items in Dole amendment used in Defense Conference.

Foreign Ops $40.0; Legal services $15.0.

MESSAGES FROM THE HOUSE

At 12:50, p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 716. An act to amend the Fishermen's Protective Act;

H.R. 1240. An act to combat crime by enhancing the penalties for certain sexual crimes against children;

H.R. 1271. An act to provide protection for family privacy; and

H.R. 1380. An act to provide a moratorium on certain class action lawsuits relating to the Truth in Lending Act.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 716. An act to amend the Fishermen's Protective Act; to the Committee on Commerce, Science, and Transportation.

H.R. 1271. An act to provide protection for family privacy; to the Committee on Governmental Affairs.

MEASURES PLACED ON THE CALENDAR

The following measure was read the second time and placed on the calendar:

H.R. 849. An act to amend the Age Discrimination in Employment Act of 1967 to reinstate an exemption for certain bona fide hiring and retirement plans applicable to State and local firefighters and law enforcement officers; and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MCCAIN, from the Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 510. A bill to extend the authorization for certain programs under the Native American Programs Act of 1974, and for other purposes (Rept. No. 104–28).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. LEVIN (for himself, Mr. GLENN, and Mr. ROTH):

S. 675. A bill to provide a streamlined contracting and ordering practices for automated data processing equipment and other commercial items; to the Committee on Governmental Affairs.

By Mr. GRAMS:

S. 676. A bill for the relief of D.W. Jacobson, Ronald Karkala, and Paul Bjorgen of Grand Rapides, Minnesota, and for other purposes; to the Committee on the Judiciary.

By Mr. HATCH:

S. 677. A bill to repeal a redundant venue provision, and for other purposes; to the Committee on the Judiciary.

By Mr. AKAKA (for himself, Mr. LEAHY, Mr. CRAIG, Mr. CAMPBELL, Mr. FEINGOLD, Mrs. MURRAY, Mr. JOHNSTON, and Mr. BREAUX):

S. 678. A bill to provide for the coordination and implementation of a national aquaculture policy for the private sector by the Secretary of Agriculture, to establish an aquaculture development and research program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. LUGAR (for himself, Mr. HARKIN, Mr. PRESSLER, Mr. LOTT, Mr. COCHRAN, Mr. INHOFE, Mr. JOHNSTON, Mr. GRASSLEY, Mr. COATS, Mr. SHELBY, Mr. INOUYE, Mr. KERREY, Mr. BURNS, Mrs. KASSEBAUM, Mr. DASCHLE, and Mr. MCCONNELL):

S. 679. A bill to require that Federal agencies differentiate animial fats and vegetable oils from other oils and greases in issuing or enforcing regulations, and for other purposes; to the Committee on Environment and Public Works.

By Mr. HOLLINGS:

S. 680. A bill to authorize the Secretary of Transportation to issue a certificate of documentation and coastwise trade endorsement for the vessel *Yes Dear;* to the Committee on Commerce, Science, and Transportation.

By Mr. HELMS (for himself and Mr. MACK):

S. 681. A bill to provide for the imposition of sanctions against Columbia with respect to illegal drugs and drug trafficking; to the Committee on Foreign Relations.

By Mr. FORD:

S. 682. A bill to provide for the certification by the Federal Aviation Administration of airports serving commuter air carriers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. FRIST (for himself, Mr. ASHCROFT, Mr. BROWN, Mr. INHOFE, and Mr. SANTORUM):

S. 683. A bill to protect and enforce the equal privileges and immunities of citizens of the United States and the constitutional rights of the people to choose Senators and Representatives in Congress; to the Committee on Rules and Administration.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DOMENICI (for himself, Mr. NUNN, Mr. DODD, Mr. COCHRAN, Ms. MIKULSKI, Mr. BENNETT, Mr. LIEBERMAN, Mr. KEMPTHORNE, Mr. DORGAN, Mr. FRIST, and Mr. ROCKEFELLER):

S. Res. 103. A resolution to proclaim the week of October 15 through October 21, 1995, as National Character Counts Week, and for

other purposes; to the Committee on the Judiciary.

By Mr. GRAMS:

S. Res. 104. A resolution referring S. 676 entitled ''A bill for the relief of D.W. Jacobson, Roland Karkala, and Paul Bjorgen of Grand Rapids, Minnesota, and for other purposes''; to the chief judge of the United States Court of Federal Claims for a report on the bill; to the Committee on the Judiciary.

By Mr. D'AMATO:

S. Res. 105. A resolution condemning Iran for the violent suppression of a protest in Teheran; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEVIN (for himself, Mr. GLENN, and Mr. ROTH):

S. 675. A bill to provide a streamlined contracting and ordering practices for automated data processing equipment and other commercial items; to the Committee on Governmental Affairs.

STREAMLINING LEGISLATION

● Mr. LEVIN. Mr. President, I have been fighting for more than a decade to streamline the Federal procurement system and save taxpayer dollars by encouraging the use of more off-the-shelf products. Buying commercial products can lower costs by reducing or eliminating the need for research and development. The time and effort needed to buy a product can be reduced since commercial products are readily available and can be produced on existing production lines. Because the product is already built and has been shown to work, the need for detailed design specifications and expensive testing is also reduced.

Last fall we addressed this issue when we enacted the Federal Acquisition Streamlining Act. This statute, which is the culmination of a comprehensive, 4-year review of the statutes governing the Federal procurement system, will substantially streamline the Federal procurement system and make it easier for Federal agencies to buy off-the-shelf commercial products instead of paying extra to design Government-unique products.

I am today introducing a bill to build on the achievement of that landmark legislation and further simplify the process of entering contracts and placing orders for commercial, off-the-shelf products. In particular, my bill would provide for streamlined contracting and ordering practices in multiple award schedule contracts for automated data processing equipment and other commercial items.

Mr. President, too often when we draft legislation to address a perceived problem, we ignore systems that are already in place and working well.

The multiple awards schedules are an example of a system that has served the taxpayers well. Since the 1950's, the Multiple Award Schedule Program has provided Federal agencies with a simplified method of purchasing small quantities of off-the-shelf commercial items, ranging from paper and furniture to sophisticated computer and telephone equipment. According to the General Accounting Office, the multiple award schedules cover in excess of 1.5 million line items, offered for sale by more than 4,000 vendors.

The multiple award schedules enable agencies to order small quantities of commonly used goods and services at a fair and reasonable price without going through the complex procurement process. They enable commercial companies to sell their products to a large number of potential customers without having to negotiate separate contracts with each. The taxpayers save and the vendors save.

Even so, the Multiple Award Schedule Program is not without its own problems. The negotiation of a single multiple award schedule contract can involve the review and analysis of thousands of pages of financial documents and may require hundreds of staff hours by both the government and the vendor. These paperwork demands are particularly unwelcome to commercial vendors, who complain that the negotiations are divorced from the reality of the commercial marketplace, in which prices are established by competition, not negotiation.

At the same time, the cumbersome process of negotiating multiple award schedule contracts sometimes locks in prices that turn out to be higher than the going market rate. This has been a particular problem in the case of rapidly developing products such as computer software, for which aggressive competition may cause prices to drop quickly in a short period of time.

Finally, because each vendor maintains its own price lists, it is extremely difficult for the thousands of agency officials purchasing products under the schedules to make any kind of effective comparison in vendor products and prices. As the GAO found in a June 1992 report:

> For the most part, procurement offices filled users' requests for a specific manufacturer's product without determining if other [Multiple Award Schedule] products could satisfy the requirement at a lower cost.* * * Procurement officials said that it is an unreasonable administrative burden to require buyers to consider all reasonably available suppliers and determine the lowest overall cost alternative before placing [Multiple Award Schedule]orders. They said that because many schedules have numerous suppliers offering many similar items, comparing all products and prices is too difficult and time-consuming, particularly because [Multiple Award Schedule] information is not automated.

All too often, this means that agencies continue to purchase the same products from the same vendors, even when other vendors offer better products through the schedules at lower cost.

For a number of years, I have pressed the General Services Administration to address these problems by automating the multiple award schedules, using modern computer technology to make it possible for agency officials to compare vendor products and prices. Such automation would bring real competition to the desks of individual purchasing officials, enabling them to select the best value product for their agencies' needs. Happily, such competition should also reduce or even eliminate the need for lengthy negotiations and burdensome paperwork requirements placed on vendors to ensure fair pricing.

With the enactment of the Federal Acquisition Streamlining Act, we now have the means to make such competition a reality. The new statute creates a system for electronic interchange of procurement information between the private sector and Federal agencies, known as the Federal Acquisition Computer Network or ''FACNET.''

FACNET provides the ideal mechanism for automating the multiple award schedules. By integrating the multiple award schedules into FACNET, GSA can take advantage of a system that is already being developed and will be in place in the near future to bring the multiple award schedules directly to the desks of purchasing officials throughout the Government.

The bill I am introducing today would require the General Services Administration to take advantage of the opportunity afforded by FACNET to bring the multiple award schedules on-line. Under the bill, GSA would be required to establish a system to provide Governmentwide, on-line access to products and services that are available for ordering through the multiple award schedules, and to establish that system as an element of FACNET.

Once the Administrator has determined that the required computer systems have been implemented, it should be possible to reduce or even eliminate the need for lengthy negotiations and burdensome paperwork requirements placed on vendors to ensure fair pricing. Accordingly, the bill would establish a pilot program, under which direct competition at the user level would substitute for lengthy and paperintensive price negotiations with vendors.

The pilot program would sunset after 4 years, to give Congress an opportunity to evaluate the impact of the new approach on competition, on prices, on paperwork requirements, and on the small business community. A GAO review of the pilot program would be required to address these issues, as well.

Mr. President, I am well aware that we have just completed a complete overhaul of the Federal procurement laws. I tend to agree with those who believe that it would be a mistake to reopen issues directly addressed by last year's legislation without first giving the procurement community an opportunity to absorb the changes we have already made.

However, the change contemplated by the bill that I am introducing today is simple, feasible, and will save money and effort for both contractors and the

taxpayers. This change is possible today, in large part, because of last year's enactment of the Federal Acquisition Streamlining Act. I believe it is an idea whose time has come. Regardless of how this Congress may choose to address other procurement proposals, I hope that this measure will be considered and passed.●

By Mr. GRAMS:

S. 676. A bill for the relief of D.W. Jacobson, Ronald Karkala, and Paul Bjorgen of Grand Rapids, MN, and for other purposes; to the Committee on the Judiciary.

PRIVATE RELIEF LEGISLATION

● Mr. GRAMS. Mr. President, I introduce S. 676 and submit Senate Resolution 104, a congressional reference bill and companion a private relief bill for Norwood Manufacturing of Grand Rapids, MN.

On May 26, 1987, Norwood Manufacturing was awarded a contract by the U.S. Postal Service to manufacture wooden nestable pallets. On February 9, 1988, the U.S. Postal Service informed Norwood that it was terminating the contract.

The Postal Service first sought to terminate the contract for failure to make timely deliveries. But, when it appeared that this was not a legitimate claim, the Postal Service indicated that Norwood's pallets did not meet specification. This claim came even though Norwood's pallets passed all of the tests required under the contract. Norwood disputes the Postal Services claim and, if given a chance, can present evidence from the Postal Services' own inspectors that support this contention.

Norwood claims that any termination by the Postal Service should have been for convenience, whereby the Postal Service would pay Norwood for its costs of producing the pallets. Instead, the Postal Service chose to terminate the contract for fault causing the company to dissolve, leaving the small businessmen who owned and operated Norwood in debt.

The company contested the Postal Service's decision in the U.S. Court of Claims. On August 10, 1990, the Court of Claims ruled against Norwood on summary judgement; the U.S. Circuit Court of Appeals affirmed the Court of Claims without any explanation or opinion. This came as a surprise to both the Postal Service and their lawyers in the Department of Justice. In fact, Justice Department lawyers had already indicated to Norwood a desire to discuss a settlement of the matter as soon as the Court of Claims denied the Postal Service's motion for summary judgement. Naturally, when the judge ruled in favor of the Postal Service the Justice Department saw no need to further negotiate a settlement.

Mr. President, Norwood deserves an impartial review of the facts. This is why I have submitted Senate Resolution 104, which merely requests a review of this case by the U.S. Court of Claims. After a 1-year review by the court, Congress will possess a determination by the court which will enable Congress to consider if the relief requested in the private bill is justified. Therefore, at this time, I am not advocating passage of the private bill, but instead, seeking Senate approval of Senate Resolution 104 that this matter deserves further judicial review.●

By Mr. HATCH:

S. 677. A bill to repeal a redundant venue provision, and for other purposes; to the Committee on the Judiciary.

VENUE LEGISLATION

Mr. HATCH. Mr. President, I am pleased to introduce a bill that would implement a proposal made by the Judicial Conference of the United States to eliminate a redundant provision governing venue, section 1392(a) of title 28. This bill would make no substantive change in the law governing venue. Instead, it would simply clean up the United States Code by eliminating a provision that no longer serves any purpose.

Section 1392(a) states in its entirety: ''Any civil action, not of a local nature, against defendants residing in different districts in the same State, may be brought in any of such districts.'' I have no quarrel with the rule set forth in this section. I note, however, that it is entirely redundant of provisions of the Judicial Improvements Act of 1990. In that act, Congress rewrote entirely the rules in section 1391 governing venue in diversity and Federal question cases. In so doing, it incorporated the rule of section 1392(a) directly into the provisions of section 1391. Section 1391(a)(1) now provides that venue in diversity cases is proper in ''a judicial district where any defendant resides, if all defendants reside in the same State.'' Section 1391(b)(1) uses the identical language for venue in Federal question cases.

In short, these 1990 changes have exactly duplicated the rule of section 1392(a) within the structure of the new section 1391. Section 1392(a) remains as a useless vestige of an earlier structure.

Again, I note that my bill implements a proposal made by the Judicial Conference of the United States. Specifically, in its September 20, 1993, report, the Judicial Conference states, ''The [Judicial] Conference also approved the [Federal-State Jurisdiction] Committee's recommendation to propose a repeal of 28 U.S.C. § 1392(a) as redundant because of recent amendments to §§ 1391 (a)(1) and (b)(1).''

By Mr. AKAKA (for himself, Mr. LEAHY, Mr. CRAIG, Mr. CAMPBELL, Mr. FEINGOLD, Mrs. MURRAY, Mr. JOHNSTON, and Mr. BREAUX):

S. 678. A bill to provide for the coordination and implementation of a national aquaculture policy for the private sector by the Secretary of Agriculture, to establish an aquaculture development and research program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE NATIONAL AQUACULTURE DEVELOPMENT RESEARCH AND PROMOTION ACT

Mr. AKAKA. Mr. President, today I am introducing the National Aquaculture Development, Research, and Promotion Act.

Our bill is virtually identical to the bill which the Senate Agriculture Committee reported to the floor last year. More than 50 Senators cosponsored last year's legislation, but like many bills during the 103d Congress, we did not take final action before Congress adjourned.

This bill is much more than a simple reauthorization of an expiring law. It will stimulate one of the fastest growing components of agriculture in the United States. The bill promotes policies which will allow our country to become more competitive in the expanding global market for aquaculture products. The National Aquaculture Development, Research, and Promotion Act can serve as a road map for America's future success in aquaculture.

This legislation addresses some of the most pressing needs of aquaculture farmers, such as research, credit assistance, production and market data, conservation assistance, and better coordination among Federal agencies. But the bill can best be summarized in a simple, three word statement: aquaculture is agriculture.

For too long, aquaculture farmers have suffered because of the absence of a consistent Federal policy to promote this important sector of agriculture. Aquaculture has also been limited by an inability to fully participate in many of the farm programs available to dry-land agriculture. The time has come for the Federal Government to recognize that just because the crop you harvest has fins and gills instead of hoofs and horns, it is still agriculture and you deserve to be treated just like any other farmer who works hard for a living.

The world market for aquaculture is vast, and the United States is well-equipped to become a leader in aquaculture production and technology. Supported by a national commitment, American farmers have developed the most productive terrestrial agriculture system on earth. A similar effort is needed to help the United States increase its share of the rapidly expanding market for aquaculture products. Such a national commitment is essential to the future success of aquaculture in the United States. America has the finest research institutions in the world. We simply need to redirect some of our research energy toward new, promising technologies like aquaculture.

Efforts to expand the U.S. aquaculture industry will not go unrewarded. The United States imports 60 percent of its fish and shellfish,

which results in a $3.3 billion annual trade deficit for seafood. If we could reduce our seafood trade deficit by one-third through expanded aquaculture production, we would create 25,000 new jobs. That is what this aquaculture bill is about—creating jobs and putting Americans to work in new, promising industries.

By the year 2000, nearly one-quarter of global seafood consumption will come from fish farming. In order to keep pace with the rising demand for seafood, world aquaculture production must double by the end of this decade and increase sevenfold in the next 35 years. This estimate is based on current population projections and assumes a stable wild fishery harvest. The important question is whether U.S. aquaculture will share in this explosive growth.

Aquaculture is a diverse industry that affects all regions of the country. More than 30 States produce at least two dozen commercially important aquaculture species. Yet it is disturbing that the United States ranks 10th among nations in the value of its production. China, Japan, India, Indonesia, Korea, the Philippines, Norway, Thailand, and the Newly Independent States of the former Soviet Union, all enjoy a larger share of the global aquaculture market. As we work to resolve this problem with our balance of trade, aquaculture can be part of the solution.

Nowhere is the opportunity for aquaculture more promising than in Hawaii. We have a skilled labor force, access to Asian and North American markets, and a climate that permits harvesting throughout the year. Aquaculture can strengthen our employment base and help fill the gaps caused by the decline in sugar. Aquaculture farming is capable of supporting more jobs per acre than plantation agriculture, and these are usually high-wage and high-technology jobs. With the right encouragement, aquaculture can become a cornerstone of diversified agriculture in Hawaii.

More than 100 Hawaiian production and service businesses generate annual aquaculture sales of $25 million from the production of 35 different aquaculture species. Over the last 15 years, the State has spent $15.7 million to grow our aquaculture industry. This investment has helped generate cumulative revenues of $315.9 million during the period. The industry in Hawaii, like many other regions in the United States, is poised to increase production, sales revenues, and generate new employment opportunities.

However, the legislation I have introduced today was not designed merely to promote aquaculture in Hawaii. The bill was drafted with one basic principle in mind; namely, to assist all aquaculture farmers equally. It would be wrong to promote any segment of the industry—whether it is marine or fresh water aquaculture farming, or a particular species of fish or shellfish—over another.

In summary, this bill has the potential to diversify our agricultural base, strengthen rural economies, increase worldwide demand for U.S. agricultural commodities, and thereby reduce the U.S. trade deficit. I hope that we can consider this legislation as part of the 1995 farm bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 678

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

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the ''National Aquaculture Development, Research, and Promotion Act of 1995''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents; references.
Sec. 2. Findings and purpose.
Sec. 3. Definitions.
Sec. 4. National aquaculture development plan.
Sec. 5. National Aquaculture Information Center; assignment of new programs.
Sec. 6. Coordination with the aquaculture industry.
Sec. 7. National policy for private aquaculture.
Sec. 8. Water quality assessment.
Sec. 9. Native American fishpond revitalization.
Sec. 10. Aquaculture education.
Sec. 11. Authorization of appropriations.
Sec. 12. Eligibility of aquaculture farmers for farm credit assistance.
Sec. 13. International aquaculture information and data collection.
Sec. 14. Aquaculture information network report.
Sec. 15. Voluntary certification of quality standards.
Sec. 16. Implementation report.

(c) REFERENCES TO NATIONAL AQUACULTURE ACT OF 1980.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the National Aquaculture Act of 1980 (16 U.S.C. 2801 et seq.).

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Subsection (a) of section 2 (16 U.S.C. 2801(a)) is amended to read as follows:

''(a) FINDINGS.—Congress finds the following:

''(1) The wild harvest or capture of certain seafood species exceeds levels of optimum sustainable yield, thereby making it more difficult to meet the increasing demand for aquatic food.

''(2) To satisfy the domestic market for aquatic food, the United States imports more than 59 percent of its seafood. This dependence on imports adversely affects the national balance of payments and contributes to the uncertainty of supplies and product quality.

''(3) Although aquaculture currently contributes approximately 16 percent by weight of world seafood production, less than 9 percent by weight of current United States seafood production results from aquaculture. As a result, domestic aquaculture production has the potential for significant growth.

''(4) Aquaculture production of aquatic animals and plants is a source of food, industrial materials, pharmaceuticals, energy, and aesthetic enjoyment, and can assist in the control and abatement of pollution.

''(5) The rehabilitation and enhancement of fish and shellfish resources are desirable applications of aquaculture technology.

''(6) The principal responsibility for the development of aquaculture in the United States must rest with the private sector.

''(7) Despite its potential, the development of aquaculture in the United States has been inhibited by many scientific, economic, legal, and production factors, such as—

''(A) inadequate credit;

''(B) limited research and development and demonstration programs;

''(C) diffused legal jurisdiction;

''(D) inconsistent interpretations between Federal agencies;

''(E) the lack of management information;

''(F) the lack of supportive policies of the Federal Government;

''(G) the lack of therapeutic compounds for treatment of the diseases of aquatic animals and plants; and

''(H) the lack of reliable supplies of seed stock.

''(8) Many areas of the United States are suitable for aquaculture, but are subject to land-use or water-use management policies and regulations that do not adequately consider the potential for aquaculture and may inhibit the development of aquaculture.

''(9) In 1990, the United States ranked only tenth in the world in aquaculture production based on total value of products.

''(10) Despite the current and increasing importance of private aquaculture to the United States economy and to rural areas in the United States, Federal efforts to nurture aquaculture development have failed to keep pace with the needs of fish and aquatic plant farmers.

''(11) The United States has a premier opportunity to expand existing aquaculture production and develop new aquaculture industries to serve national needs and the global marketplace.

''(12) United States aquaculture provides wholesome products for domestic consumers and contributes significantly to employment opportunities and the quality of life in rural areas in the United States.

''(13) Since 1980, the United States trade deficit in edible fishery products has increased by 48 percent, from $1,777,921,000 to $2,634,738,000 in 1991.

''(14) Aquaculture is poised to become a major growth industry of the 21st century. With global seafood demand projected to increase 70 percent by 2025, and harvests from capture fisheries stable or declining, aquaculture would have to increase production by 700 percent, a total of 77 million metric tons annually.

''(15) Private aquaculture production in the United States has increased an average of 20 percent by weight annually since 1980, and is one of the fastest growing segments of United States and world agriculture.

''(16) In 1990, private United States aquaculture production was 860,750,000 pounds, worth $761,500,000, up from 203,178,000 pounds, worth $191,977,000, in 1980.

''(17) Since 1960, per capita consumption of aquatic foods in the United States has increased by 49 percent to 14.9 pounds in 1991, and could reach 20 pounds by the year 2000. Total United States demand is projected to double by 2020.''.

(b) PURPOSE.—Subsection (b) of section 2 (16 U.S.C. 2801(b)) is amended to read as follows:

''(b) PURPOSE.—It is the purpose of this Act to promote aquaculture in the United States by—

''(1) declaring a national aquaculture policy;

''(2) establishing private aquaculture as a form of agriculture;

''(3) establishing cultivated aquatic animals, plants, microorganisms, and their products produced by private persons and moving in standard commodity channels as agricultural livestock, crops, and commodities;

''(4) establishing the Department as the lead Federal agency for the development, implementation, promotion, and coordination of national policy and programs for private aquaculture by—

''(A) designating the Secretary as the permanent chairperson of a Federal interagency aquaculture coordinating group;

''(B) assigning overall responsibility to the Secretary for coordinating, developing, and carrying out policies and programs for private aquaculture; and

''(C) authorizing the establishment of a National Aquaculture Information Center within the Department to support the United States aquaculture industry; and

''(5) encouraging—

''(A) aquaculture activities and programs in both the public and private sectors of the economy of the United States;

''(B) the creation of new industries and job opportunities related to aquaculture activities;

''(C) the reduction of the fisheries trade deficit; and

''(D) other national policy benefits deriving from aquaculture activities.''.

SEC. 3. DEFINITIONS.

Section 3 (16 U.S.C. 2802) is amended—

(1) in paragraph (1), by striking ''the propagation'' and all that follows through the period at the end and inserting ''the controlled cultivation of aquatic plants, animals, and microorganisms.'';

(2) in paragraph (3), by inserting before the period at the end the following: ''or microorganism'';

(3) by redesignating paragraphs (7) through (9) as paragraphs (9) through (11), respectively;

(4) by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively;

(5) by inserting after paragraph (4) the following:

''(5) The term 'Department' means the United States Department of Agriculture.''; and

(6) by inserting before paragraph (9) (as redesignated by paragraph (3)) the following:

''(8) The term 'private aquaculture' means the controlled cultivation of aquatic plants, animals, and microorganisms other than cultivation carried out by the Federal Government or any State or local government.''.

SEC. 4. NATIONAL AQUACULTURE DEVELOPMENT PLAN.

Section 4 (16 U.S.C. 2803) is amended—

(1) in the second sentence of subsection (c)—

(A) in subparagraph (A), by adding ''and'' at the end;

(B) in subparagraph (B), by striking ''; and'' and inserting a period; and

(C) by striking subparagraph (C);

(2) in the second sentence of subsection (d), by striking ''Secretaries determine'' and inserting ''Secretary, in consultation with the other Secretaries, determines'';

(3) in subsection (e)—

(A) by striking ''Secretaries'' and inserting ''Secretary''; and

(B) by inserting ''and in consultation with the other Secretaries and representatives of other Federal agencies'' after ''coordinating group''; and

(4) by adding at the end the following:

''(f) ACCOMPLISHMENTS IN AQUACULTURE PROGRAMS.—Not later than December 31, 1995, the Secretary, in consultation with the Secretary of Commerce and the Secretary of the Interior, shall submit to Congress a report evaluating the actions taken in accordance with subsection (d) with respect to the Plan, and making recommendations for updating and modifying the Plan. The report shall also contain a compendium on Federal regulations relating to aquaculture.''.

SEC. 5. NATIONAL AQUACULTURE INFORMATION CENTER; ASSIGNMENT OF NEW PROGRAMS.

Section 5 (16 U.S.C. 2804) is amended—

(1) in subsection (b)(3), by striking ''Secretaries deem'' and inserting ''Secretary, in consultation with the other Secretaries, considers'';

(2) in subsection (c)(1)(B)—

(A) by striking ''Secretary shall—'' and inserting ''Secretary—'';

(B) by striking clause (i) and inserting the following:

''(i) may establish, within the Department, within the Agricultural Research Service, a National Aquaculture Information Center that shall—

''(I) serve as a repository and clearinghouse for the information collected under subparagraph (A) and other provisions of this Act;

''(II) carry out a program to notify organizations, institutions, and individuals known to be involved in aquaculture of the existence of the Center and the kinds of information that the Center can make available to the public; and

''(III) make available, on request, information described in subclause (I) (including information collected under subsection (e));'';

(C) in clause (ii)—

(i) by inserting ''shall'' before ''arrange''; and

(ii) by striking the comma and inserting a semicolon; and

(D) in clause (iii), by inserting ''shall'' before ''conduct'';

(3) in the first sentence of subsection (d), by striking ''Interior,,'' and inserting ''Interior,''; and

(4) by adding at the end the following:

''(e) ASSIGNMENT OF NEW PROGRAMS.—In consultation with representatives of the United States aquaculture industry and in coordination with the Secretary of the Interior, the Secretary of Commerce, and the heads of other appropriate Federal agencies, the Secretary may assess Federal aquatic animal health programs and make recommendations as to the appropriate assignment to Federal agencies of new programs, initiatives, and activities in support of aquaculture and resource stewardship and management.''.

SEC. 6. COORDINATION WITH THE AQUACULTURE INDUSTRY.

Section 6(b) (16 U.S.C. 2805(b)) is amended—

(1) in paragraph (5), by striking ''and'' at the end;

(2) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(7) in order to facilitate improved communication and interaction among aquaculture producers, the aquaculture community, the Federal Government, and the coordinating group, establish a working relationship with national organizations, commodity associations, and professional societies representing aquaculture interests.''.

SEC. 7. NATIONAL POLICY FOR PRIVATE AQUACULTURE.

The Act (16 U.S.C. 2801 et seq.) is amended—

(1) by redesignating sections 7 through 11 as sections 12 through 16, respectively; and

(2) by inserting after section 6 the following:

''SEC. 7. NATIONAL POLICY FOR PRIVATE AQUACULTURE.

''(a) IN GENERAL.—The Secretary, in consultation with the Secretary of Commerce, the Secretary of the Interior, and the heads of other agencies, as appropriate, shall coordinate and implement a national policy for private aquaculture in accordance with this section.

''(b) DEPARTMENT AQUACULTURE PLAN.—

''(1) IN GENERAL.—The Secretary shall develop and implement a Department Aquaculture Plan (referred to in this section as the 'plan') for a unified Department aquaculture program to support the development of private United States aquaculture.

''(2) ELEMENTS OF PLAN.—The plan shall address—

''(A) individual agency programs related to aquaculture in the Department that are consistent with Department programs applied to other agricultural programs, livestock, crops, products, and commodities under the jurisdiction of Department agencies;

''(B) the treatment of cultivated aquatic animals as livestock and cultivated aquatic plants as agricultural crops; and

''(C) means for effective coordination and implementation of aquaculture activities and programs within the Department, including individual agency commitments of personnel and resources.

''(3) DEADLINE.—Not later than 1 year after the date of enactment of the National Aquaculture Development, Research, and Promotion Act of 1995, the Secretary shall submit the plan to Congress.

''(4) REPORTS.—Not later than 1 year after the date of the submission of the plan pursuant to paragraph (3), and annually thereafter, the Secretary shall report to Congress on actions taken to implement the plan during the year preceding the date of the report.

''(5) NATIONAL AQUACULTURE INFORMATION CENTER.—

''(A) IN GENERAL.—In carrying out section 5, the Secretary may maintain and support a National Aquaculture Information Center (referred to in this paragraph as the 'Center') as a repository for information on national and international aquaculture.

''(B) PUBLIC ACCESS.—Information in the Center shall be made available to the public.

''(C) INTERNATIONAL EXCHANGE.—The head of the Center shall arrange with foreign nations for the exchange of information relating to aquaculture and shall support a translation service.

''(D) SUPPORT.—The Center shall provide direct support to the coordinating group.

''(c) NATIONAL AQUACULTURE DEVELOPMENT PLAN.—

''(1) IN GENERAL.—Not later than 1 year after the date of enactment of the National Aquaculture Development, Research, and Promotion Act of 1995, the Secretary shall revise the National Aquaculture Development Plan required to be established under section 4.

''(2) COORDINATION.—The Secretary shall integrate and coordinate the aquaculture and related missions, major objectives, and program components of individual aquaculture plans of the coordinating group members.

''(3) SUBMISSION TO CONGRESS.—Not later than 1 year after the date of enactment of

the National Aquaculture Development, Research, and Promotion Act of 1995, the Secretary shall submit a revised Plan to Congress.

''(4) UPDATES.—Not later than 5 years after the date of the submission of the revised Plan pursuant to paragraph (3), and annually thereafter, the Secretary shall revise the National Aquaculture Development Plan.

''(d) TREATMENT OF AQUACULTURE.—The Secretary shall, for all purposes, treat—

''(1) private aquaculture as a form of agriculture; and

''(2) cultivated aquatic animals, plants, and microorganisms, and products of the animals, plants, and microorganisms, produced by private persons and moving in standard commodity channels as agricultural livestock, crops, and commodities.

''(e) RESOLUTION OF INTERAGENCY CONFLICT.—In consultation with representatives of affected Federal agencies, the Secretary shall be responsible for resolving any interagency conflict in the coordination or implementation of the policy described in this section.

''(f) PRIVATE AQUACULTURE POLICY COORDINATION, DEVELOPMENT, AND IMPLEMENTATION.—

''(1) RESPONSIBILITY.—The Secretary shall have overall responsibility for coordinating, developing, and carrying out policies and programs for private aquaculture.

''(2) DUTIES.—The Secretary shall—

''(A) coordinate all intradepartmental functions and activities relating to private aquaculture;

''(B) establish procedures for the coordination of functions, and consultation, with the coordinating group; and

''(C) recommend to the Agricultural Research Service methods by which the aquaculture resources of the Service can be made more easily retrievable and can be more widely disseminated.

''(3) LIAISON.—

''(A) AGENCIES OF THE DEPARTMENT.—To facilitate communication and interaction between the aquaculture community and the Department, the head of each agency of the Department shall, if requested by the Secretary, designate an officer or employee of the agency to be the liaison of the agency with the Secretary.

''(B) DEPARTMENTS OF COMMERCE AND INTERIOR.—The Secretary of Commerce and the Secretary of the Interior shall each designate an officer or employee of their respective Departments to be the liaison of their respective Departments with the Secretary.''.

SEC. 8. WATER QUALITY ASSESSMENT.

The Act (16 U.S.C. 2801 et seq.) is amended by inserting after section 7 (as added by section 7) the following:

''SEC. 8. WATER QUALITY ASSESSMENT.

''(a) ASSESSMENT.—The Administrator of the Environmental Protection Agency is authorized to carry out, in collaboration with the Secretary, collaborative interagency programs that demonstrate the application of aquaculture to environmental enhancement and assessment, including a program to assess the environmental impact of waterborne contaminants on naturally occurring aquatic organisms and ecosystems using aquaculture-raised organisms to serve as an indicator of environmental pollution.

''(b) GRANTS; COOPERATIVE AGREEMENTS.—The Administrator may provide grants or enter into cooperative agreements or contracts with private research organizations for research and demonstration of the technology authorized by this section.''.

SEC. 9. NATIVE AMERICAN FISHPOND REVITALIZATION.

The Act (16 U.S.C. 2801 et seq.) is amended by inserting after section 8 (as added by section 8) the following:

''SEC. 9. NATIVE AMERICAN FISHPOND REVITALIZATION.

''(a) DEFINITION OF NATIVE AMERICAN.—As used in this section, the term 'Native American' means—

''(1) an Indian, as defined in section 4(d) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(d));

''(2) a Native Hawaiian, as defined in section 8(3) of the Native Hawaiian Health Care Act of 1988 (42 U.S.C. 11707(3)) or section 815(3) of the Native American Programs Act (42 U.S.C. 2992c(3));

''(3) an Alaska Native, within the meaning provided for the term 'Native' in section 3(b) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(b)); and

''(4) a Pacific Islander, within the meaning of the Native American Programs Act of 1974 (42 U.S.C. 2991 et seq.)

''(b) AUTHORIZATION OF PROGRAM.—The Secretary of Agriculture is authorized to carry out a program to revitalize fishponds used by Native Americans to cultivate aquatic species.

''(c) GRANTS; COOPERATIVE AGREEMENTS.—The Secretary may provide grants or enter into cooperative agreements with individuals and organizations, including Native American organizations, to promote fishpond revitalization. Funds provided under this section may be used to engage in fishpond research, pond culture technology development, the application of traditional pond culture techniques and modern aquaculture practices to ancient fishponds, technical assistance and technology transfer, and such other activities as the Secretary determines are appropriate.''.

SEC. 10. AQUACULTURE EDUCATION.

The Act (16 U.S.C. 2801 et seq.) is amended by inserting after section 9 (as added by section 9) the following:

''SEC. 10. AQUACULTURE EDUCATION.

''(a) DEFINITIONS.—As used in this section:

''(1) POSTSECONDARY VOCATIONAL INSTITUTION.—The term 'postsecondary vocational institution' has the same meaning given the term by section 481(c) of the Higher Education Act of 1965 (20 U.S.C. 1088(c)), except that the term only includes an institution that awards an associates degree but does not award a bachelor's degree.

''(2) SECONDARY SCHOOL.—The term 'secondary school' has the same meaning given the term by section 14101(25) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801(25)).

''(b) AUTHORIZATION OF PROGRAM.—The Secretary is authorized to establish a program to expand and improve instruction, on aquaculture and the basic principles of aquaculture farming, in the agriculture curriculum for students attending secondary schools and postsecondary vocational institutions.

''(c) GRANTS AND CURRICULUM.—In carrying out subsection (b), the Secretary may—

''(1) make grants to—

''(A) establish and maintain aquaculture learning centers in secondary schools and postsecondary vocational institutions;

''(B) promote aquaculture technology transfer; and

''(C) educate consumers and the public concerning the benefits of aquaculture; and

''(2) develop curriculum and supporting materials on aquaculture farming, field test the content of the curriculum, and supply training to educators at secondary schools and postsecondary vocational institutions on the aquaculture curriculum and materials developed.

''(d) PRIORITY FOR GRANTS.—In awarding grants under subsection (c)(1), the Secretary shall give priority to—

''(1) the ability of the proposed aquaculture learning center to gain access to—

''(A) a commercial aquaculture farm;

''(B) a regional aquaculture center established by the Secretary under section 1475(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3322(d));

''(C) an aquaculture research facility; or

''(D) a similar venture that would afford students the opportunity to experience aquaculture research and development or commercialization;

''(2) the ability of the center to achieve outreach to minority audiences or students in inner-city schools;

''(3) the ability of the center to foster awareness of aquaculture among consumers and the general public;

''(4) the ability of the center to serve as an aquaculture education facility for visiting students participating in a field trip or a similar educational experience for inservice training; and

''(5) the level of assistance to be provided from non-Federal sources.

''(e) LIMITATION.—

''(1) IN GENERAL.—Except as provided in paragraph (2), a grantee may not receive a grant under this section for more than 5 fiscal years.

''(2) WAIVER.—In the case of grantees that receive grants under this section for fiscal year 1996, the Secretary may waive the application of paragraph (1) to the grantees for the fiscal year if the Secretary determines that the application of paragraph (1) to the grantees would result in the termination of an excessive number of grants.''.

SEC. 11. AUTHORIZATION OF APPROPRIATIONS.

The first sentence of section 15 (as redesignated by section 7(1)) is amended to read as follows: ''There are authorized to be appropriated to carry out this Act (including the functions of the Joint Subcommittee on Aquaculture established under section 6(a)) $3,000,000 for each of fiscal years 1996 through 2000.''.

SEC. 12. ELIGIBILITY OF AQUACULTURE FARMERS FOR FARM CREDIT ASSISTANCE.

(a) IN GENERAL.—Section 343 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991) is amended by striking ''fish farming'' both places it appears in paragraphs (1) and (2) and inserting ''aquaculture (as the term is defined in section 3(1) of the National Aquaculture Act of 1980 (16 U.S.C. 2802(1)))''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective on October 1, 1995.

SEC. 13. INTERNATIONAL AQUACULTURE INFORMATION AND DATA COLLECTION.

Section 502 of the Agricultural Trade Act of 1978 (7 U.S.C. 5692) is amended by adding at the end the following:

''(d) INTERNATIONAL AQUACULTURE INFORMATION AND DATA COLLECTION.—

''(1) IN GENERAL.—The Secretary is authorized to establish and carry out a program of data collection, analysis, and dissemination of information to provide continuing and timely economic information concerning international aquaculture production.

''(2) CONSULTATION.—In carrying out paragraph (1), the Secretary shall consult with the Joint Subcommittee on Aquaculture established under section 6(a) of the National Aquaculture Act of 1980 (16 U.S.C. 2805(a)), and representatives of the United States aquaculture industry, concerning means of effectively providing data described in paragraph (1) to the Joint Subcommittee and the industry.''.

SEC. 14. AQUACULTURE INFORMATION NETWORK REPORT.

Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall report to Congress on the feasibility of expanding current information systems at regional aquaculture centers established by the Secretary under section 1475(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3322(d)), universities, research institutions, and the Agricultural Research Service to permit an on-line link between those entities for the sharing of data, publication, and technical assistance information involving aquaculture.

SEC. 15. VOLUNTARY CERTIFICATION OF QUALITY STANDARDS.

The Act (16 U.S.C. 2801 et seq.) is amended by inserting after section 10 (as added by section 11) the following:

"SEC. 11. VOLUNTARY CERTIFICATION OF QUALITY STANDARDS.

''The Secretary shall develop, in consultation with representatives of the aquaculture industry, a plan for voluntary certification of guidelines to ensure the quality of aquatic species subject to this Act in order to promote the marketing and transportation of aquaculture products.''.

SEC. 16. IMPLEMENTATION REPORT.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall report to Congress on the progress made in carrying out this Act and the amendments made by this Act.

(b) CONTENTS.—The report required by subsection (a) shall include—

(1) a description of all programs and activities of the Department of Agriculture and all other agencies and Departments in support of private aquaculture;

(2) the specific authorities for the activities described in paragraph (1); and

(3) recommendations for such actions as the Secretary of Agriculture determines are necessary to improve recognition and support of private aquaculture in each agency of the Department of Agriculture.

By Mr. LUGAR (for himself, Mr. HARKIN, Mr. PRESSLER, Mr. LOTT, Mr. COCHRAN, Mr. INHOFE, Mr. JOHNSTON, Mr. GRASSLEY, Mr. COATS, Mr. SHELBY, Mr. INOUYE, Mr. KERREY, Mr. BURNS, Mrs. KASSEBAUM, Mr. DASCHLE, and Mr. MCCONNELL):

S. 679. A bill to require that Federal agencies differentiate animal fats and vegetable oils from other oils and greases in issuing or enforcing regulations, and for other purposes; to the Committee on Environment and Public Works.

THE EDIBLE OIL REGULATORY REFORM ACT

● Mr. LUGAR. Mr. President, I am pleased to join Senator PRESSLER, Senator HARKIN and others in introducing legislation to encourage regulatory common sense. Our legislation will correct two problems: First, the regulation of edible oils in a manner similar to toxic oils like petroleum, and second, the requirement that Certificates of Financial Responsibility [COFR] accompanying vessels carrying edible oils equal those of vessels carrying toxic oils. This bill is similar to legislation which passed Congress last year, but was not given final approval.

In response to the Exxon Valdez oil spill in 1990, Congress passed the Oil Pollution Act of 1990, which requires several Federal agencies to enhance regulatory activities with regard to the shipping and handling of hazardous oils.

In 1993, the Transportation Department proposed regulations to guard against oil spills, and require response plans if spills did occur. DOT proposed to treat vegetable oils—that is, salad oils—in the same way as petroleum. Among other things, salad oils would have been officially declared ''hazardous materials,'' with all the regulatory requirements and extra costs which that designation entails.

This was a classic example of regulatory overreaching. Vegetable oil, of course, is distinctly different from petroleum. Vegetable oil processors thought it entirely appropriate that they undertake response plans to guard against major spills. The industry did not argue that they should be exempt from regulation.

The industry argued that regulators should take into account obvious differences—in toxicity, biodegradability, environmental persistence and other factors—between vegetable oils on the one hand, and toxic petroleum oils on the other.

Secretary Pena eventually agreed with us and prompted modification of DOT's position. However, he does not have jurisdiction over all agencies with a role in regulating oil spills. More recently, the industry has been working with other agencies which have a role in regulating oils and ensuring adequate financial responsibility in the event of a spill.

No one is any longer proposing to call salad dressing or mayonnaise ''hazardous material,'' but agencies are requiring that spill response plans for vegetable oils be quite similar to those for petroleum.

The most recent problem arose in December when Coast Guard regulations subjected vessels carrying vegetable oil to the same standard of liability and financial responsibility as supertankers carrying petroleum. On December 28, 1994, the Coast Guard began requiring the same standard—a $1,200 per gross ton or $10 million of financial responsibility—on vessels carrying vegetable oil and petroleum oil in U.S. waters or calling at U.S. ports. On July 1, similar standards will be phased in on barges operating on U.S. navigable waterways.

Prior to December 28, a COFR requirement of $150 per gross ton applied to all vessels regardless of the hazardous nature or toxicity of the cargo. The vegetable oil industry does not seek a return to this earlier standard, but seeks regulation under a $600 per gross ton COFR requirement that Coast Guard regulations apply to vessels carrying other commodities. It is worth noting that this new financial responsibility standard for edible oil would be four times the COFR required on toxic petroleum oils prior to December 28, 1994.

Application of the most stringent standard to vessels carrying vegetable oil adds to the cost of transporting U.S. vegetable oil to foreign markets. The additional costs of these burdensome regulations are passed back to farmers in reduced prices for commodities. Consumers may also bear a burden in higher food prices. In addition, there have already been instances in 1995 where this unjustified additional cost has made U.S. vegetable oil uncompetitive and has resulted in lost exports. Mr. President, I ask unanimous consent that a February 15, 1995 Journal of Commerce report detailing these losses be printed in the RECORD.

Our bill would not exempt vegetable oil shipments from COFR requirements or regulation. It would only apply a more appropriate standard of financial responsibility to vegetable oil, similar to that applied to vessels carrying other commodities.

The scientific data collected to date indicate that the animal fats and vegetable oils industry has an excellent spill history justifying differentiation of these edible materials from toxic oils. Specifically, these products account for less than one-half of 1 percent of all oil spills in the U.S. In addition, most spills of these products are less than 1,000 gallons.

The industry seeks a separate category for vegetable oils. This is as much because of scientific differences in the oils as it is for economic reasons. There is no reason why non-toxic vegetable oils must be in the same category as toxic oils.

Second, the industry seeks response requirements that recognize the different characteristics of animal fats and vegetable oils within this separate category. A separate category without separate response requirements reflecting different toxicity and biodegradability is nothing more than a hollow gesture.

The Senate and House of Representatives last year passed virtually identical legislation on different legislative vehicles to ensure that both of these objectives were accomplished. Under our bill, the underlying principles of Oil Pollution Act of 1990 would remain unchanged with the language to require differentiation of animal fats and vegetable oils from other oils. The House approved this language twice last year as part of H.R. 4422 and H.R. 4852. The Senate passed the bill as S. 2559. Since final action on this legislation was not completed in the last Congress, we have introduced it again.

This bill does not tell the Coast Guard or any other agency what it must put into regulations. The legislation simply says that in rulemaking under the Federal Water Pollution Control Act or the Oil Pollution Act of 1990, these agencies must differentiate between vegetable oils and animal fats on one hand, and other oils including petroleum on the other.

The bill specifies that the agencies should consider differences in the physical, chemical, biological or other properties and the effects on human health and the environment effects of these oils.

This bill does not exempt vegetable oils from the Oil Pollution Act of 1990 or any other statute. It is a modest effort to encourage common sense in an area of regulation that has not always been marked by that characteristic. I hope my colleagues will cosponsor the legislation.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 679

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Edible Oil Regulatory Reform Act.''

SEC. 2. DEFINITIONS.

As used in this Act:

(1) ANIMAL FAT.—The term ''animal fat'' means each type of animal fat, oil, or grease (including fat, oil, or grease from fish or a marine mammal), including any fat, oil, or grease referred to in section 61(a)(2) of title 13, United States Code.

(2) VEGETABLE OIL.—The term ''vegetable oil'' means each type of vegetable oil (including vegetable oil from a seed, nut, or kernel), including any vegetable oil referred to in section 61(a)(1) of title 13, United States Code.

SEC. 3. DIFFERENTIATION AMONG FATS, OILS, AND GREASES.

(a) IN GENERAL.—In issuing or enforcing a regulation, an interpretation, or a guideline relating to a fat, oil, or grease under a Federal law, the head of a Federal agency shall—

(a) differentiate between and establish separate categories for—

(A)(i) animal fats; and

(ii) vegetable oils; and

(B) other oils, including petroleum oil; and

(2) apply different standards to different classes of fat and oil as provided in subsection (b).

(b) CONSIDERATIONS.—In differentiating between the classes of animal fats and vegetable oils referred to in subsection (a)(1)(A) and the classes of oils described in subsection (a)(1)(B), the head of the Federal agency shall consider differences in physical, chemical, biological, and other properties, and in the effects on human health and the environment, of the classes.

SEC. 4. FINANCIAL RESPONSIBILITY.

(a) LIMITS ON LIABILITY.—Section 1004(a)(1) of the Oil Pollution Act of 1990 (33 U.S.C. 2704(a)(1)) is amended by striking ''for a tank vessel,'' and inserting ''for a tank vessel (other than a tank vessel carrying animal fat or vegetable oil),''.

(b) FINANCIAL RESPONSIBILITY.—The first sentence of section 1016(a) of the Act (33 U.S.C. 2716(a)) is amended by striking ''in the case of a tank vessel,'' and inserting ''in the case of a tank vessel (other than a tank vessel carrying animal fat or vegetable oil),''.●

● Mr. HARKIN. Mr. President, I am pleased to join Senator LUGAR in introducing legislation that will clarify the regulatory treatment of edible oils, including vegetable oils and animal fats. This legislation is very similar to legislation that we introduced last year and to legislation that both the Senate and House of Representatives passed last fall, but unfortunately not in the same bill.

Common sense would dictate that regulations governing the transportation, handling and storage of edible oils should not be as stringent as those applicable to other oils, such as petroleum oils or other toxic oils, which pose a far more significant level of health, safety, and environmental risk in the event of a spill, discharge or mishandling. Animal fats and vegetable oils are essential components of food products that we consume every day. The scientific evidence indicates they are not toxic in the environment, are essential nutritional components, are biodegradable and are not persistent in the environment. In any event, spills of animal fats and vegetable oils are relatively infrequent and small in quantity. Such spills accounted for less than 1 percent of oil spills in and around U.S. waters between 1986 and 1992, and were generally very small in quantity, with only 13 spills of more than 1,000 gallons in that period.

Regrettably, a common sense approach to regulation of animal fats and vegetable oils has been more difficult to achieve than one might think, as the experience under implementation of the Oil Pollution Act of 1990 demonstrates. At one point, it was proposed that edible vegetable oils be regulated as ''hazardous material''. Although some of the problems have been worked out, whether regulators will properly differentiate edible fats and oils from petroleum and other toxic oils in applying the Oil Pollution Act and other Federal laws. This kind of overregulation imposes costs which must be borne by the industry and by farmers, in the form of lower prices, and by consumers, in the form of higher prices.

The legislation we are introducing today is simply designed to bring some clarity to this situation by ensuring that overly restrictive or unreasonable interpretations of Federal laws do not impose excessively burdensome or irrational regulations with respect to edible oils. The bill would not exempt edible oils from regulation, but would only require that regulators differentiate animal fats and vegetable oils from other oils, including petroleum oil, considering differences in physical, chemical, biological and other properties, and in the effects on human health and the environment, of the classes of oils.

To address a specific issue that has arisen, language has been added to this bill that was not in the previous version to clarify that under the Oil Pollution Act vessels carrying animal fats and vegetable oils are not subject to the same level of financial responsibility requirements as are applicable to vessels carrying petroleum oils. Again, this is a common sense approach, recognizing that animal fats and vegetable oils simply do not pose risks comparable to those associated with other oils such as petroleum oils.

In conclusion, this legislation will alleviate the substantial threat of overregulation of animal fats and vegetable oils in ways that clearly could not have been intended by Congress. It will bring some reasonableness and clarity to issues that are now characterized by confusion and uncertainty. I urge my colleagues to support this important, straightforward legislation.●

By Mr. HOLLINGS:

S. 680. A bill to authorize the Secretary of Transportation to issue a certificate of documentation and coastwise trade endorsement for the vessel *Yes Dear;* to the Committee on Commerce, Science, and Transportation.

COASTWISE TRADING PRIVILEGES LEGISLATION

● Mr. HOLLINGS. Mr. President, I am introducing a bill today to direct that the vessel *Yes Dear,* official number 578550, be accorded coastwise trading privileges and be issued a certificate of documentation under section 12103 of title 46, United States Code.

The *Yes Dear* was constructed in Hong Kong in 1976, and the vessel is a wooden trawler. It is 53.6 feet in length, 15 feet in breadth, has a depth of 6.5 feet, and is self-propelled.

The vessel was purchased by R. Milledge Morris of Beaufort, SC, who purchased it in 1991 with the intention of chartering the vessel for short sailing tours. The vessel was in disrepair, and Mr. Milledge has spent a considerable amount of time, effort, and resources in repairs. However, because the vessel was built in Hong Kong, it did not meet the requirements for coastwise license endorsement in the United States. Such documentation is mandatory to enable the owner to use the vessel for its intended purpose.

The owner of the *Yes Dear* is seeking a waiver of the existing law because he wishes to use the vessel for charters. His desired intentions for the vessel's use will not adversely affect the coastwise trade in U.S. waters. If he is granted this waiver, it is his intention to comply fully with U.S. documentation and safety requirements. The purpose of the legislation I am introducing is to allow the *Yes Dear* to engage in the coastwise trade and the fisheries of the United States.●

By Mr. HELMS (for himself and Mr. MACK):

S. 681. A bill to provide for the imposition of sanctions against Colombia with respect to illegal drugs and drug trafficking; to the Committee on Foreign Relations.

THE NARCOTICS NATIONAL EMERGENCY SANCTIONS ACT OF 1995

Mr. HELMS. Mr. President, the drug problem today is worse then it was in 1992. Drug use by young people is up; addiction is up; and drugs on American streets can be acquired at cheaper prices and with greater purity levels than ever before. The most destructive

drug remains cocaine, which means the availability of ''crack'' continues unabated; and there are worrisome reports of increasing heroin availability and use.

The world's primary source of cocaine is Colombia. It is the headquarters for the international cocaine cartels, who are operating with virtual impunity in Colombia. Colombia is also a significant producer of heroin, having overtaken Mexico as the major Western Hemisphere heroin producer; and Colombia's cultivation and export of marijuana is increasing.

On March 1, as required by law, the Clinton Administration announced its annual decision regarding Colombian cooperation with the United States in the fight against drugs. The Administration said Colombia failed to cooperate, the result of which is, in the Clinton Administration's own words, that ''* * * the activities of the Colombian drug syndicates continue to ensure that the flow of cocaine, heroin, and marijuana from Colombia to the United States remains undiminished.''

This is a startling conclusion. Yet, the Clinton administration then gave Colombia a ''national interest'' waiver. The effect of this decision is to do nothing about Colombia's abysmal record, with our bilateral relationship continuing as if nothing is wrong. This is a grave moral and geopolitical mistake.

This is way Senator MACK and I are introducing the Narcotics National Emergency Sanctions Act of 1995, a bill to cut off all economic aid, trade benefits, and military assistance to Colombia if the nation does not fulfill the antinarcotics agenda outlined by Colombia's own President, Ernesto Samper.

This legislation requires the President to certify to the U.S. Congress that Colombia has made demonstrable progress in fighting drugs between now and February 6, 1996. If Colombia cannot fulfill what President Samper himself has outlined as his Government's antidrug agenda, then sanctions go into effect.

The objectives outlined by President Samper, and contained in the legislation, include: investigating the financing of political parties and candidates by the drug lords; capturing and imprisoning the major drug kingpins; confiscating the profits from illegal drug activities; reforming the penal code and plea-bargaining system, and increasing penalties for drug trafficking; and destroying 44,000 hectares of illegal coca and poppy plants in Colombia by February 6, 1996, and all remaining illegal crops by February 6, 1997.

These initiatives are in the legislation as the specific conditions that Colombia must meet. They were not created by this Senator, another Senator, or by anyone in the U.S. Government. They were announced by President Samper as his Government's own antidrug program in his July 15, 1994, letter to the U.S. Congress and in a February 6, 1995, speech.

We expect President Samper and the Colombian Government to fulfill their promises, and we will judge Colombia by their own standards.

I do not see how we can accept a national policy that fails to hold the Colombian Government responsible for the poison they are allowing to be sent to our children, especially in the inner cities. I recognize that Colombia's Government is not the only one at fault. However, Colombia is the corporate headquarters for the booming international drug trade.

How can we ask our local police and our Federal law enforcement agencies to continue a tough fight—including risking their lives—if their own national Government won't get tough with foreign governments protecting the drug bosses?

I find this situation amazing, given that the Clinton administration was prepared to sanction China for pirating video tapes and computer programs. Why is the United States prepared to sanction nations that harm U.S. businesses that allow the theft of intellectual property but is not prepared to take equally strong measures against a Government that allows the poisoning of our children?

Let me clearly state that I have no quarrel with the Colombian people. There are many dedicated Colombians who risk their lives every day fighting the drug cartels. Colombian citizens have suffered more wanton violence from greedy drug lords than any people on Earth. My concern is that the Colombian Government is not supporting these courageous individuals.

Mr. President, here is just a brief review of Colombia' record:

No arrest of any significant member of the Cali drug cartel, which accounts for 80 percent of the cocaine shipped into the United States. The brother of a major Cali cartel trafficker was arrested recently, but there are many—including some law enforcement agencies—who doubt that this person is a ''big fish.'' He may be a sacrifice by the drug lords to try to help the Colombian Government show resolve.

No significant steps have been taken to investigate or prosecute some 15,000 drug corruption cases, including no serious investigations into allegations that Colombian President Samper's Presidential campaign received millions of dollars from the Cali cartel or into corruption of Members of the Colombian Congress.

A plea-bargaining system that Colombia's own Justice Ministry criticized for its lenient use, noting that nearly 40 percent of convicted drug traffickers have been freed on parole, without serving a day in prison. According to Colombia's Chief Prosecutor, ''the system results in virtual impunity.''

Mr. President, the American people have every right to expect full cooperation in the ''drug war'' so long as our youth are being poisoned by Colombian cocaine. Countries that produce drugs should be put on notice that the United States will not look the other way.

William J. Bennett, former U.S. ''drug czar,'' and I jointly prepared an op-ed piece for yesterday's Wall Street Journal in which we asserted:

> The Colombian leaders must be sent a clear and unmistakable message: In the war on drugs, they can either continue to ally themselves with the [drug] cartels, and thereby become a pariah state like Libya and Iran; or they can return to the community of civilized nations, fulfill the promises President Samper made, and join with the U.S. in an effort to put the cartels out of business. The choice is theirs.

Mr. President, I ask unanimous consent that the Bennett-Helms Wall Street Journal op-ed piece, along with President Samper's July 15, 1994, letter to Senator Helms and his February 6, 1995, counterdrug speech, be printed in the RECORD at the conclusion of my remarks.

Mr. President, I ask unanimous consent that the text of The Narcotics National Emergency Sanctions Act of 1995 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 681

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Narcotics National Emergency Sanctions Act of 1995''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Cocaine is the primary drug threat to the United States, and heroin poses an increasingly serious drug threat to the United States.

(2) Colombia is the ''corporate headquarters'' for the international cartels responsible for the production and distribution of at least 80 percent of the cocaine that enters the United States.

(3) Colombia is the primary producer of heroin in the Western Hemisphere and is a significant cultivator of marijuana.

(4) Courageous and dedicated Colombians risk their lives every day in order to fight drug traffickers, and these Colombians deserve the support of the United States and of the Government of Colombia.

(5) The Government of Colombia did not take significant actions in 1994 to dismantle drug cartels in Colombia, capture drug kingpins, or reverse the influence of drug-related corruption on the political system of Colombia.

(6) The lack of achievement of the Government of Colombia in 1994 in its efforts against drugs raises significant questions as to whether the Colombian people presently receive the support of that government in such efforts.

(7) The political and judicial systems of Colombia are plagued by drug-related corruption, including an ineffective plea-bargaining system that leaves law-abiding citizens virtually unprotected against crime.

(8) The plea-bargaining system in Colombia is so ineffective that at least 33 percent of the convictions for drug-related crimes do not result in imprisonment.

(9) The Prosecutor General of Colombia has stated that the judicial process in Colombia system ''results in virtual impunity [for drug traffickers]''.

(10) Colombia is a significant center for money-laundering activities, and, as a result, the financial system of Colombia is inundated with illegal monies.

(11) Despite repeated assurances it considers the war against drugs to be a ''moral imperative'' and a ''matter of national security'' requiring ''an all out effort, without limits,'' the Government of Colombia has failed to keep specific commitments made on July 15, 1994 by President-elect Samper that Colombia would—

(A) devote law enforcement resources, including creating an elite corps of investigators, to the investigation, apprehension, arrest, prosecution, and imprisonment of major drug traffickers and their accomplices, including political allies;

(B) rapidly reform the penal code of Colombia, including increasing penalties for drug traffickers, closing loopholes in the plea bargain system, and strengthening anti-corruption and money-laundering laws; and

(C) participate in the creation of an anti-narcotics force for Caribbean Basin countries and the implementation of a global export monitoring system for precursor chemicals.

(12) Evidence suggests that the influence of drug kingpins reaches the Congress of Colombia and the Office of the President of Colombia.

(13) The Government of Colombia has not taken any significant steps to investigate or prosecute cases of drug-related corruption, nor has that government undertaken a meaningful investigation into allegations that the campaign treasury of President Samper received millions of dollars from the Cali cartel or into allegations of extensive corruption in the Congress of Colombia.

(14) The Government of Colombia has not demonstrated the political will to move against major drug traffickers in Colombia, and President Samper has not used his considerable public influence to build political support for direct, effective action against drug kingpins and the scourge of drugs in Colombia.

(15) The Government of Colombia has not arrested or imprisoned any significant member of the Cali drug cartel, a cartel which accounts for at least 80 percent of the cocaine that is shipped into the United States.

(16) Colombia has in effect laws to address drugs and drug-related corruption in a meaningful manner, but the Government of Colombia does not enforce such laws.

(17) The democratically-elected Government of Colombia is being subjugated to the interests of drug traffickers in Colombia.

(18) On February 6, 1995, the President of Colombia outlined a program of the Government of Colombia called the ''Program of the War Against Illicit Drugs''.

(19) In promising to pursue the program, the President of Colombia stated that Colombia ''will continue fighting [narcotics] because we are convinced that the struggle against this serious scourge is a moral imperative, a response to a public health problem, and, most of all, an issue of national security.''

SEC. 3. SANCTIONS.

Subject to sections 4 and 6, the following sanctions shall apply against Colombia as of February 6, 1996:

(1) BILATERAL ASSISTANCE.—Funds available under the following programs of assistance may not be obligated or expended to provide assistance with respect to Colombia:

(A) DEVELOPMENT ASSISTANCE.—Assistance to carry out chapter 1 of part I of the Foreign Assistance Act of 1961.

(B) ECONOMIC SUPPORT FUND ASSISTANCE.—Assistance to carry out chapter 4 of part II of the Foreign Assistance Act of 1961.

(C) FOREIGN MILITARY FINANCING.—Financing under section 23 of the Arms Export Control Act.

(D) IMET ASSISTANCE.—Assistance to carry out chapter 5 of part II of the Foreign Assistance Act of 1961.

(E) OVERSEAS PRIVATE INVESTMENT CORPORATION.—Activities of the Overseas Private Investment Corporation under title IV of chapter 2 of part I of the Foreign Assistance Act of 1961.

(F) EXPORT-IMPORT BANK.—Financing by the Export-Import Bank of the United States under the Export-Import Bank Act of 1945.

(2) MULTILATERAL DEVELOPMENT BANKS.—The Secretary of the Treasury shall instruct each United States executive director of a multilateral development bank to vote against any loan or other utilization of the funds of the respective bank to or for Colombia.

(3) LICENSES FOR COMMERCIAL ARMS EXPORTS.—Appropriated funds may not be obligated or expended to license the commercial export of items on the United States Munitions List under section 38 of the Arms Export Control Act to Colombia.

(4) MILITARY ACTIVITIES.—Appropriated funds may not be obligated or expended for purposes of carrying out military activities in Colombia or that benefit Colombia, including joint military activities involving the Armed Forces of the United States and the Armed Forces of Colombia.

(5) TRADE PREFERENCES.—

(A) ANDEAN TRADE PREFERENCE ACT.—The President shall withdraw the designation of Colombia as a beneficiary country under section 203 of the Andean Trade Preference Act (19 U.S.C. 3202). The President shall make such withdrawal without regard to the procedures set forth in subsection (e) of that section. Such withdrawal shall apply to goods entered, or withdrawn from warehouse for consumption, after the date that is 45 days after the date sanctions under this section first apply to Colombia and such goods shall be subject to duty at the rates of duty specified for such goods under the general subcolumn of column 1 of the Harmonized Tariff Schedule of the United States.

(B) TRADE ACT OF 1974.—The President shall terminate the designation of Colombia as a beneficiary developing country under section 502 of the Trade Act of 1974 (19 U.S.C. 2462). The President shall terminate such designation without regard to the procedures set forth in subsection (a)(2) of that section. Such withdrawal shall apply to goods entered, or withdrawn from warehouse for consumption, after the date that is 45 days after the date sanctions under this section first apply to Colombia and such goods shall be subject to duty at the rates of duty specified for such goods under the general subcolumn of column 1 of the Harmonized Tariff Schedule of the United States.

(C) OTHER TRADE PREFERENCE PROGRAMS.—Colombia may not be designated as eligible to receive preferential trade treatment under any other program.

(D) FREE TRADE AGREEMENTS.—Colombia shall not be—

(i) extended tariff or quota treatment equivalent to that accorded to members of the North American Free Trade Agreement; or

(ii) allowed to participate in the discussion or implementation of a free trade agreement involving Western Hemisphere countries.

(E) SUPERSEDING EXISTING LAW.—The sanctions described in this paragraph shall apply notwithstanding any other provision of law.

(6) EXCLUSION FROM ENTRY INTO UNITED STATES.—

(A) IN GENERAL.—The President shall take all reasonable steps provided by law to ensure that public officials in Colombia, regardless of rank, who are implicated in drug-related corruption, their immediate relatives, and business partners are not permitted entry into the United States, consistent with the provisions of the Immigration and Nationality Act (8 U.S.C. 1101 et seq.).

(B) APPLICABILITY.—Subparagraph (A) shall apply in the case of a public official in Colombia, and the relatives and business partners of such official, until the completion by the Government of Colombia of an investigation into the drug-related corruption of the official that is satisfactory to the Secretary of State and the Attorney General of the United States and is so certified to the President.

SEC. 4. DETERMINATION AND CERTIFICATION.

(a) CERTIFICATION PROCEDURES FOR INITIAL PERIOD.—Subject to section 7(a)(1), the sanctions described in section 3 shall not apply to Colombia during the period beginning February 6, 1996, and ending February 5, 1997, if the President determines and certifies to the appropriate congressional committees on February 6, 1996, the matters set forth in subsection (b).

(b) DETERMINATION.—The determination referred to in subsection (a)(1) is the following:

(1) That the Government of Colombia has made substantial progress in the following matters:

(A) Investigating contributions by drug traffickers to political parties in Colombia.

(B) Providing funding for a sustainable alternative development program to encourage Colombia farmers to grow legal crops.

(C) Utilizing the law enforcement resources of Colombia to investigate, capture, convict, and imprison major drug lords in Colombia and their accomplices.

(D) Implementing and funding fully a proposed plan for the improvement of the administration of the Ministry of Justice of Colombia.

(E) Acting effectively to confiscate profits from activities relating to illegal drugs.

(F) Enacting legislation to implement the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

(G) Dismantling the infrastructure in Colombia that is used for processing illegal drugs, interdicting the chemicals used for such processing, and seizing or disabling vehicles (including airplanes and ships) used to transport processed illegal drugs.

(H) Investing in technology to improve surveillance of airports, waterways, and seaports in Colombia.

(I) Constructing an installation for the Colombia Coast Guard on San Andres Island, Colombia, in order to provide effective surveillance of airplane and ship traffic that departs from the island.

(J) Improving the aircraft detection and interception systems of Colombia, including the purchase of aircraft detectors.

(K) Encouraging and participating in the adoption of an Inter-American convention to ban the establishment of a financial safe haven in any country in the Western Hemisphere.

(2) That the Government of Colombia has accomplished the following:

(A) The reform of the penal code of Colombia in order to increase penalties for drug traffickers and to remove opportunities for such traffickers to enter into plea bargains.

(B) The creation of an effective investigation unit to detect and bring to prosecution individuals in Colombia who engage in corrupt activities related to drugs.

(C) The enactment of legislation to implement the statute prohibiting money laundering that was enacted by the Colombia legislature in 1994.

(D) The destruction of 44,000 hectares of coca and poppy plants in Colombia by January 1, 1996.

(c) CERTIFICATION PROCEDURES FOR SUBSEQUENT PERIOD.—Subject to section 7(a)(1), the sanctions described in section 3 shall not apply to Colombia, and any trade designations withdrawn or terminated under section 3(5) shall be reinstated with respect to Colombia, if the President determines and certifies to the appropriate congressional committees on February 6, 1997, the matters set forth in subsection 6(b).

SEC. 5. DISCRETIONARY SANCTIONS.

(a) AUTHORITY.—The President may impose on Colombia the sanctions described in section 4, or such other sanctions as the President considers appropriate, if the President determines that the Government of Colombia is not cooperating with the United States in counter-drug activities in and with respect to Colombia.

(b) REQUIREMENTS FOR IMPOSITION.—The President shall impose sanctions under this section by transmitting to the appropriate congressional committees a notice of the imposition of the sanctions. The notice shall set forth the sanctions imposed and the effective date of the sanctions.

(c) TERMINATION OF SANCTIONS.—(1) Subject to section 7(a)(2), sanctions imposed under this section shall terminate 45 days after the date on which the President transmits to the appropriate congressional committees the determination and certification referred to in section 6(a).

(2) Upon the termination of sanctions under this section, any trade designation withdrawn or terminated under section 3(5) shall be reinstated with respect to Colombia.

(d) EXPIRATION OF AUTHORITY.—The authority of the President to impose sanctions under this section shall expire on February 5, 1996.

SEC. 6. TERMINATION OF SANCTIONS.

(a) IN GENERAL.—(1) Subject to subsection (c) and section 7(a)(2), the sanctions described in section 3 shall terminate 45 days after the date on which the President determines and certifies to the appropriate congressional committees the matters set forth in subsection (b).

(2) Upon the termination of sanctions under this subsection, any trade designation withdrawn or terminated under section 3(5) shall be reinstated with respect to Colombia.

(b) DETERMINATION.—The determination referred to in subsection (a)(1) is the following:

(1) That the Government of Colombia continues to make substantial progress with respect to the following matters:

(A) Investigating contributions by drug traffickers to political parties in Colombia.

(B) Prosecuting the persons responsible for illegal contributions to political parties and campaigns.

(C) Providing funding for a sustainable alternative development program to encourage Colombia farmers to grow legal crops.

(D) Utilizing the law enforcement resources of Colombia to investigate, capture, convict, and imprison major drug lords in Colombia and their accomplices.

(E) Implementing a reform of the penal code of Colombia so as to punish and incarcerate drug traffickers and to terminate the availability of lenient plea bargains.

(F) Deploying an effective investigation unit to detect and bring to prosecution individuals in Colombia who engage in corrupt activities related to drugs.

(G) Implementing and funding fully a proposed plan for the improvement of the administration of the Ministry of Justice of Colombia.

(H) Acting effectively to confiscate profits from activities relating to illegal drugs.

(I) Enforcing effectively the statute prohibiting money laundering that was enacted by the Colombia legislature in 1994.

(J) Investing in technology to improve surveillance of airports, waterways, and seaports in Colombia and utilizing such technology.

(K) Improving the aircraft detection and interception systems of Colombia and utilizing such systems.

(L) Encouraging and participating in the adoption of an Inter-American convention to ban the establishment of a financial safe haven in any country in the Western Hemisphere.

(2) That the Government of Colombia has accomplished the following:

(A) The enactment of legislation to implement the United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

(B) The destruction of all remaining hectares of illicit crops in Colombia.

(C) The construction of an installation for the Colombia Coast Guard on San Andres Island, Colombia, and in order to provide effective surveillance of airplane and ship traffic that departs from the island.

(c) DATE OF TRANSMITTAL.—The President shall transmit the determination and certification described in this section, if at all, not earlier than February 6, 1997.

SEC. 7. CONGRESSIONAL REVIEW.

(a) IN GENERAL.—

(1) REVIEW OF APPLICABILITY.—The sanctions described in section 3 shall apply to Colombia notwithstanding a determination of the President under subsection (a) or (c) of section 4 if, within 45 days after receipt of a certification under such subsection (a) or (c), respectively, Congress enacts a joint resolution disapproving the determination contained in such certification. The effective date of such sanctions shall be the date on which Congress enacts a joint resolution disapproving the determination concerned.

(2) REVIEW OF TERMINATION.—The sanctions described in section 3, and the sanctions authorized by section 5, shall not terminate notwithstanding a determination of the President under section 6(a) or 5(c), respectively, if, within 45 days after receipt of a certification under such section 6(a) or 5(c), respectively, Congress enacts a joint resolution disapproving the determination contained in such certification.

(b) PROCEDURES.—The procedures for the consideration of a joint resolution disapproving a determination under this section shall be governed by the procedures set forth in section 490A(f)(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2291k(f)(2)).

SEC. 8. RELATIONSHIP TO OTHER CERTIFICATION REQUIREMENTS WITH RESPECT TO COLOMBIA.

In fiscal year 1996 and in any other fiscal year in which sanctions are imposed on Colombia under this Act, the President shall transmit the applicable determination and certification under this Act in lieu of the determination and certification, if any, required with respect to Colombia in such fiscal year under section 490A of the Foreign Assistance Act of 1961 (22 U.S.C. 2291k).

SEC. 9. REPORTS.

(a) REQUIREMENT.—Subject to subsection (b), the Secretary of State shall submit to the appropriate congressional committees a report on—

(1) the progress made by the Government of Colombia in the matters set forth in paragraph (1) of section 4(b); and

(2) the accomplishments of that government with respect to the matters set forth in paragraph (2) of that section.

(b) DATES OF SUBMITTAL.—The Secretary shall submit a report under this subsection not later than—

(1) September 1, 1995; and

(2) September 1 of each year thereafter until the year following the year in which sanctions, if any, on Colombia under this Act terminate.

SEC. 10. DEFINITIONS.

As used in this Act:

(1) APPROPRIATE COMMITTEES OF CONGRESS.—The term ''appropriate committees of Congress'' means the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives.

(2) DRUG.—The term ''drug'' refers to any substance that, if subject to the jurisdiction of the United States, would be a controlled substance within the meaning of section 102(6) of the Controlled Substances Act (21 U.S.C. 802(6)).

(3) DRUG TRAFFICKER.—The term ''drug trafficker'' means any person who transports, transfers, or otherwise disposes of illegal drugs, to another, as consideration for anything of value, or makes or obtains control of illegal drugs with the intent to so transport, transfer, or dispose of.

(4) MULTILATERAL DEVELOPMENT BANKS.—The term ''multilateral development banks'' includes the International Bank for Reconstruction and Development, the International Development Association, and the Inter-American Development Bank.

[From the Wall Street Journal, Apr. 4, 1995]

COLOMBIA, AMERICA'S FAVORITE ''NARCO-DEMOCRACY''

(By William J. Bennett and Jesse Helms)

The deluge of illegal drugs flooding into the U.S. has become one of the principal threats to our national security. More Americans die each year from the use of cocaine, heroin and other illegal drugs than from international terrorism. Yet, while the Clinton administration has rightly maintained a tough line with Libya, Iran and other governments known to be sponsoring terrorism, it has let Colombia—which ships more cocaine into the U.S. than any other country—completely off the hook. It is time for the administration to stiffen its spine and show some resolve in its anti-drug efforts.

The administration's recent annual review of international cooperation on counter-drug efforts by major drug-producing and trafficking countries is instructive. Under this review, countries that fail to meet certain minimum standards of performance in combating drug trafficking are supposed to be denied U.S. aid. The Clinton administration acknowledged in its report that Colombia has indeed failed to meet minimum standards, yet, amazingly, granted Colombia a ''national interest waiver'' allowing U.S. aid to flow into Colombia despite its miserable record.

This is a grave moral and geopolitical mistake. All available evidence clearly indicates Colombia has totally capitulated to the drug lords. By extending certification to Colombia, despite overwhelming evidence that its government is rife with narco-corruption, the Clinton administration has sent a troubling signal to all drug-producing nations: The U.S. will impose no penalty for collusion in trafficking with the drug lords.

Colombia is no borderline case. It has indisputably become a ''narco-democracy''—a country with a facade of democratic government that is effectively controlled by drug kingpins who manipulate the political establishment with cocaine money. According to the administration's own background papers on Colombia:

The Cali cartel has been left free by the Colombian government to exploit the banking system and launder vast sums of drug money with impunity.

There is practically no effective investigation or prosecution of the more than 15,000 current cases of corruption involving government officials (more than half of them senior-level authorities).

A ''guilt-laundering'' system exists, in which Cali drug lords surrender, and submit to a jerry-rigged plea-bargaining system that leaves their assets intact and allows them to plead to minor charges.

The government's eradication programs have been half-hearted at best, despite massive increases in the growing of opium and new cocaine cultivation.

High-level government collusion enables the shipment of enormous quantities of cocaine into the U.S., with 727 jets transiting in Mexico with tons of the drug.

There is evidence of the corruption of many members of the Colombian Congress, and increasing evidence of presidential ties to the drug cartels.

The Clinton administration cannot plead ignorance as the excuse for its abdication of responsibility. But conditions in Colombia are in fact worse than even the administration's report acknowledges. The influence of the cartels and their blood money pervades almost all aspects of Columbia's political, social and economic life. Cartel money finances political campaigns. It silences journalists. It buys judges. It infiltrates virtually every major business activity in Columbia—from cut flowers, to oil, to paper, to banking.

Colombia is now the primary base for the cartels to extend their drug operations throughout the hemisphere. Despite the fact that the Cali cartel now supplies more than 80% of all the cocaine entering the U.S., the Colombian government has failed to arrest or prosecute even one significant cartel member. To the contrary, Colombia has given the cartel cover and protection from international extradition, allowing these drugs to end up on American streets and in American schools, where they destroy the lives of American children.

We believe the Colombian government collusion with the drug lords poses a direct threat to the national security of the U.S. It is time to meet this threat head-on. And since the Clinton administration has failed to provide leadership on this issue, it is all the more important that Congress assume responsibility. That is why a Senate Foreign Relations subcommittee will hold a hearing today on the issue. And why legislation will be introduced this week to cut off all economic support, trade benefits, and military assistance to Colombia by Feb. 6, 1996, unless the president of the United States can certify that Colombian President Ernesto Samper has implemented the reform agenda he promised the U.S. Congress he would enact.

Elements of this agenda include investigating the financing by drug traffickers of political parties and candidates in Colombia; putting law enforcement resources behind investigating, capturing, convicting and imprisoning major drug lords in Colombia; ending the ''guilt-laundering'' system; confiscating assets of cartel leaders; and destroying 44,000 hectares (108,680 acres) of coca and poppy plants in Colombia by Jan. 1, 1996 (and all remaining acreage by Jan. 1, 1997).

The Colombian leaders must be sent a clear and unmistakable message: In the war on drugs, they can either continue to ally themselves with the cartels, and thereby become a pariah state like Libya and Iran; or they can return to the community of civilized nations, fulfill the promises President Samper made, and join with the U.S. in an effort to put the cartels out of business. The choice is theirs.

WASHINGTON, DC,
July 15, 1994.

Hon. JESSE HELMS,
Ranking Committee on Foreign Relations, Senate Dirksen Office Building, Washington, DC.

DEAR SENATOR HELMS: Next month I will assume the Presidency of Colombia at a very important time in the relations between our two countries and in our common struggle against drug trafficking. I am well aware of your dedication and interest in this issue and I appreciate your efforts in support of Colombia. As I prepare my administration for the challenges which lie ahead, I wanted to take this opportunity to share with you my views about the ways we can strengthen our fight against drug trafficking.

I know, in a very personal way, the kind of threat drugtraffickers represent to our democracies. The four bullets still lodged in my body are a constant reminder of the 1989 Cartel attempt to assassinate me at Bogota International Airport. I was lucky, unlike many of my compatriots who have fallen victim of the brutal violence the cartels have wreaked in my country.

Once again, we are the target of their diabolic machinations. The taping of telephone conversations between a Cali Cartel leader and a journalist known to be on the Cartel's payroll revealed their frustrated efforts to infiltrate the campaign organizations of Colombian presidential candidates.

I was perfectly aware of this threat when I entered the Presidential race. That is why I established an independent moral ombudsman in my campaign. That is why my campaign books and records have always been open to public scrutiny. I also expelled several sympathizers when it became evident that they were not up to our rigid ethical standards. We rejected several contributions because of their unclear or obscure origin. That is why I am completely confident that my campaign was successful in rejecting drug traffickers undercover efforts to spread their corrupting influence. Nevertheless, I have called for a special investigation to carefully examine all of these issues and will take further action as needed to protect the integrity of my government.

Those who thought that the drug war was over with the destruction of Pablo Escobar's organization were wrong. We are entering what could be the last but decisive phase of the drug war. The Cartels know that their campaign of terror and intimidation has failed. Nevertheless, they will try to regain the ground lost during the past years. The Cali Cartel will rely on powerful weapons of choice: violence and fear, bank accounts, legal loopholes, computer networks and corruption.

Today, the task is much more complex and the international community has to readjust its strategy, sharpen its skills and develop new legal and institutional tools. Starting on the day of my inauguration, I will aggressively seek to secure the tools we will need to win, both at home and abroad. I invite the United States to join Colombia in leading this effort.

First, we will continue doing what we have done successfully: vigorously applying all our law enforcement resources to investigate, track and put in jail the drug lords and their accomplices. We know who the bosses of the Cali Cartel are and we will capture them. To achieve that goal we need a continuous commitment from the U.S. in terms of technical support, training, intelligence and evidence sharing. We must establish a high-level bilateral commission to permanently evaluate our cooperation, improve its performance and promptly overcome any problem or obstacle.

My administration will accelerate the reform of Colombia's penal code, increasing the penalties for drug traffickers and removing the loopholes in our plea-bargaining system. We will not tolerate leniency.

Drug traffickers failed in taking over our democracy through terrorism and assassination. Now they want to destroy it through infiltration and corruption. They will not succeed. An ''elite corp'' of investigators will be created to track down corruption and send the political cronies of the cartels to jail and we will present to Colombia's Congress stringent anti-corruption legislation. Additionally, we will introduce new legislation to strengthen our laws against money-laundering, that should be enforced with the support of a U.S.-Colombian financial crime task force, conformed by our best prosecutors and experts.

Equally important, we will urge the U.S. Congress to establish mandatory targets for the reduction of domestic drug consumption and to provide the resources needed to achieve those targets.

Our two countries cannot solely bear the burden of the global war on drugs. Consequently, my administration will work towards the enactment of the following initiatives:

The creation of a Caribbean Basin multilateral anti-narcotics force.

Joining current radar capabilities in a Hemispheric network to track trafficking activities.

The implementation of a global export monitoring system to impose strict controls on the flows of precursor chemicals, crucial to drug production, as well as assault and automatic weapons used by cartel hitmen.

The adoption of a new Inter-American convention to ban financial safe havens in the hemisphere. Drug Traffickers cannot be allowed to enjoy the benefits of their ill-gotten gains.

These are concrete initiatives I will launch August 7th, the day of my inauguration. I hope the United States will choose to help Colombia win the drug war instead of being paralyzed by the drug lords' disinformation campaign. I invite the United States to redouble its faith in the determination and courage of Colombians by joining us again in the difficult battles that lie ahead.

My administration looks forward to working with you on these issues and others of interest to both our countries.

Sincerely,

ERNESTO SAMPER-PIZANO,
President-elect of Colombia.

SPEECH BY DR. ERNESTO SAMPER PIZANO, PRESIDENT OF COLOMBIA, AT THE PRESENTATION OF THE POLICY AGAINST DRUGS, SANTAFÉ DE BOGOTA, FEBRUARY 6, 1995

I wish to take the opportunity, on the occasion of the appointment of the Manger of the Illicit Crops Alternative Development Plan, to outline the Program of the War Against Illicit Drugs that my Administration will carry out in the years ahead. At the same time, I also wish to inform you about what we have already achieved in the first few months of my Administration.

Colombia has been seriously engaged for several years in the war against drug trafficking. Many of our countrymen have fallen in this battle, and the economic price we have had to pay has been very high, requiring us to postpone other important needs and make great sacrifices.

We are fighting this battle and we will continue fighting because we are convinced that the struggle against this serious scourge is a moral imperative, a response to a public health problem, and, most of all, an issue of national security.

AN INTEGRATED POLICY

The challenge posed by drug traffickers demands an integrated policy. We cannot continue in a cycle of action and reactions. This leads to doubt and uncertainty about the effectiveness of what we are doing. My Government is committed to an integrated policy that will be led and supervised directly by the President of the Republic.

The new policy's components are as follows:

1. Crop eradication

Unfortunately, Colombia has become a coca producing country: 14 percent of the land under coca cultivation worldwide is in our country.

Between 1993 and 1994, the number of hectares under cultivation increased 13 percent.

We will eradicate the coca and poppy crops. We will take advantage of the fact that most of these crops are grown for commercial reasons and are not for traditional use, as in other neighboring countries.

We have begun ''Operation Radiance'' that will destroy all existing illicit crops in the country in the next two years. The target for this year is 44,000 hectares.

The Government will be especially careful to ensure that these operations cause the least adverse social and environmental impact.

Those who criticize spraying operations often forget that the worst ecological damage is being caused by those who are destroying our natural reserves to grow illicit drugs. Two and a half hectares of forest are destroyed in order to plant one hectare of illicit crop, at the expense of approximately 180,000 hectares each year. If production continues like this, according to U.N. calculations, before the end of the century Colombia will have lost one-third of its tropical rain forest.

2. Alternative development plan

The objective of the Alternative Development Plan that we are announcing today is to provide an alternative means of living for the 300,000 small coca growers.

And, simultaneously to develop preventive programs in other areas of the country which are abandoned and could become areas for producing new crops. We do not want confrontations to happen again like the ones in Guaviare and Putumayo last year.

I have requested the Solidarity Network to institute programs in the most sensitive areas so that government programs will begin work before the drug traffickers arrive.

The Plan will provide better roads, health, education and working conditions to small farmers in isolated areas.

Likewise, with the assistance of government programs, the trading and marketing of substitute crops will begin.

The Plan will duplicate substitution programs that have been successful in other places.

In order to finance this ambitious crop substitution program, we have a US$150 million budget which we hope to double with international assistance.

My goal is to eliminate all illicit crops by the end of my term in office.

3. Industrial production of drugs

In addition to coca cultivation, we are also a drug producing country. To eliminate production, we will attack the infrastructure used for the processing of drugs, such as laboratories, importation of processing chemicals, and vehicles used to transport drugs.

With the use of the reinstalled radar system in the South, we will interdict the entry of coca paste, the essential raw material for the production of cocaine.

4. Distribution

Colombia will take strong actions to destroy the internal systems for the distribution and export of drugs through the following programs:

Investment in technology to improve the control capacity of airports, waterways and seaports.

Build a coast guard base on San Andres Island with resources already allocated in the 1995 and 1996 budgets, that will control all air and sea traffic arriving and departing from the island.

Improve the airplane interception system through the purchase of detectors, aerial platforms, and electronic intelligence gathering equipment.

5. Money laundering

Recent estimates show that profits from drug trafficking can reach nearly US$500 billion a year, which is ten times Colombia's gross national product.

Most of these funds are ''laundered'' through world financial markets. It is very important that controls be established in each country as well as at the international level.

If we allow the income produced by drugs, 75 percent of which is held in international financial centers, to be ''recycled'' into legitimate business, we will never be able to end drug trafficking.

At the hemispheric summit called by President Clinton and held in Miami, Colombia suggested that the countries of the region hold a convention to consider a War against Money Laundering. This initiative was received with enthusiasm. The organizational details of this convention will be spelled out during the first quarter of 1995.

On the domestic front, with the support of the Attorney General's Office, the Banking Superintendency, the DIAN (tax and national customs department), and the Stock Market Superintendency, we will act more forcefully to confiscate profits from illicit enrichment. We have already proposed changes in the law to give my Government the necessary powers to carry this out.

6. The rise of domestic consumption

Colombia is at risk of becoming a drug consuming country, according to the figures during the last few years.

We will strongly fight against any increase in drug use, particularly among our youth.

The Government's action in this regard will be directed at drug prevention, rehabilitation, special attention to individuals that are vulnerable to becoming drug users, and a massive education effort through the media and education centers, under the coordination of the Youth Vice-Ministry, on the harmful effects of drug use.

7. Law enforcement and administration of justice

The ''Surrender to Justice'' policy has become an open door to impunity because of inadequate convictions and sentencing by certain judges and prosecutors.

Its implementation included minimum sentences and granted maximum benefits.

We are going to reformulate the policy, so that turning oneself in is no longer perceived as a way to avoid prosecution.

We know that criminals will not turn themselves in if we do not maintain pressure on them. We will pursue them until either we catch them or they surrender.

We are convinced that the new policy, with international judicial cooperation, will enable us to successfully fight against criminal cartels.

8. Changes in justice administration

Those who think that all these changes require basic reform of our justice system are right. The battle against drugs must be fought within the rule of law. With our current weak judicial system and inefficient criminal policy, we will not be able to subject organized crime to the laws and justice of the State.

A Justice Department Plan, with allocations of around $500 million, will make the administration of justice more effective.

It is the intention of my Government to modernize the justice system to include a new program to find ways to defeat organized crime, especially kidnappers and drug cartels.

9. Prosecution of cartels

The Government has the clear intention to pursue, apprehend, prosecute, and convict drug traffickers. We are actively working to achieve this goal as soon as possible. To obtain it, we will improve our intelligence gathering capabilities against drug cartels with technical assistance from various foreign governments, starting, of course, with help from the Government of the United States.

10. International responsibility

It is clear that our objectives cannot be fulfilled entirely without more help and support from the international community. Colombia's efforts will have little impact on international narco-trafficking—

If the rising levels of consumption do not decrease;

If the control of air and sea traffic is not intensified;

If progress is not made to control international money laundering activities; and,

If the sale of precursor chemicals is not reduced.

Colombia will be alert to the international achievements on each of these issues while maintaining its own responsibility to combat the drug problem.

It is not a matter of unloading one's responsibility onto others. It is simply a matter of understanding that the complexity and seriousness of the drug trafficking problem are so extensive that its solution requires EVERYONE'S PARTICIPATION, with no exceptions nor excuses.

RESULTS

Now let me review the results obtained in the first few months since we began this integrated program.

During the first months of my Administration, until December 1994:

1. 6,950 hectares of illicit crops were eradicated, double the amount from the same period last year.

2. 18,416 kilos of cocaine were seized, an increase of 428% compared to the same period last year.

3. 20,200 kilos of coca paste was seized, 782% more than the same period the year before.

4. 194 cocaine laboratories were destroyed.

5. 530,000 gallons of fluid and 213,000 kilos of solid chemical precursors were seized, up from 219,000 gallons and 108,000 kilos seized the previous year.

6. 940 people linked to drug trafficking activities were arrested, of them 59 were foreigners and 5 were extradited.

7. Special Joint Command operations, whose basic responsibility is to pursue the heads of the drug trafficking cartels, were doubled.

It is clear that these statistics indicate progress in the eradication, capture, and interdiction campaign that we expect to continue.

More than that, during the first six months of my Government:

1. A disciplinary emergency was declared for the City of Cali police. More than half of the officers were dismissed.

2. The National Police Anti-Corruption Unit was created.

3. The United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances was ratified.

4. Thanks to the action of the National Government and the cooperation of the political parties, we were able to defeat a legislative proposal that would have greatly weakened the legal barriers to illicit enrichment.

5. Money laundering was classified as a crime and national legislation has been drafted and submitted to Congress as part of the anti-corruption statute, which will soon be passed by Congress.

6. A budget of $150 million per year was allocated for the next three years for the Alternative Development Plan we are presenting today.

7. The Attorney General's Office was reorganized to make it more effective in the fight against drug trafficking.

8. The Security Administration Department (DAS) was reorganized in order to improve the professional capabilities to combat organized crime.

9. Prison Emergency was declared in order to control highly dangerous prisoners, to clean up the areas surrounding maximum security prisons, and to improve performance of prison guards.

10. The Surrender to Justice Policy Study Commission was created by decree No. 159, 1995, in order to study and report on sentences and benefits adjustments, as well as to suggest any other reforms to the policy by March 6.

CONCLUSIONS

The Government of Colombia has been active for several years in the struggle against drug trafficking.

My Government reiterates its commitment to continue our efforts as I have described above.

The country has an excellent team to undertake this program including: The Attorney General of the Nation, the Ministers of Defense and Justice, as well as the DAS Director and the National Police Director, who have been working coherently and effectively since the beginning of my Administration in this struggle against drugs.

In the development of this program, Colombia has had the cooperation of several foreign governments among them the U.S. Government.

We trust that the policies and the facts presented here, together with the achievements of my predecessor's government, will renew the confidence that has characterized the relations between our two countries over the years.

Anything other than a strong bilateral relationship based on confidence would weaken the joint efforts we have undertaken and would only benefit the drug cartels' interests.

Colombia accepts international cooperation to achieve its anti-drug objectives, but only after acknowledgment of its sovereign right to formulate this policy on its own.

Over the years, during many administrations, we have never accepted any type of conditions from abroad.

I am optimistic that in the near future we will defeat the scourge of narco-trafficking.

The Colombian people deserve a better international image than that created by organized crime.

We deserve to be known as a country that respects the law.

We deserve to be judged on the basis of the majority of our hard working citizens who love their country, who fight for its progress, and who desire to leave their children the possibility of a life led with dignity.

To achieve this, we all have to make a commitment to fight against violence, beginning with narco-trafficking, which has plagued us like a curse.

We do not want any more heroes or martyrs buried in our cemeteries. Therefore, we must and we will bring crime and violence under control.

As President, I am sure that this would have been the wish of the four presidential candidates, the 23 magistrates, the 63 journalists, and the three thousand policemen who in the last ten years lost their lives fighting narco-trafficking.

In their memory we will overcome future difficulties. We are working very hard on this problem and we will continue to do so.

Thank you very much.

Mr. MACK. Mr. President, there are any number of reasons, from the massive amount of cocaine entering the United States from Colombia, to the rise in high school drug use over the past 2 years, that I could rely on to explain my decision to cosponsor the Narcotics National Emergency Sanctions Act [NNESA]. The poor performance of Colombia's government in interrupting the flow of heroin, marijuana, and cocaine that originates or is processed in Colombia, would be justification enough for the extraordinary measures created by the NNESA. Above all, however, I am moved by the rank corruption the drug trade has spawned in Colombia and the colossal abuse of public trust by officials who ally themselves with criminals rather than the people they serve.

Colombia's government institutions, including the courts, the Congress, and the highest levels of the executive, have been penetrated by the influence of narcotics traffickers. Not surprisingly, in 1994, Colombia failed to meet minimum standards of performance in combating drug trafficking. The Clinton administration responded by granting a national interest waiver. Although it is possible to imagine circumstances in which a national interest waiver might be justified, Colombia is not such a case.

Colombia deserves to be taken out of the normal narcotics cooperation certification process because it is in a league of its own. We do not seek to penalize Colombia unnecessarily, or to impose an arbitrary standard. The NNESA responds directly to public commitments President Samper has repeatedly made to improve Colombia's anti-narcotics performance.

Unfortunately, the Clinton administration itself has sent mixed signals about its commitment to the fight against illegal drugs. Enforcement of drug laws enjoys low priority at the Justice Department where Federal mandatory minimum prison terms are criticized as too harsh. Nationwide, Federal prosecutions of narcotics-related crimes have dropped dramatically since 1992. Colombia and Peru were refused intelligence information crucial to the interdiction of narcotics flights for several months in 1994. Although later overturned, the decision to cut off intelligence sharing dealt a severe blow to counter-drug efforts and broadcast the administration's ambivalence about the drug war. Overall, international interdiction efforts receive little support and dwindling resources in spite of efforts by some officials to protect this indispensable function.

The Clinton White House must restore anti-narcotics policy to the top priority status it has enjoyed under previous administrations. It can start by endorsing the NNESA and sending an unambiguous message to Colombia: the United States has no national interest in cooperating with any government that colludes with drug traffickers.

By Mr. FORD:

S. 682. A bill to provide for the certification by the Federal Aviation Administration of airports serving commuter air carriers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

COMMUTER AIRPORT SAFETY LEGISLATION

Mr. FORD. Mr. President, today I am introducing legislation which will provide authority for the Federal Aviation Administration to issue safety certificates to airports serving commuter aircraft of 10 or more passenger seats. The FAA's authority to issue airport certificates is currently limited to airports serving air carrier aircraft with more than 30 passenger seats. This legislation is a result of a recent study of commuter airline safety conducted by the National Transportation Safety Board, which led the Federal Aviation Administration to issue a series of recommendations. The legislation I am proposing today compliments that regulatory effort by providing specific authority for the Federal Aviation Administrator to insure the safety of commuter airports. Safety improvements called for by new airport certification requirements will be eligible for grant funding consideration under the FAA's Airport Improvement Program.

This legislation will not mandate the issuance of airport certificates to commuter airports. It will only provide general authority pursuant to which the FAA Administrator may promulgate appropriate regulatory standards. To do so, the FAA will need to issue a proposed regulation that will undergo a public comment process before any final regulation will be issued as they do with any other safety regulation.

I am aware of a serious sense within the airport community with this new FAA authority. I would urge the FAA to initiate a negotiated process with the airport community which has been successful in the past. I understand the FAA is currently organizing a working group of affected aviation groups to assist in defining potential costs and reasonable certification requirements. I would urge the FAA to work with the industry as the goal of all concerned is safety.

FAA is often criticized for the tombstone mentality in that safety regulations are often the result of major accidents. The new authority in this legislation is proactive in nature. This legislation will put in place reasonable safety standards to protect commuter airline passengers before there are any fatalities. Let us not wait until an accident to justify the need for safety improvements. I commend the leadership at the FAA—David Hinson, Administrator and Linda Daschle, Deputy Administrator for this change in attitude. It is refreshing that FAA is looking forward instead of backward.

Mr. President, I ask unanimous consent that the text of the bill be printed in the CONGRESSIONAL RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 682

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

Section 44706(a)(1) of title 49, United States Code, is amended to read as follows:

''(1) that serves any scheduled passenger operation of an air carrier aircraft designed for more than 9 passenger seats or any unscheduled passenger operation of an air carrier aircraft designed for more than 30 passenger seats;''.

By Mr. FRIST (for himself, Mr. ASHCROFT, Mr. BROWN, Mr. INHOFE, and Mr. SANTORUM):

S. 683. A bill to protect and enforce the equal privileges and immunities of citizens of the United States and the constitutional rights of the people to choose Senators and Representatives in Congress; to the Committee on Rules and Administration.

ELECTORAL RIGHTS ENFORCEMENT ACT

Mr. FRIST. Mr. President, as a strong supporter of congressional term limits and one who has promised voluntarily to limit my own tenure in Congress, I am today introducing a bill that would allow States to set their own limits.

The American people have spoken. Approximately 80 percent of them support term limits. Measures limiting congressional service have been passed in one form or another in 22 States. This Congress needs to restore the faith of a wary American public in its Federal Government by addressing this issue.

The legislation which I am introducing today would recognize the rights of the States to place term limits on their elected officials. Some may view this statute as redundant because the States already have the right to impose term limits on their Members of Congress. But a legal challenge by term-limit opponents is currently under consideration by the Supreme Court.

This legislation is designed to insulate State-imposed term limits from court challenges. It is based on section 5 of the 14th amendment, which lets Congress enforce the rights to due process and equal protection of the laws. To enhance fair and open competition for elective offices and promote effective representative government, States should be allowed to limit congressional terms. The legislation is also based on other rights afforded in other amendments to the Constitution.

Perhaps most importantly, this bill would restore the power to the American people to set the limits they prefer, without congressional interference. This Congress has already acknowledged that many of the important decisions about how this country is run should be left to the States. I believe that our citizens should determine whether and how to impose limits on their congressional representatives.

I hope that my colleagues will join me in supporting this important measure.

ADDITIONAL COSPONSORS

S. 256

At the request of Mr. DOLE, the name of the Senator from Hawaii [Mr. AKAKA] was added as a cosponsor of S. 256, a bill to amend title 10, United States Code, to establish procedures for determining the status of certain missing members of the Armed Forces and certain civilians, and for other purposes.

S. 281

At the request of Mr. D'AMATO, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of S. 281, a bill to amend title 38, United States Code, to change the date for the beginning of the Vietnam era for the purpose of veterans benefits from August 5, 1964, to December 22, 1961.

S. 303

At the request of Mr. PRESSLER, his name was added as a cosponsor of S. 303, a bill to establish rules governing product liability actions against raw materials and bulk component suppliers to medical device manufacturers, and for other purposes.

S. 403

At the request of Mr. AKAKA, the name of the Senator from Colorado [Mr. CAMPBELL] was added as a cosponsor of S. 403, a bill to amend title 38, United States Code, to provide for the organization and administration of the Readjustment Counseling Service, to improve eligibility for readjustment counseling and related counseling, and for other purposes.

S. 413

At the request of Mr. DASCHLE, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 413, a bill to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate under such act, and for other purposes.

S. 440

At the request of Mr. WARNER, the names of the Senator from Alaska [Mr. MURKOWSKI], the Senator from Virginia [Mr. ROBB], and the Senator from Nebraska [Mr. EXON] were added as cosponsors of S. 440, a bill to amend title 23, United States Code, to provide for the designation of the National Highway System, and for other purposes.

S. 490

At the request of Mr. GRASSLEY, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 490, a bill to amend the Clean Air Act to exempt agriculture-related facilities from certain permitting requirements, and for other purposes.

S. 565

At the request of Mr. PRESSLER, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 565, a bill to regulate interstate commerce by providing for a uniform product liability law, and for other purposes.

S. 568

At the request of Mr. COATS, the name of the Senator from North Carolina [Mr. FAIRCLOTH] was added as a cosponsor of S. 568, a bill to provide a tax credit for families, to provide certain tax incentives to encourage investment and increase savings, and to place limitations on the growth of spending.

S. 647

At the request of Mr. LOTT, the names of the Senator from Louisiana [Mr. BREAUX] and the Senator from Louisiana [Mr. JOHNSTON] were added as cosponsors of S. 647, a bill to amend section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 to require phasing-in of certain amendments of or revisions to land and resource management plans, and for other purposes.

SENATE JOINT RESOLUTION 26

At the request of Mr. SIMPSON, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of Senate Joint Resolution 26, a joint resolution designating April 9, 1995, and April 9, 1996, as ''National Former Prisoner of War Recognition Day.''

SENATE JOINT RESOLUTION 31

At the request of Mr. HATCH, the name of the Senator from Montana [Mr. BURNS] was added as a cosponsor of Senate Joint Resolution 31, a joint resolution proposing an amendment to the Constitution of the United States to grant Congress and the States the power to prohibit the physical desecration of the flag of the United States.

SENATE RESOLUTION 85

At the request of Mr. CHAFEE, the names of the Senator from Ohio [Mr. GLENN] and the Senator from Nebraska [Mr. EXON] were added as cosponsors of Senate Resolution 85, a resolution to express the sense of the Senate that obstetrician-gynecologists should be included in Federal laws relating to the provision of health care.

SENATE RESOLUTION 100

At the request of Mrs. HUTCHISON, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of Senate Resolution 100, a resolution to proclaim April 5, 1995, as National 4-H Day, and for other purposes.

SENATE RESOLUTION 103—TO PROCLAIM NATIONAL CHARACTER COUNTS WEEK

Mr. DOMENICI (for himself, Mr. NUNN, Mr. DODD, Mr. COCHRAN, Ms. MIKULSKI, Mr. BENNETT, Mr. LIEBERMAN, Mr. KEMPTHORNE, Mr. DORGAN, Mr. FRIST, and Mr. ROCKEFELLER) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 103

Whereas young people will be the stewards of our communities, nation, and world in critical times, and the present and future well-being of society requires an involved, caring citizenry with good character;

Whereas concerns about the character training of children have taken on a new sense of urgency as violence by and against youth threatens the physical and psychological well-being of the United States;

Whereas, more than ever, children need strong and constructive guidance from their families, their communities, and institutions such as schools, youth organizations, religious institutions, and civic groups;

Whereas the character of a nation is only as strong as the character of the individual citizens comprising the nation;

Whereas the public good is advanced when young people are taught the importance of good character, and that character counts in personal relationships, in school, and in the workplace;

Whereas scholars and educators agree that people do not automatically develop good character and, therefore, conscientious efforts must be made by youth-influencing institutions and individuals to help young people develop the essential traits and characteristics that comprise good character;

Whereas character development is, first and foremost, an obligation of families, efforts by religious institutions, schools, and youth, civic, and human service organizations also play a very important role in supporting family efforts by fostering and promoting good character;

Whereas the Senate encourages students, teachers, parents, youth, and community leaders to recognize the valuable role youth in the United States play in the present and future of the United States, and to recognize that character plays an important role in the future of the United States;

Whereas, in July 1992, the Aspen Declaration was written by an eminent group of educators, youth leaders, and ethics scholars for the purpose of articulating a coherent framework for character education appropriate to a diverse and pluralistic society;

Whereas the Aspen Declaration states that ''Effective character education is based on core ethical values which form the foundation of democratic society'';

Whereas the core ethical values identified by the Aspen Declaration constitute the 6 core elements of character;

Whereas the 6 core elements of character are trustworthiness, respect, responsibility, justice and fairness, caring, and civic virtue and citizenship.

Whereas the 6 core elements of character transcend cultural, religious, and socioeconomic differences;

Whereas the Aspen declaration states that ''The character and conduct of our youth reflect the character and conduct of society; therefore, every adult has the responsibility to teach and model the core ethical values and every social institution has the responsibility to promote the development of good character.'';

Whereas the Senate encourages individuals and organizations, especially the individuals and organizations that have an interest in the education and training of our youth, to adopt the 6 core elements of character as intrinsic to the well-being of individuals, communities, and society as a whole; and

Whereas the Senate encourages communities, especially school and youth organizations, to integrate the 6 core elements of character into programs serving students and children: Now, therefore, be it

Resolved, That the Senate proclaims the week of October 15 through October 21, 1995, as National Character Counts Weeks, and requests the President to issue a proclamation calling upon the people of the United States and interested groups to embrace the 6 core elements of character and to observe the week with appropriate ceremonies and activities.

Mr. DOMENICI. Mr. President, today in the City of Roswell, NM, the water bills that are sent out by the utility companies has this on them, and everyone will receive this as part of their water bill in this city: ''Character counts. Trustworthiness. Tell the truth. Be sincere.''

One of the six pillars of character established by a broad-based coalition some 2½ years ago, a broad-based group of Americans, was trustworthiness. That means do not lie, be sincere, tell the truth—all the basic things that we thought were part of the character of America.

In addition, five other pillars of character were determined to be the essence—the essence—of the character of the United States in the past that we have lost and that we must get back. The remaining ones are respect, responsibility, fairness, caring and citizenship.

Today, on the floor of the Senate, a number of Senators have joined me in a Character Counts Coalition, which has in the U.S. Senate one principal objective; that is, the introduction and passage of a resolution which will set aside the week of October 15 through the 21 as ''National Character Counts Week.''

That resolution will be adopted by the Senate and the House, and it will go out into the land—hopefully, the President will speak to it—and the budding, blooming, blossoming enthusiasm among the people to reinject into society these six pillars of character will, once again, get a spurt of support from us.

But far more important than the 10 Senators—five from each party: Senator NUNN joining me as vice chair, Senator DODD, Senator COCHRAN, Senator MIKULSKI, Senator BENNETT, Senator LIEBERMAN, Senator KEMPTHORNE and Senator DORGAN and Senator FRIST, who is on the floor, join me in this resolution.

What is going on out there in the country? First of all, Mr. President, I am very, very proud that the State of New Mexico is moving into the forefront of States that are trying to build a broad-based community support for these six pillars of character. I am very pleased to suggest that in New Mexico, there are now four cities that, with their school boards, are moving in harmony to make these six pillars of character part of daily life, believe it or not, on a volunteer basis.

Public schools in the State of New Mexico are saying to their teachers, ''Let's make these six pillars of character part of our daily curriculum.'' In fact, in the city of Albuquerque, 36 teachers have been trained so that they can begin to put into the curriculum of our grade schools instruction, activities, examples of these six pillars of character. As a matter of fact, there is sort of a model evolving out of New Mexico, wherein a public school will take one of these pillars of character by the month. And so in a month, it will be trustworthiness month and the children will work on it with their teachers and the teachers will work among themselves to let trustworthiness permeate the school and what it means truly counts. Maybe the next month they will do responsibility, and for a month responsibility will permeate the classroom.

Now we are trying to go one step further, Mr. President, and let these permeate the community, so that in each of our cities, there is a broad-based council—all volunteers, from all walks of life and all institutions—who are building a format to get each of these pillars of character to permeate the community in one way or another.

I just gave an example of this very interesting city, Roswell, which has already decided to put the first of the pillars on their electric or water bills. I do not remember which. If I said water bill, let us stay with it. But essentially, everybody will receive in the mail at least a little notice: ''Character counts. Trustworthiness. Tell the truth. Be sincere.''

Think if this happens, if we are able to join the people of this country, the grassroots of this country in our cities and in our States to mobilize their enthusiasm to get this message across to our children, to our businessmen, to their employees, to those who take care of our families or the families themselves, we may indeed—not this Senator, and not the 10 who are joining on this resolution—but those who had the idea to begin with and those who are working hard at it in the communities, this may turn into a huge chorus to be followed by actions to be followed by change, wherein maybe—maybe—society, which is yearning for something, will end up saying maybe it is we want people to be responsible, maybe it is that we want our people to learn what fairness is, what respect is, what responsibility is, what caring is and, yes, in a broader concept of what citizenship is.

Now, frankly, in the State of New Mexico, the city of Albuquerque, we have now put a major manual together which other cities are asking for as to how we did this.

Who got together and formed the counsel? How did the school board get involved? How are the schools reacting to it? Most of all, how are the parents

reacting to it? Is there any antagonism towards it? We would like to say we have found none.

Who will stand up and say that it is not right that we put back into our schools the concept of trustworthiness or responsibility or caring or respect. Nobody yet has done that. We think that these words are acceptable to everyone.

Everyone knows they would like to see this back into the fabric of this country. In my own State, the Governor has decided that Character Counts Will be a major effort of him and his wife in their term.

In the city of Albuquerque, I was joined by the mayor, and Albuquerque has declared itself the character community. Soon they will put forth a public relations campaign, joined by the media, we hope, which will try to make this pervasive within the community of Albuquerque.

Every city can do this, not because of the 10 Senators, and maybe 70, who will join this resolution and help pass it, but because we are merely supporting the effort which is budding among our people for something different in the classroom, something different on the street corner, something different in our businesses. There is much enthusiasm for this as one of those rare possibilities.

I do not claim to be either the inventor of this or the one that dreamt it up. What I am very proud of is that I saw it, and joined with other Senators to at least lend our support in the U.S. Congress to designating a week in our country when we thoroughly respect and help promote those in our country who are talking about the six pillars of character, and that character counts.

I have a statement which quotes a number of columnists and journalists in my State, editorials of the major papers, placing greater emphasis on common values that have served America so well. It is worth the extra effort that this will involve. There is no other practical way to make children safe and at the same time fight the violence, drugs, disrespect for property rights and others, speaking of this program of Character Counts, Albuquerque Journal.

Mr. NUNN. Mr. President, I rise today in strong support of the resolution submitted by my distinguished colleague Senator DOMENICI, Senate Resolution 103. This resolution, which would designate the week of October 15–21, 1995, as the second annual National Character Counts Week.

Last year I joined with Senator DOMENICI and several of our other colleagues in introducing similar legislation, and was very pleased that the proposal was extremely well-received by my colleagues, as well as people in New Mexico, Georgia, and throughout our Nation. This resolution represents a renewal of that effort.

This group of our Senate colleagues has come together again this year to continue its recognition of the fact that our Nation is experiencing a crisis of values. This crisis is reflected in the rising tide of violence that kills little children in the cross-fire on school yards and in front of their houses, in the increasing number of children who kill each other and others. This crisis goes beyond crime. It is reflected, also, in the recent survey of youngsters conducted by the Josephson Institute of Ethics. These ordinary youngsters may never by involved in crime, drug abuse, or teenage pregnancy, but they still acknowledge disturbing ethical lapses: 2 out of 5 high school age boys and one in four girls have stolen something from a store; nearly two-thirds of all high school students and one-third of all college students had cheated on an exam, and more than one-third of males and one-fifth of females aged 19–24 said they would lie to get a job and nearly one-fifth of college students had already done so in the last year; 21 percent said they would falsify a report to keep a job.

As a character in John Steinbeck's novel ''Of Mice and Men'' complained, ''Nothing is wrong anymore.'' Unfortunately, a lot is wrong, and our society seems reluctant to admit the problem.

This is the core message of character counts, that there are core values that our society agrees on and that should guide our decisionmaking. These values, as set out in the resolution, are trustworthiness, respect, responsibility, fairness, caring, and citizenship. These values are supported by an extremely broad and diverse coalition of people, including former Secretary of Education William Bennett, former Congresswoman Barbara Jordan, actor-producer Tom Selleck, and Children's Defense Fund Founder Marian Wright Edelman. Among our colleagues, Senators with such diverse political viewpoints as Senator HELMS and Senator BOXER consponsored last year's resolution. I come before the Senate today on behalf of this group to urge continued attention to this important problem.

We must remember that all those children who are never taught the values of trustworthiness, respect, responsibility, fairness, caring, and citizenship are future citizens.

This is a resolution considered by Members of the Senate and House in Washington, DC. But it is the parents, teachers, coaches, ministers, big brothers and sisters in local communities who will lead the fight for values in our Nation. As a result of the efforts by the character counts coalition, people in all areas of the country are more aware of the problems we face, and have begun to incorporate these values into their everyday lives and those of their children. Senator DOMENICI has outlined some of these efforts. This year, we introduce this resolution to remind the Senate that the work on this issue is far from over, and again to enlist their support in reinstating these values to their proper places as fundamental to our society. I am proud to join my colleagues, especially Senator DOMENICI, in this effort once again, and I urge the Senate to support this resolution.

Mr. BENNETT. I thank the Chair and I thank the distinguished Senator from New Mexico.

He has taken this time this morning to talk about a project that he and the senior Senator from Georgia [Mr. NUNN] initiated in the 103rd Congress, of which I was delighted to be a member. This is the program called character counts, whereby we are talking on the floor of the Senate and in our home States about the six pillars of character which the Senator from New Mexico and the Senator from Georgia have outlined, along with others in the character counts coalition, others outside of Government. I will not review all of those details because they have been spread on the record, but I think it is appropriate for us to pause for a moment and talk about the impact that we have had with this effort.

As I have talked about this in my own home State, the reaction has been: ''Why are you doing this? Why take the time to talk about something so much a cliche as character— character counts for our kids. Well, everybody is for that. It is like the old cliche, truth, justice and the American way coming out of the comic book character. We don't need to talk about that. Everybody agrees about that.''

And then, as I talk about it, some more people begin to realize that maybe we do need to talk about it. Because bit by bit over the years, the American commitment to individual character, the American commitment to teaching individual character attributes to our children has diminished, not by design but more by inertia.

If you watch the television today, that being our principal source of entertainment and information, you find that references to character are constantly being eroded. For the sake of today's television drama, we glorify selfishness. For the sake of today's television action, we glorify someone who triumphs in a physical way out of a sense of selfishness, and cleverness and character and commitment and cooperation all seem to be disappearing.

What we have done with the character counts coalition is reintroduce into the national dialog those aspects of character that we ought to be talking about. Have we made a dramatic impact? No. Have we caused great national consciousness to rise on these issues? No. But have we begun to turn over one little pebble at a time in the great national mosaic references to selfishness and self-glory and turn them over to become references to cooperation and character? Yes. Over time, that is the slow, steady process that will change the mosaic, that will change the overall look of the national scene.

So we are in this, I say to the Senator and to the Senate as a whole, for the long term. We are in this to keep

this dialog going one stone at a time in the mosaic. When we view it in that fashion, I am very gratified by the progress we have made since the last Congress. As we keep the dialog going, as we keep the steady drumbeat going, we have hopes and, indeed, indication that we are succeeding in quietly and slowly turning around this debate.

So I hope that we can keep this up. I commend the Senator from New Mexico for his diligence and his persistence, and that in some future Congress, people will look back and say, ''You know, it was slow and steady, but ultimately those people determined to inject character education into our national fabric have produced the long-term effects that they were hoping for.''

Thus, Mr. President, I am delighted to be associated with this. I pledge myself to stay in for the long term, the way the Senator from New Mexico is in for the long term, and I have hope that in the long term we will see the deterioration of character that has been going on in this country for so long begin to turn around and change and go in the right direction.

I thank the Senator for his leadership and pledge my myself to this effort.

Mr. DOMENICI. Mr. President, I yield 4 minutes to the Senator from Tennessee.

CHARACTER IS UNIVERSAL

Mr. FRIST. Mr. President, I rise today to join my colleagues on both sides of the aisle to speak just for a few moments on character.

Last year, this body passed a resolution that formally endorsed the six character traits set forth in Aspen, CO, in 1992 by a group of scholars, educators, and youth advocates.

People with different backgrounds came together in Aspen in search of consensus on character. Despite their differences, they found that all could agree on those values of trustworthiness, respect, responsibility, fairness, caring, and citizenship.

Mr. President, consensus on character is possible because character is universal, because character counts. The stamp of character has always been unmistakable. We have seen it in our leaders, in people like Abraham Lincoln and Rosa Parks. We have seen it in our communities, in volunteers who give of their time, their energy, and their resources on behalf of those less fortunate.

We have all glimpsed the glory of character in our lifetimes. And in our heart of hearts, we know that the worth of character outweighs those fleeting benefits of cheap substitutes such as wealth and power.

Yet, throughout history, Mr. President, character has been under unrelenting assault. Today in this country, many of our children simply do not even know the meaning of the word. There are very few role models, very few heroes. Even here in Washington, where character should be synonymous with leadership, many pursue less worthy goals.

The time has come, Mr. President, for those in Washington to stand up and up the ante. Battles have been lost but the war is far from over.

Having just spent every day of last year interacting with Tennesseans, traveling to every county throughout Tennessee, I can say that there is a hunger across America for community built on character.

We must teach our children, first by example, and then through lessons of the past, that character counts.

Today, I urge my colleague to renew their commitment to high personal standards, whatever the cost, and endorse this resolution. We were elected to do no less.

Thank you, Mr. President.

Mr. DOMENICI. Parliamentary inquiry, Mr. President. Do I not have time?

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator is correct. The Senator has 4 minutes and 15 seconds.

Mr. DOMENICI. I was going to yield the remainder of the time to Senator DORGAN, a new member of the coalition.

CHARACTER COUNTS

Mr. DORGAN. Mr. President, I am delighted to join my colleague from New Mexico on this resolution, proclaiming that character counts. A group of people in this body and in our country have put together an effort here that I think is important to our young people.

As I was thinking about coming over and talking about character today, I remembered something I read about an 11-year-old boy named Robert Sandifer. Robert is dead. He lies today in a coffin somewhere in the city of Chicago, killed by a bullet to the back of his head at age 11.

At that young age, Robert, who by then had 23 felony charges, was 4 feet 6 inches tall and weighed no more than about 85 pounds. He was buried with a stuffed animal in his casket, as family and friends said their goodbyes.

In Robert's 11 years, he lived the life of a hardened criminal. Yet, if we look at the rest of his life, when he was taken from his mother in 1986, State social workers found scars on his face, cord-like marks on his abdomen, and cigarette burns on his neck and his buttocks. He was a victim of substantial abuse, who turned to a life of crime and then was executed at the age of 11.

As we look at Robert's life, we can feel sorry for him for the abuse he suffered, but we shouldn't make excuses for his behavior. During the course of his young life, Robert had already committed substantial, violent criminal acts. And it seems to me, there comes a time when we need to stand up and say what he did was wrong, despite the reasons he might have had for turning to a life of crime.

Is Robert's story unusual? No, not really. Day after day, in city after city, we hear stories like this. And it breaks your heart. Something is wrong in this country. Something is dramatically wrong, and we need to fix it.

How do we fix it? Well, we have to again begin teaching values and character in this country—in our homes, in our communities, in our schools, in our churches. We need to reinforce the importance of good moral character every day, in every way.

Edmund Burke once stated, ''All that is necessary for evil to triumph is for good people to do nothing.'' Good people all across this country must look around and understand that, in many respects, our moral compass is off.

Two of our major growth industries in America are security and gambling. Those are the growth industries. If you want to get in on the ground floor and get a good job, work as a prison or security guard or for the gambling industry.

Or, for another indication of what's wrong in our country, turn on the television this morning; what do we see? We entertain ourselves by other people's dysfunctional behavior and portray it as normal. Oprah, Phil, Ricki, Geraldo—we amuse ourselves by watching all of this dysfunctional behavior.

What are our children to think, watching violence hour after hour, night after night, on television? The average child will see 8,000 murders on TV before leaving elementary school. What are our people, especially our young people, to think?

The effort called for in the character counts resolution is very simple. It is to say that all people, good people in this country, people in their homes and in their communities, in school after school across our country, need to, every day and in every way, teach our kids about certain basic values—about trustworthiness, about respect, about justice, about caring, about responsibility, about citizenship. It is our job to reinforce in every conceivable way those kinds of values in America's youth.

I understand that bad news travels halfway around the world before good news gets its shoes on. I understand all that. There is plenty of bad news and there are plenty of storm clouds in this country when we talk about American youth.

But I also recognize that there are many wonderful stories as well, about young people across our country doing well and caring and helping others, and we should reaffirm their efforts.

On the other hand, when we see and hear the gripping, wrenching stories of Robert Sandifer and others, we need to understand that these are things we can do something about.

Character counts is an effort, an educational effort and a citizenship effort all across this country, to say kids matter, values matter, character matters, and we can do something about it if we only work together and try. That is why I am pleased to join my colleague from New Mexico and others in

this Chamber as a sponsor of this resolution, and I hope we will pass this measure and give voice to this kind of initiative.

I yield the floor.

Mr. DODD. Mr. President, I am pleased this morning to join with the distinguished Senator from New Mexico and a bipartisan group of my colleagues to submit this Senate Resolution designating October 15 through October 21, 1995, as National Character Counts Week.

One does not need a doctorate in sociology to know that something has gone terribly wrong for many young Americans. Teen pregnancy is exploding; violence by and against children is out of control; basic norms of civility have broken down in too many troubled communities.

Births to unwed women increased 70 percent between 1983 and 1993, according to the Census Bureau. Last year, one in four American children under 18 lived with a single parent who had never been married. Deaths of children due to homicide have tripled since 1960, becoming the fourth leading cause of death among children ages 1 to 9, the third leading cause for children 10 to 14, and the second leading cause of death for adolescents ages 15 to 19. The perpetrators of these crimes are very often other children.

A series of complex trends have caused these problems, and there are no easy solutions to them. Better education, prevention, and punishment, and help for families in trouble must all play a role. But we must also acknowledge that there is only so much government can do. An effective cure for the plagues devastating young America must include a large dose of individual responsibility and character building.

That is why I am so pleased to continue to be a part of the informal Senate Character Counts Coalition, led by Senator DOMENICI. My colleagues and I began last year to promote the idea of character education in our public schools as a part of the solution to the problems that plague young America. And we continue that effort today.

I believe that it is entirely appropriate for schools to teach students the importance of qualities like honesty, courage, respect, responsibility, fairness, caring, citizenship, and loyalty. These ideals are not controversial, revolutionary concepts. They transcend individual religions and philosophies.

Education should be more than the transmission of facts. It should be more than the molding of an intellect. Education should help teach young people all they need to know to be full participants in our society. Strengthening the mind is not enough: We should also nurture the character.

While I believe this approach is common sense to most Americans, it has nonetheless raised eyebrows and concerns about the appropriate role of the schools. I believe these concerns are unfounded. Clearly, schools will never replace the family. Parents and grandparents, churches, and synagogues should and will always be the primary influences on children's values and systems of belief. To promote character education is not to challenge those influences, but to complement them.

Character education is an idea whose time has come, and Congress has begun to recognize that fact. Last year's Improving America's Schools Act included several provisions that offer new support for character education. An amendment I offered to the Safe and Drug-Free Schools and Communities Act provides local schools with more flexibility to use these Federal funds for character education.

During consideration by the full Senate of the same bill, Senator DOMENICI and I expanded on this effort by adopting an additional and distinct programs to provide grants for States and local partnerships that want to implement character education programs. In addition, Congress also established the first National Character Counts Week, which was celebrated in schools and communities across the country.

Character education alone will obviously not solve this country's moral crisis or save young America. But it should certainly be part of any plan to help young America save itself.

For these reasons, I am very pleased to join once again with Senator DOMENICI, Senator NUNN, and others to submit this resolution to establish a 1995 National Character Counts Week. I hope my other colleagues will join us in supporting this and other character education efforts.

Ms. MIKULSKI. Mr. President, I want to thank the Senator from New Mexico for being the organizer of the Character Counts Coalition here in the U.S. Senate.

We are men and women, Democrats and Republicans, from all geographic parts of the United States of America, and we are united with one voice today to talk about why character counts and why we need to instill these pillars of character in our public schools, our nonprofit organizations, and throughout the United States of America through every cultural method of communication.

Mr. President, we are 6 years from the year 2000. A new century is coming. A new millennium is about to be born. We in America need to ask ourselves, what will the United States of America be in the 21st century? Will we be a superpower? Yes. We will be a superpower because of our economic structure. We will be a superpower because of our military might. But we will also be a superpower because the people of the United States have been empowered by a set of values.

I believe the continuity that will sustain us between the centuries is our values. It is the core values that are expressed in the pillars of character, trustworthiness, fairness, justice and caring, civic virtue, and citizenship. These are the aspects of continuity that will help us not only cope with change but to embrace change and lead us into the 21st century.

For some time, I have been concerned that in the United States of America we have gone from being a progressive society to being a permissive society. Instead of having character, you are rewarded if you are a character.

To that end, I have been concerned that we call celebrities heroes. I will tell you what a hero really is. It is a man or woman who makes significant personal sacrifice, maybe even risking their lives for a greater good with no personal gain.

Right now, there are foster mothers throughout the United States of America caring for children who are abused, caring for children who have AIDS. Those people are heroes.

They are willing to make personal sacrifices with no personal gain for the greater good. They are people with strong values.

They know they have a call to duty, a call to responsibility and understanding that for every right there is a responsibility, for every opportunity there is an obligation.

Mr. President, we need to keep advocating a society based on virtue and value and not a society where every aspect of our cultural communication regards and exploits violence and vulgarity. This is not what the United States is about, and this is not what built the United States of America.

What built America was virtue and value. Those are the ties that bind, the habits of the heart, neighbor helping neighbor, personal respect for yourself and respect for others.

This coalition wants to reinforce those values that have sustained America through good times and bad, through war and through peace. That is why I am advocating the Character Coalition and the inculcation of these values once again through our public schools and nonprofits.

My State of Maryland has been dedicated to character education. Over a decade ago, Blair Lee, a former Governor, had a values commission. Our Maryland attorney general encouraged values to be taught in the schools. We are now again moving on innovative character education programs.

In my own hometown of Baltimore, the public schools are making sure that character counts. In many of our schools and higher education facilities, they are looking at how to have institutes to be able to advocate character.

Mr. President, this initiative is important because we need to concentrate on community building and individual capacity among our young people so they can be part of a larger community. We need to be sure that we strengthen the American family and extend that to a larger community.

I am happy to lend my voice and my efforts for a cause that I believe transcends party and geographic lines because it is not only the laws on the books that help govern us as a society,

it is the laws you carry in your heart that govern your day to day behavior, and the way you react with one another, your neighbors, and the larger community. I believe the pillars of character count, and I am happy to be part of this coalition.

Mr. LIEBERMAN. Mr. President, I am pleased to join Senator DOMENICI and other cosponsors of this resolution designating the week of October 15, 1995, as Character Counts Week. This is the second year I have worked with a bipartisan group of Senators to promote character education. Our goal is to support the many Americans who are working to strengthen the moral fiber of our children through character education. The resolution specifically embraces six ethical values common to this diverse group of Senators and, we believe, to all Americans—trustworthiness, respect, responsibility, fairness, caring, and citizenship.

We are dedicated to instilling these six pillars of character in our youth. Too many forces in our society teach children to reject these values and too few individuals and institutions reinforce them. The media often glorifies deceitful, violent characters. The breakdown of the family has left many children without consistent caretakers and role models that can nourish their moral development. Even some government policies send the wrong message. Our current welfare system, for example, fosters dependency rather than responsibility and self-sufficiency.

This resolution reflects our support for the education, community, and religious organizations that are working at the grassroots level to promote character education. As politicians we should reinforce their efforts wherever we can. Too often politicians are wary of using their position and the law to reinforce specific moral objectives for fear of weakening the separation of church and state. But the laws society enacts and observes are ultimately expressions of values. They serve as a moral structure for our civilization. We cannot and should not downplay this connection.

This resolution will help reinforce the importance of developing our children's character and will add momentum to the many character education programs underway today. I am committed to working with my colleagues to find other ways to build character education into public and private programs through our political leadership and legislative work.

SENATE RESOLUTION 104—RELATIVE TO S. 676

Mr. GRAMS submitted the following resolution; which was referred to the Committee on the Judiciary:

S.RES. 104

Resolved, That the bill S. 676 entitled ''A bill for the relief of D.W. Jacobson, Ronald Karkala, and Paul Bjorgen of Grand Rapids, Minnesota, and for other purposes.'' is referred, with all accompanying papers, to the chief judge of the United States Court of Federal Claims for a report in accordance with sections 1492 and 2509 of title 28, United States Code.

SENATE RESOLUTION 103—RELATIVE TO IRAN

Mr. D'AMATO submitted the following resolution; which was referred to the Committee on Foreign Relations:

S.RES. 105

Whereas, an estimated crowd of 100,000 Iranian people assembled in Southern Teheran on April 4, 1995 to protest sharp price increases and a shortage of water, and other important staples of daily life;

Whereas, the Iranian Revolutionary Guard and the Bassidj, a political militia, have been granted the right to ''shoot-to-kill'' in order to quell disturbances;

Whereas, these force, supplemented by armed helicopter gunships, on April 14, 1995, opened fire on the demonstrators killing as many as 150 people, thereby ending the protest: Now, therefore, be it

Resolved, That it is the Sense of the Senate that the President should—

Immediately condemn this brutal suppression of a crowd of protesters resulting in the death of as many as 150 people by the Government of Iran and instruct the United States Ambassador to the United Nations to bring this matter before the United Nations Security Council with the intent of pursuing a Security Council condemnation of Iran.

● Mr. D'AMATO. Mr. President, I submit a sense-of-the-Senate resolution condemning the violent suppression of a protest in Southern Teheran yesterday by the Iranian Revolutionary Guards and the political militia. The protesters were demonstrating against the doubling of public transportation, gasoline, basic foodstuffs, and drinking water.

When the protesters gathered in the morning of April 4, 1995, their numbers were few. By the afternoon, the crowd swelled to over 100,000. According to Iranfax, a daily brief on Iranian affairs, the crowd overwhelmed police who were shooting tear gas at them and seized their weapons. As the protests spread to other districts in Teheran, the Government called out the Revolutionary Guards and the Bassidj, a political militia, to quell the riots.

Soon, helicopter gunships and troops arrived and began to fire into the crowds. According to the latest reports, at least 150 people died in the attacks. We have no way of knowing how many were injured. Owing to the order of last year that allowed for a shoot-to-kill policy by government troops against civilians, this outcome should have been expected.

Nor should this be surprising because it came from this terrorist regime. Any government willing to do this to its own people, will have no qualms about killing and maiming foreigners. This is why Iran is so dangerous.

This resolution is simple. It requests that the President immediately condemn this brutal act and instruct the United States Ambassador to the United Nations to bring this matter before the Security Council with the intent of pursuing a Security Council condemnation of Iran.

Mr. President, we cannot allow Iran to slaughter its people. This brutal regime has abused the human rights of so many people, inside its country and outside. The time for their atrocious abuses to end is now.

I hope that my colleagues join me in support of this important resolution.●

AMENDMENTS SUBMITTED

EMERGENCY SUPPLEMENTAL APPROPRIATIONS AND RESCISSIONS ACT

INOUYE AMENDMENT NO. 453

(Ordered to lie on the table.)

Mr. INOUYE submitted an amendment intended to be proposed by him to the bill (H.R. 1158) making emergency supplemental appropriations for additional disaster assistance and making rescissions for the fiscal year ending September 30, 1995, and for other purposes; as follows:

In chapter V of title I, under the heading ''CONSTRUCTION'' under the heading ''SMITHSONIAN INSTITUTION'' under the heading ''OTHER RELATED AGENCIES'' strike '': *Provided further*, That notwithstanding any other provision of law, the provisions of the Davis-Bacon Act shall not apply to any contract associated with the construction of facilities for the National Museum of the American Indian.''.

WELLSTONE AMENDMENTS NOS. 454–456

(Ordered to lie on the table.)

Mr. WELLSTONE submitted three amendments intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill (H.R. 1158), supra; as follows:

AMENDMENT NO. 454

On page 31, strike lines 10 through 13.

On page 55, line 4, strike ''$4,800,000,000'' and insert ''$4,758,000,000''.

AMENDMENT NO. 455

On page 31, strike lines 14 through 18.

On page 55, line 4, strike ''$4,800,000,000'' and insert ''$4,758,000,000''.

AMENDMENT NO. 456

On page 6, strike lines 8 through 13.

On page 55, line 4, strike ''$4,800,000,000'' and insert ''$4,765,000,000''.

PACKWOOD AMENDMENT NO. 457

(Ordered to lie on the table.)

Mr. PACKWOOD submitted an amendment intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill (H.R. 1158), supra; as follows:

At the appropriate place add the following new section:

SEC. . Nothing in section 204 of the Unfunded Mandates Reform Act of 1995 (Public Law 104–4) shall be construed to affect the applicability of the Federal Advisory Committee Act (5 U.S.C. App.) to meetings between Federal, State, and tribal officials

concerning Federal efforts to increase salmon populations in the Columbia River Basin. Federal establishment or utilization of advisory committees (as defined under section 3(2) of the Federal Advisory Committee Act) to assist the Federal Government in such efforts shall continue to be governed by the Federal Advisory Committee Act.

BINGAMAN AMENDMENTS NOS. 458–459

(Ordered to lie on the table.)

Mr. BINGAMAN submitted two amendments intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill (H.R. 1158), supra; as follows:

AMENDMENT NO. 458

On pages 35 through 43, strike all beginning with ''$15,200,000'' on page 35, line 21, through ''$1,300,000,000'' on page 43, line 17, and insert in lieu thereof the following:

''$5,200,000 are rescinded as follows: from the Elementary and Secondary Education Act of 1965, title X–B, $4,600,000; from the Goals 2000: Educate America Act, title VI, $600,000.

SEC. 602. Of the funds made available in fiscal year 1995 to the Department of Labor in Public Law 103–333 for compliance assistance and enforcement activities, $8,975,000 are rescinded.

CHAPTER VII

LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to the family trust of Dean A. Gallo, late a Representative from the State of New Jersey, $133,600.

JOINT ITEMS

JOINT ECONOMIC COMMITTEE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $460,000 are rescinded.

JOINT COMMITTEE ON PRINTING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $238,137 are rescinded.

OFFICE OF TECHNOLOGY ASSESSMENT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $650,000 are rescinded.

GOVERNMENT PRINTING OFFICE

OFFICE OF SUPERINTENDENT OF DOCUMENTS

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public law 103–283, $600,000 are rescinded.

LIBRARY OF CONGRESS

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $150,000 are rescinded.

BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $100,000 are rescinded.

GENERAL ACCOUNTING OFFICE

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $8,867,000 are rescinded.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART II

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $10,628,000 are rescinded.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART III

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $93,566,000 are rescinded.

CHAPTER IX

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES

OFFICE OF THE SECRETARY

WORKING CAPITAL FUND

(RESCISSION)

The obligation authority under this heading in Public Law 103–331 is hereby reduced by $4,000,000.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the funds made available under this heading, $5,300,000 are rescinded: *Provided,* That the Secretary shall not enter into any contracts for ''Small Community Air Service'' beyond September 30, 1995, which require compensation fixed and determined under subchapter II of chapter 417 of Title 49, United States Code (49 U.S.C. 41731–42) payable by the Department of Transportation: *Provided further,* That no funds under this head shall be available for payments to air carriers under subchapter II.

COAST GUARD

OPERATING EXPENSES

(RESCISSION)

Of the amounts provided under this hearing in Public Law 103–331, $3,700,000 are rescinded.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

(RESCISSION)

Of the available balances under this heading, $34,298,000 are rescinded.

ENVIRONMENTAL COMPLIANCE AND RESTORATION

(RESCISSION)

Of the amounts provided under this heading in Public Law 103–331, $400,000 are rescinded.

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

(RESCISSION)

Of the available balances under this heading, $1,000,000 are rescinded: *Provided,* That the following proviso in Public Law 103–331 under this heading is repealed, ''*Provided further,* That of the funds available under this head, $17,500,000 is available only for permanent change of station moves for members of the air traffic work force''.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the available balances under this heading, $31,850,000 are rescinded.

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the available balances under this heading, $7,500,000 are rescinded.

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the available contract authority balances under this account, $1,310,000,000''.

Mr. LEVIN. Mr. President, the Senator from Minnesota has raised an important issue, whether the benefits of national nutritional standards for families and children receiving Federal food assistance could be reduced if each State were given the power to determine its own standards. There is another issue which is also overlooked: Federal nutritional messages are sometimes inconsistent and can result in national standards taht do not make sense. Such standards should be amended to be more consistent with USDA's nutritional advice to WIC and other food program participants.

The USDA and other Federal agencies and nutritional experts advise that fruit is an essential element of a nutritional diet. The USDA's food pyramid specifically recommends that people eat 2 to 4 servings of fruit per day. The WIC Program distributes literature urging that participants eat fruit and ''use fruit in cereal.'' Yet, USDA still enforces a regulation prohibiting the inclusion of certain nutritious cereals, such as Raisin Bran, in the WIC food package because of the sugar content of the fruit they contain.

That makes no sense.

USDA should revise its current WIC Program regulations to conform to its own dietary and nutritional guidelines. USDA is being inconsistent when it does not allow WIC participants to purchase cereals because of the recommended fruit they contain. It is because of this kind of regulation that national standards fall into disrepute, and encourage calls for State assumption of Federal standard-making authority.

AMENDMENT NO. 459

On pages 35 through 43, strike all beginning with ''$15,200,000'' on page 35, line 21, through ''$1,300,000,000'' on page 43, line 17, and insert in lieu thereof the following: ''$5,200,000 are rescinded as follows: from the Elementary and Secondary Education Act of 1965, title X–B, $4,600,000; from the Goals 2000: Educate America Act, title VI, $600,000.

LIBRARIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $2,916,000 are rescinded from title II, part B, section 222 of the Higher Education Act.

RELATED AGENCIES

CORPORATION FOR PUBLIC BROADCASTING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–112, $26,360,000 are rescinded. Of the funds made available under this heading in Public Law 103–333, $29,360,000 are rescinded.

RAILROAD RETIREMENT BOARD

DUAL BENEFITS PAYMENTS ACCOUNT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $7,000,000 are rescinded.

GENERAL PROVISIONS

FEDERAL DIRECT STUDENT LOAN PROGRAM

SEC. 601. Section 458(a) of the Higher Education Act of 1965 (20 U.S.C. 1087h(a) is amended—

(1) by striking ''$345,000,000'' and inserting ''$250,000,000''; and

(2) by striking ''$2,500,000,000'' and inserting ''$2,405,000,000''.

SEC. 602. Of the funds made available in fiscal year 1995 to the Department of Labor in Public Law 103–333 for compliance assistance and enforcement activities, $8,975,000 are rescinded.

CHAPTER VII

LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to the family trust of Dean A. Gallo, late a Representative from the State of New Jersey, $133,600.

JOINT ITEMS

JOINT ECONOMIC COMMITTEE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $460,000 are rescinded.

JOINT COMMITTEE ON PRINTING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $238,137 are rescinded.

OFFICE OF TECHNOLOGY ASSESSMENT

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $650,000 are rescinded.

CONGRESSIONAL BUDGET OFFICE

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $187,000 are rescinded.

ARCHITECT OF THE CAPITOL

CAPITOL BUILDINGS AND GROUNDS

SENATE OFFICE BUILDINGS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $850,000 are rescinded.

CAPITAL POWER PLANT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $1,650,000 are rescinded.

GOVERNMENT PRINTING OFFICE

CONGRESSIONAL PRINTING AND BINDING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $5,000,000 are rescinded.

BOTANIC GARDEN

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available until expended by transfer under this heading in Public Law 103–283, $7,000,000 are rescinded.

GOVERNMENT PRINTING OFFICE

OFFICE OF SUPERINTENDENT OF DOCUMENTS

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $600,000 are rescinded.

LIBRARY OF CONGRESS

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $150,000 are rescinded.

BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $100,000 are rescinded.

GENERAL ACCOUNTING OFFICE

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $8,867,000 are rescinded.

CHAPTER VIII

DEPARTMENT OF DEFENSE—MILITARY CONSTRUCTION

MILITARY CONSTRUCTION, ARMY

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $10,000,000 are rescinded.

MILITARY CONSTRUCTION, NAVY

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $13,050,000 are rescinded.

MILITARY CONSTRUCTION, AIR FORCE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $33,250,000 are rescinded.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $1,340,000 are rescinded.

NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $69,000,000 are rescinded.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART II

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $10,628,000 are rescinded.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART III

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $93,566,000 are rescinded.

CHAPTER IX

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES

OFFICE OF THE SECRETARY

WORKING CAPITAL FUND

(RESCISSION)

The obligation authority under this heading in Public Law 103–331 is hereby reduced by $4,000,000.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the funds made available under this heading, $5,300,000 are rescinded: *Provided*, That the Secretary shall not enter into any contracts for ''Small Community Air Service'' beyond September 30, 1995, which require compensation fixed and determined under subchapter II of chapter 417 of Title 49, United States Code (49 U.S.C. 41731–42) payable by the Department of Transportation: *Provided further*, That no funds under this head shall be available for payments to air carriers under subchapter II.

COAST GUARD

OPERATING EXPENSES

(RESCISSION)

Of the amounts provided under this heading in Public Law 103–331, $3,700,000 are rescinded.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

(RESCISSION)

Of the available balances under this heading, $34,298,000 are rescinded.

ENVIRONMENTAL COMPLIANCE AND RESTORATION

(RESCISSION)

Of the amounts provided under this heading in Public Law 103–331, $400,000 are rescinded.

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

(RESCISSION)

Of the available balances under this heading, $1,000,000 are rescinded: *Provided*, That the following proviso in Public Law 103–331 under this heading is repealed, ''*Provided further*, That of the funds available under this head, $17,500,000 is available only for permanent change of station moves for members of the air traffic work force''.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the available balances under this heading, $31,850,000 are rescinded.

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the available balances under this heading, $7,500,000 are rescinded.

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the available contract authority balances under this account, $1,310,000,000''.

BRADLEY AMENDMENT NO. 460

(Ordered to lie on the table.)

Mr. BRADLEY submitted an amendment intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

On page 4, line 20, strike ''$1,500,000'' and insert ''$12,678,000''.

BUMPERS (AND BRYAN) AMENDMENTS NOS. 460–463

(Ordered to lie on the table.)

Mr. BUMPERS (for himself and Mr. BRYAN) submitted three amendments intended to be proposed by them to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

AMENDMENT NO. 461

Strike lines 3–7 on page 4 of the Committee substitute, and insert in lieu thereof the following: ''deleting '$85,500,000' and by inserting '$0.'''

AMENDMENT NO. 462

Strike lines 3–7 on page 4 of the Committee substitute, and insert in lieu thereof the following: ''deleting ''$85,500,000'' and by inserting ''$50,000,000''. *Provided,* That none of these funds may be used for non-generic activities by recipients other than those identified at 7 C.F.R. 1485.13(a)(1)(i)(J), 1485.13(a)(2)(ii), 1485.15(c), or other recipients that are new-to-export entities.''

AMENDMENT NO. 463

Add the following immediately after line 16 of the Committee substitute:

''SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

''The paragraph under this heading in Public Law 103–330 (108 Stat. 2441) is amended by inserting before the period at the end, the following: ''*: Provided further,* That notwithstanding any other provision of law, up to $10,000,000 of nutrition services and administration funds may be available for grants to WIC State agencies for promoting immunization through such efforts as immunization screening and voucher incentive programs.''

INOUYE (AND MCCAIN) AMENDMENT NO. 464

(Ordered to lie on the table.)

Mr. INOUYE (for himself and Mr. MCCAIN) submitted an amendment intended to be proposed by them to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

On page 57, line 16, insert after ''rescinded,'' the following: ''except that the percentage of such rescission relating to public housing for Indian families shall not exceed the percentage of amounts made available under this heading in Public Law 103–327 for development or acquisition costs of public housing that is allocated for the development or acquisition cost of public housing for Indian families, and''.

INOUYE AMENDMENT NO. 465

(Ordered to lie on the table.)

Mr. INOUYE submitted an amendment intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

On page 81, line 11, strike ''governor of the state'' and insert ''Governor of a State or the Indian tribe, as defined in section 101(36) of the Act (42 U.S.C. 9601(36)), of an affected reservation''.

INOUYE (AND OTHERS) AMENDMENT NO. 466

(Ordered to lie on the table.)

Mr. INOUYE (for himself, Mr. BOND, and Mr. MCCAIN) submitted an amendment to be proposed by them to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

To the Committee Substitute (Amdt. No. 420).

On page 57, after line 3, insert the following:

HOME INVESTMENT PARTNERSHIPS PROGRAM

(RESCISSION)

Of the funds made available under this heading in Public Law 103–327 and any unobligated balances from funds appropriated under this heading in prior years, $100,000,000 are rescinded: *Provided,* That the Secretary may transfer to this account funds, up to the amount rescinded by this paragraph, from unobligated balances of the Department of Housing and Urban Development earmarked for incremental housing units.

On page 57, line 14, strike ''$451,000,000'' and insert in lieu thereof ''$351,000,000''.

On page 57, line 15, strike ''including'' and insert in lieu thereof ''excluding $100,000,000 previously earmarked for''.

STEVENS AMENDMENT NO. 467

(Ordered to lie on the table.)

Mr. STEVENS submitted an amendment intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

On page 81, line 18, add a new section as follows:

SEC. . (a.) As provided in subsection (b), an Environmental Impact Statement prepared pursuant to the National Environmental Policy Act or a subsistence evaluation prepared pursuant to the Alaska National Interest Lands Conservation Act for a timber sale or offering to one party shall be deemed sufficient if the Forest Service sells the timber to an alternate buyer.

(b.) The provision of this section shall apply to the timber specified in the Final Supplement to 1981–86 and 1986–90 Operating Period EIS (''1989 SEIS''), November, 1989, in the North and East Kuiu Final Environmental Impact Statement, January 1993; in the Southeast Chichagof Project Area Final Environmental Impact Statement, September 1992; and in the Kelp Bay Environmental Impact Statement, February 1992, and supplemental evaluations related thereto.

FEINGOLD (AND KOHL) AMENDMENTS NOS. 468–469

(Ordered to lie on the table.)

Mr. FEINGOLD (for himself and Mr. KOHL) submitted an amendment intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

AMENDMENT NO. 468

On page 40, line 11, strike out ''$13,050,000'' and insert in lieu thereof ''$21,050,000''.

AMENDMENT NO. 469

On page 68, between lines 6 and 7, insert the following:

CHAPTER XII

DEPARTMENT OF DEFENSE—MILITARY OPERATION AND MAINTENANCE

OPERATION AND MAINTENANCE, NAVY

(RESCISSION)

Of the funds available under this heading in title II of Public Law 103–335, $9,000,000 are rescinded.

JEFFORDS (AND OTHERS) AMENDMENT NO. 470

(Ordered to lie on the table.)

Mr. JEFFORDS (for himself, Mr. WELLSTONE, Mr. CHAFEE, Mr. DASCHLE, Mr. ROTH, Mr. KERRY, Mr. CAMPBELL, Mr. HARKIN, Mr. KOHL, Mr. FEINGOLD, Mr. LEAHY, Mr. PELL, and Mr. KENNEDY) submitted an amendment intended to be proposed by them to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

On page 14, line 12, strike the period and insert '', of which not more than $20,500,000 shall constitute a reduction in the amount available for solar and renewable energy activities and at least $14,500,000 shall constitute a reduction in the amount available for nuclear activities.''.

LEAHY AMENDMENT NO. 471

(Ordered to lie on the table.)

Mr. LEAHY submitted an amendment intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

On page 68, between lines 6 and 7, insert the following:

CHAPTER XII

DEPARTMENT OF DEFENSE—MILITARY PROCUREMENT

AIRCRAFT PROCUREMENT, AIR FORCE

(RESCISSION)

Of the funds available under this heading in title III of Public Law 103–335, $69,300,000 are rescinded.

BOXER AMENDMENT NO. 472

(Ordered to lie on the table.)

Mrs. BOXER submitted an amendment intended to be proposed by her to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

On page 68, between lines 6 and 7, insert the following:

CHAPTER XII

DEPARTMENT OF DEFENSE—MILITARY PROCUREMENT

AIRCRAFT PROCUREMENT, ARMY

(RESCISSION)

Of the funds available under this heading in title III of Public Law 103–335, $11,000,000 are rescinded.

HARKIN (AND OTHERS) AMENDMENTS NOS. 473–474

(Ordered to lie on the table.)

Mr. HARKIN (for himself, Mr. LEAHY, Mr. HOLLINGS, Mr. REID, Mr. PRYOR, Mr. DODD, Mr. KERRY, and Mr. KENNEDY) submitted two amendments intended to be proposed by them to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

AMENDMENT NO. 473

Strike page 7, line 14, through page 36, line 12, and insert:

INTERNATIONAL BROADCASTING OPERATIONS

(RESCISSION)

Of the funds made available under this heading to the Board for International Broadcasting in Public Law 103–317, are rescinded.

DEPARTMENT OF JUSTICE

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $1,000,000 are rescinded.

GENERAL ADMINISTRATION

WORKING CAPITAL FUND

(RESCISSION)

Of the unobligated balances available under this heading in Public Law 103–317, $5,000,000 are rescinded.

LEGAL ACTIVITIES

ASSET FORFEITURE FUND

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $5,000,000 are rescinded.

OFFICE OF JUSTICE PROGRAMS

DRUG COURTS

(RESCISSION)

Of the funds made available under this heading in title VIII of Public Law 103–317, $17,100,000 are rescinded.

OUNCE OF PREVENTION COUNCIL

(INCLUDING RESCISSION)

Of the funds made available under this heading in title VIII of Public Law 103–317, $1,000,000 are rescinded.

In addition, under this heading in Public Law 103–317, after the word ''grants'', insert the following: ''and administrative expenses''. After the word ''expended'', insert the following: '': *Provided*, That the Council is authorized to accept, hold, administer, and use gifts, both real and personal, for the purpose of aiding or facilitating the work of the Council''.

DEPARTMENT OF COMMERCE

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $19,500,000 are rescinded.

INDUSTRIAL TECHNOLOGY SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317 for the Manufacturing Extension Partnership and the Quality Program, $27,100,000 are rescinded.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $37,600,000 are rescinded.

CONSTRUCTION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $8,000,000 are rescinded.

TECHNOLOGY ADMINISTRATION

UNDER SECRETARY FOR TECHNOLOGY/OFFICE OF TECHNOLOGY POLICY

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $1,500,000 are rescinded.

NATIONAL TECHNICAL INFORMATION SERVICE

NTIS REVOLVING FUND

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $7,600,000 are rescinded.

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

(RESCISSIONS)

Of unobligated balances available under this heading pursuant to Public Law 103–75, Public Law 102–368, and Public Law 103–317, $47,384,000 are rescinded.

THE JUDICIARY

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

UNITED STATES COURT OF INTERNATIONAL TRADE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $1,000,000 are rescinded.

DEFENDER SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $4,100,000 are rescinded.

RELATED AGENCY

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $15,000,000 are rescinded: *Provided*, That no funds in that public law shall be available to implement section 24 of the Small Business Act, as amended.

BUSINESS LOANS PROGRAM ACCOUNT

(RESCISSION)

Of funds made available under this heading in Public Law 103–317, $15,000,000 are rescinded.

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

DIPLOMATIC AND CONSULAR PROGRAMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $2,000,000 are rescinded.

ACQUISITION AND MAINTENANCE OF BUILDINGS ABROAD

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $30,000,000 are rescinded.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $14,617,000 are rescinded.

RELATED AGENCIES

ARMS CONTROL AND DISARMAMENT AGENCY

ARMS CONTROL AND DISARMAMENT ACTIVITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $4,000,000 are rescinded, of which $2,000,000 are from funds made available for activities related to the implementation of the Chemical Weapons convention.

BOARD FOR INTERNATIONAL BROADCASTING

ISRAEL RELAY STATION

(RESCISSION)

From unobligated balances available under this heading, $2,000,000 are rescinded.

UNITED STATES INFORMATION AGENCY

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $5,000,000 are rescinded.

RADIO CONSTRUCTION

(RESCISSION)

Of the funds made available under this heading, $6,000,000 are rescinded.

RADIO FREE ASIA

(RESCISSION)

Of the funds made available under this heading, $6,000,000 are rescinded.

CHAPTER III

ENERGY AND WATER DEVELOPMENT

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

GENERAL INVESTIGATIONS

(RESCISSIONS)

Of the funds made available under this heading in Public Law 103–316 and prior years' Energy and Water Development Appropriations Acts, $10,000,000 are rescinded.

CONSTRUCTION, GENERAL

(RESCISSIONS)

Of the funds made available under this heading in Public Law 103–316 and prior years' Energy and Water Development Appropriations Acts, $50,000,000 are rescinded.

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

OPERATION AND MAINTENANCE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–316, $10,000,000 are rescinded.

DEPARTMENT OF ENERGY

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–316, $81,500,000 are rescinded.

ATOMIC ENERGY DEFENSE ACTIVITIES

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

(RESCISSIONS)

Of the amounts made available under this heading in Public Law 103–316 and prior years' Energy and Water Development Acts, $113,000,000 are rescinded.

MATERIALS SUPPORT AND OTHER DEFENSE PROGRAMS

(RESCISSIONS)

Of the amounts made available under this heading in Public Law 103–316, and prior years' Energy and Water Development Acts, $15,000,000 are rescinded.

DEPARTMENTAL ADMINISTRATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–316, $20,000,000 are rescinded.

POWER MARKETING ADMINISTRATIONS

CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE, WESTERN AREA POWER ADMINISTRATION

(RESCISSIONS)

Of the amounts made available under this heading in Public Law 103–316 and prior years' Energy and Water Development Acts, $30,000,000 are rescinded.

INDEPENDENT AGENCIES

APPALACHIAN REGIONAL COMMISSION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–316, $10,000,000 are rescinded.

TENNESSEE VALLEY AUTHORITY

TENNESSEE VALLEY AUTHORITY FUND

(RESCISSION)

Of the funds made available under this heading in Public Law 103–316 $5,000,000 are rescinded.

CHAPTER IV

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS

(RESCISSION)

Of the unearmarked and unobligated balances of funds available in Public Law 103–87 and Public Law 103–306, $100,000,000 are rescinded: *Provided,* That not later than thirty days after the enactment of this Act the Director of the Office of Management and Budget shall submit a report to Congress setting forth the accounts and amounts which are reduced pursuant to this paragraph.

CHAPTER V

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

(RESCISSION)

Of the funs available under this heading in Public Law 103–332, $70,000 are rescinded, to be derived from amounts available for developing and finalizing the Roswell Resource Management Plan/Environmental Impact Statement and the Carlsbad Resource Management Plan Amendment/Environment Impact Statement: *Provided,* That none of the funds made available in such Act or any other appropriations Act may be used for finalizing or implementing either such plan.

CONSTRUCTION AND ACCESS

(RESCISSIONS)

Of the funds made available under this heading in Public Law 103–332, Public Law 103–138, and Public Law 102–381, $2,100,000 are rescinded.

LAND ACQUISITION

(RESCISSIONS)

Of the funds made available under this heading in Public Law 102–381, Public Law 101–121, and Public Law 100–446, $1,497,000 are rescinded.

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–332, $3,000,000 are rescinded.

CONSTRUCTION

(RESCISSIONS)

Of the funds made available under this heading or the heading Construction and Anadromous Fish in Public Law 103–332, Public Law 103–138, Public Law 103–75, Public Law 102–381, Public Law 102–154, Public Law 102–368, Public Law 101–512, Public Law 101–121, Public Law 101–446, and Public Law 100–202, $13,215,000 are rescinded.

LAND ACQUISITION

(RESCISSIONS)

Of the funds made available under this heading in Public Law 103–332, Public Law 103–138, Public Law 102–381, and Public Law 101–512, $3,893,000 are rescinded.

NATIONAL BIOLOGICAL SURVEY

RESEARCH, INVENTORIES, AND SURVEYS

(RESCISSIONS)

Of the funds available under this heading in Public Law 103–332 and Public Law 103–138, $12,544,000 are rescinded.

NATIONAL PARK SERVICE

CONSTRUCTION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $25,970,000 are rescinded.

URBAN PARK AND RECREATION FUND

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $7,480,000 are rescinded.

LAND ACQUISITION AND STATE ASSISTANCE

(RESCISSIONS)

Of the funds available under this heading in Public Law 103–332, Public Law 103–138, Public Law 102–381, Public Law 102–154, Public Law 101–512, Public Law 101–121, Public Law 100–446, Public Law 100–202, Public Law 99–190, Public Law 98–473, and Public Law 98–146, $11,297,000 are rescinded.

MINERALS MANAGEMENT SERVICE

ROYALTY AND OFFSHORE MINERALS MANAGEMENT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–332, $814,000 are rescinded.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $11,350,000 are rescinded: *Provided,* That the first proviso under this head in Public Law 103–332 is amended by striking ''$330,111,000'' and inserting in lieu thereof ''$329,361,000''.

CONSTRUCTION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $9,571,000 are rescinded.

INDIAN DIRECT LOAN PROGRAM ACCOUNT

(RESCISSION)

Of the funds provided under this heading in Public Law 103–332, $1,900,000 are rescinded.

TERRITORIAL AND INTERNATIONAL AFFAIRS

ADMINISTRATION OF TERRITORIES

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $1,900,000 are rescinded.

TRUST TERRITORY OF THE PACIFIC ISLANDS

(RESCISSION)

Of the funds available under this heading in Public Law 99–591, $32,139,000 are rescinded.

COMPACT OF FREE ASSOCIATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–332, $1,000,000 are rescinded.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST RESEARCH

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $6,000,000 are rescinded.

STATE AND PRIVATE FORESTRY

(RESCISSION)

Of the funds available under this heading in Public Law 103–332 and Public Law 103–138, $6,250,000 are rescinded.

INTERNATIONAL FORESTRY

(RESCISSIONS)

Of the funds available under this heading in Public Law 103–332, $3,000,000 are rescinded.

CONSTRUCTION

(RESCISSIONS)

Of the funds available under this heading in Public Law 103–332, Public Law 103–138 and Public Law 102–381, $7,824,000 are rescinded: *Provided,* That the first proviso under this head in Public Law 103–332 is amended by striking ''1994'' and inserting in lieu thereof ''1995''.

LAND ACQUISITION

(RESCISSIONS)

Of the funds available under this heading in Public Law 103–332, Public Law 103–138 and Public Law 102–381, $3,020,000 are rescinded.

DEPARTMENT OF ENERGY

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $20,750,000 are rescinded.

NAVAL PETROLEUM AND OIL SHALE RESERVES

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $11,000,000 are rescinded.

ENERGY CONSERVATION

(RESCISSIONS)

Of the funds available under this heading in Public Law 103–332, $34,928,000 are rescinded.

Of the funds available under this heading in Public Law 103–138, $13,700,000 are rescinded.

DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

INDIAN EDUCATION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $2,000,000 are rescinded.

OTHER RELATED AGENCIES

SMITHSONIAN INSTITUTION

CONSTRUCTION AND IMPROVEMENTS, NATIONAL ZOOLOGICAL PARK

(RESCISSIONS)

Of the funds available under this heading in Public Law 102–381, and Public Law 103–138, $1,000,000 are rescinded.

CONSTRUCTION

(RESCISSIONS)

Of the funds made available under this heading in Public Law 102–154, Public Law 102–381, Public Law 103–138, and Public Law 103–332, $11,237,000 are rescinded: *Provided,* That of the amounts proposed herein for rescission, $2,500,000 are from funds previously appropriated for the National Museum of the American Indian: *Provided further,* That notwithstanding any other provision of law, the provisions of the Davis-Bacon Act shall not apply to any contract associated with the construction of facilities for the National Museum of the American Indian.

NATIONAL GALLERY OF ART

REPAIR, RESTORATION AND RENOVATION OF BUILDINGS

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $407,000 are rescinded.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

CONSTRUCTION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $3,000,000 are rescinded.

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

SALARIES AND EXPENSES

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $1,000,000 are rescinded.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

GRANTS AND ADMINISTRATION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $5,000,000 are rescinded.

NATIONAL ENDOWMENT FOR THE HUMANITIES

GRANTS AND ADMINISTRATION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $5,000,000 are rescinded.

GENERAL PROVISIONS

SEC. 501. No funds made available in any appropriations Act may be used by the Department of the Interior, including but not limited to the United States Fish and Wildlife Service and the National Biological Service, to search for the Alabama sturgeon in the Alabama River, the Cahaba River, the Tombigbee River or the Tennessee-Tombigbee Waterway in Alabama or Mississippi.

SEC. 502. (a) None of the funds made available in Public Law 103–332 may be used by the United States Fish and Wildlife Service to implement or enforce special use permit numbered 72030.

(b) The Secretary of the Interior shall immediately reinstate the travel guidelines specified in special use permit numbered 65715 for the visiting public and employees of the Virginia Department of Conservation and Recreation at Back Bay National Wildlife Refuge, Virginia. Such guidelines shall remain in effect until such time as an agreement described in subsection (c) becomes effective, but in no case shall remain in effect after September 30, 1995.

(c) It is the sense of Congress that the Secretary of the Interior and the Governor of Virginia should negotiate and enter into a long term agreement concerning resources management and public access with respect to Back Bay National Wildlife Refuge and False Cape State Park, Virginia, in order to improve the implementation of the missions of the Refuge and Park.

SEC. 503. (a) No funds available to the Forest Service may be used to implement Habitat Conservation Areas in the Tongass National Forest for species which have not been declared threatened or endangered pursuant to the Endangered Species Act, except that with respect to goshawks the Forest Service may impose interim Goshawk Habitat Conservation Areas not to exceed 300 acres per active nest consistent with the guidelines utilized in national forests in the continental United States.

(b) The Secretary shall notify Congress within 30 days of any timber sales which may be delayed or canceled due to the Goshawk Habitat Conservation Areas described in subsection (a).

SEC. 504. RENEWAL OF PERMITS FOR GRAZING ON NATIONAL FOREST LANDS.

Notwithstanding any other law, at the request of an applicant for renewal of a permit that expires on or after the date of enactment of this Act for grazing on land located in a unit of the National Forest System, the Secretary of Agriculture shall reinstate, if necessary, and extend the term of the permit until the date on which the Secretary of Agriculture completes action on the application, including action required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

CHAPTER VI

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $1,521,220,000 are rescinded, including $46,404,000 for necessary expenses of construction, rehabilitation, and acquisition of new Job Corps centers, $15,000,000 for the School-to-Work Opportunities Act, $15,600,000 for title III, part A of the Job Training Partnership Act, $20,000,000 for the title III, part B of such Act, $3,861,000 for service delivery areas under section 101(a)(4)(A)(iii) of such Act, $33,000,000 for carrying out title II, part A of such Act, $472,010,000 for carrying out title II, part C of such Act, $750,000 for the National Commission for Employment Policy and $421,000 for the National Occupational Information Coordinating Committee: *Provided*, That service delivery areas may transfer up to 50 percent of the amounts allocated for program years 1994 and 1995 between the title II–B and title II–C programs authorized by the Job Training Partnership Act, if such transfers are approved by the Governor.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

(RESCISSION)

Of the funds made available under this leading in Public law 103–333, $20,000,000 are rescinded, and amounts which may be expended from the Employment Security Administration account in the Unemployment Trust Fund are reduced from $3,269,097,000 to $3,221,397,000.

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

Of the funds made available under this heading in Public Law 103–333, $1,100,000 are rescinded.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $42,071,000 are rescinded.

CENTERS FOR DISEASE CONTROL AND PREVENTION

DISEASE CONTROL, RESEARCH, AND TRAINING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $1,300,000 are rescinded. $2,185,935,000, and funds transferred to this account as authorized by section 201(g) of the Social Security Act are reduced to the same amount.

SOCIAL SECURITY ADMINISTRATION

SUPPLEMENTAL SECURITY INCOME PROGRAM

(RESCISSION)

Of the amounts appropriated in the first paragraph under this heading in Public Law 103–333, $67,000,000 are rescinded.

LIMITATION ON ADMINISTRATIVE EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333 to invest in a state-of-the-art computing network, $88,283,000 are rescinded.

ADMINISTRATION FOR CHILDREN AND FAMILIES

JOB OPPORTUNITIES AND BASIC SKILLS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, there are rescinded an amount equal to the total of the funds within each State's limitation for fiscal year 1995 that are not necessary to pay such State's allowable claims for such fiscal year.

Section 403(k)(3)(E) of the Social Security Act (as amended by Public Law 100–485) is amended by adding before the ''and'': ''reduced by an amount equal to the total of those funds that are within each State's limitation for fiscal year 1995 that are not necessary to pay such State's allowable claims for such fiscal year (except that such amount for such year shall be deemed to be $1,300,000,000 for the purpose of determining the amount of the payment under subsection (l) to which each State is entitled),''.

STATE LEGALIZATION IMPACT-ASSISTANCE GRANTS

(RESCISSION)

Of the funds made available in the second paragraph under this heading in Public Law 103–333, $6,000,000 are rescinded.

COMMUNITY SERVICES BLOCK GRANT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $13,988,000 are rescinded.

CHILDREN AND FAMILIES SERVICES PROGRAMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $42,000,000 are rescinded from section 639(A) of the Head Start Act, as amended.

ADMINISTRATION ON AGING

(AGING SERVICES PROGRAMS)

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $899,000 are rescinded.

OFFICE OF THE SECRETARY

POLICY RESEARCH

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $2,918,000 are rescinded.

DEPARTMENT OF EDUCATION

EDUCATION REFORM

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $82,600,000 are rescinded, including $55,800,000 from funds made available for State and local education systemic improvement, and $11,800,000 from funds made available for Federal activities under the Goals 2000: Educate America Act; and $15,000,000 are rescinded from funds made available under the School to Work Opportunities Act, including $4,375,000 for National programs and $10,625,000 for State grants and local partnerships.

EDUCATION FOR THE DISADVANTAGED

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $80,400,000 are rescinded as follows: $72,500,000 from the Elementary and Secondary Education Act, title I, part A, $2,000,000 from part B, and $5,900,000 from part E, section 1501.

SCHOOL IMPROVEMENT PROGRAMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $211,417,000 are rescinded as follows: from the Elementary and Secondary Education Act, title II–B, $69,000,000, title IV, $75,000,000, title V–C, $2,000,000, title IX–B, $1,000,000, title X–D, $1,500,000, section 10602, $1,630,000, title XII, $20,000,000, and title XIII–A, $8,900,000; from the Higher Education Act, section 596, $13,875,000; from funds derived from the Violent Crime Reduction Trust Fund, $11,100,000;

and from funds for the Civil Rights Act of 1964, title IV, $7,412,000.

BILINGUAL AND IMMIGRANT EDUCATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $32,380,000 are rescinded from funding for title VII–A and $11,000,000 from part C of the Elementary and Secondary Education Act.

VOCATIONAL AND ADULT EDUCATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $60,566,000 are rescinded as follows: from the Carl D. Perkins Vocational and Applied Technology Education Act, title III–A, and –B, $43,888,000 and from title IV–A and –C, $8,891,000 from the Adult Education Act, part B–7, $7,787,000.

STUDENT FINANCIAL ASSISTANCE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $10,000,000 are rescinded from funding for the Higher Education Act, title IV, part H–1.

HIGHER EDUCATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $46,583,000 are rescinded as follows: from amounts available for the Higher Education Act, title IV–A, chapter 5, $496,000, title IV–A–2, chapter 2, $600,000, title IV–A–6, $2,000,000, title V–C, subparts 1 and 3, $16,175,000, title title IX–B, $10,100,000, title IX–E, $3,500,000, title IX–G, $2,888,000, title X–D, $2,900,000, and title XI–A, $500,000; Public Law 102–325, $1,000,000; and the Excellence in Mathematics, Science, and Engineering Education Act of 1990, $6,424,000.

HOWARD UNIVERSITY

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $3,300,000 are rescinded, including $1,500,000 for construction.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333 for the costs of direct loans, as authorized under part C of title VII of the Higher Education Act, as amended, $168,000 are rescinded, and the authority to subsidize gross loan obligations is repealed. In addition, $322,000 appropriated for administrative expenses are rescinded.

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $15,200,000 are rescinded as follows: from the Elementary and Secondary Education Act, title III–A, $5,000,000, title III–B, $5,000,000, and title X–B, $4,600,000; from the Goals 2000: Educate America Act, title VI, $600,000.

LIBRARIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $2,916,000 are rescinded from title II, part B, section 222 of the Higher Education Act.

RELATED AGENCIES

CORPORATION FOR PUBLIC BROADCASTING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–112, $17,791,000 are rescinded. Of the funds made available under this heading in Public Law 103–333, $11,965,000 are rescinded.

AMENDMENT NO. 474

Strike page 7, line, through page 36, line 12, and insert:

INTERNATIONAL BROADCASTING OPERATIONS

(RESCISSION)

Of the funds made available under this heading, to the Board for International Broadcasting in Public Law 103–317, $102,000,000 are rescinded.

DEPARTMENT OF JUSTICE

IMMIMGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317; $1,000,000 are rescinded.

GENERAL ADMINISTRATION

WORKING CAPITAL FUND

(RESCISSION)

Of the unobligated balances available under this heading in Public Law 103–317, $5,000,000 are rescinded.

LEGAL ACTIVITIES

ASSET FORFEITURE FUND

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $5,000,000 are rescinded.

OFFICE OF JUSTICE PROGRAMS

DRUG COURTS

(RESCISSION)

Of the funds made available under this heading in title VIII of Public Law 103–317, $17,100,000 are rescinded.

OUNCE OF PREVENTION COUNCIL

(INCLUDING RESCISSION)

Of the funds made available under this heading in title VIII of Public Law 103–317, $1,000,000 are rescinded.

In addition, under this heading in Public Law 103–317, after the word ''grants'', insert the following: ''and administrative expenses''. After the word ''expended'', insert the following: ':*Provided*, That the Council is authorized to accept, hold, administer, and use gifts, both real and personal, for the purpose of aiding or facilitating the work of the Council''.

DEPARTMENT OF COMMERCE

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $19,500,000 are rescinded.

INDUSTRIAL TECHNOLOGY SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317 for the Manufacturing Extension Partnership and the Quality Program, $27,100,000 are rescinded.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $37,600,000 are rescinded.

CONSTRUCTION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $8,000,000 are rescinded.

TECHNOLOGY ADMINISTRATION

UNDER SECRETARY FOR TECHNOLOGY/OFFICE OF TECHNOLOGY POLICY

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $1,500,000 are rescinded.

NATIONAL TECHNICAL INFORMATION SERVICE

NTIS REVOLVING FUND

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $7,600,000 are rescinded.

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

(RESCISSIONS)

Of unobligated balances available under this heading pursuant to Public Law 103–75, Public Law 102–368, and Public Law 103–317, $47,384,000 are rescinded.

THE JUDICIARY

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

UNITED STATES COURT OF INTERNATIONAL TRADE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $1,000,000 are rescinded.

DEFENDER SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $4,100,000 are rescinded.

RELATED AGENCY

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $15,000,000 are rescinded: *Provided*, That no funds in that public law shall be available to implement section 24 of the Small Business Act, as amended.

BUSINESS LOANS PROGRAM ACCOUNT

(RESCISSION)

Of the funds available under this heading in Public Law 103–317, $15,000,000 are rescinded.

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

DIPLOMATIC AND CONSULAR PROGRAMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $2,000,000 are rescinded.

ACQUISITION AND MAINTENANCE OF BUILDINGS ABROAD

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $30,000,000 are rescinded.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $14,617,000 are rescinded.

RELATED AGENCIES

ARMS CONTROL AND DISARMAMENT AGENCY

ARMS CONTROL AND DISARMAMENT ACTIVITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $4,000,000 are

rescinded, of which $2,000,000 are from funds made available for activities related to the implementation of the Chemical Weapons Convention

BOARD FOR INTERNATIONAL BROADCASTING

ISRAEL RELAY STATION

(RESCISSION)

From unobligated balances available under this heading, $2,000,000 are rescinded.

UNITED STATES INFORMATION AGENCY

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $5,000,000 are rescinded.

RADIO CONSTRUCTION

(RESCISSION)

Of the funds made available under this heading, $6,000,000 are rescinded.

RADIO FREE ASIA

(RESCISSION)

Of the funds made available under this heading, $6,000,000 are rescinded.

CHAPTER III

ENERGY AND WATER DEVELOPMENT

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

GENERAL INVESTIGATIONS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–316 and prior years' Energy and Water Development Appropriations Acts, $10,000,000 are rescinded.

CONSTRUCTION, GENERAL

(RESCISSION)

Of the funds made available under this heading in Public Law 103–316 and prior years' Energy and Water Development Appropriations Acts, $50,000,000 are rescinded.

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

OPERATION AND MAINTENANCE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–316, $10,000,000 are rescinded.

DEPARTMENT OF ENERGY

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–316, $81,500,000 are rescinded.

ATOMIC ENERGY DEFENSE ACTIVITIES

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

(RESCISSIONS)

Of the amounts made available under this heading in Public Law 103–316 and prior years' Energy and Water Development Act, $113,000,000 are rescinded.

MATERIALS SUPPORT AND OTHER DEFENSE PROGRAMS

(RESCISSIONS)

Of the amounts made available under this heading in Public Law 103–316, and prior years' Energy and Water Development Acts, $15,000,000 are rescinded.

DEPARTMENTAL ADMINISTRATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–316, $20,000,000 are rescinded.

POWER MARKETING ADMINISTRATIONS

CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE, WESTERN AREA POWER ADMINISTRATION

(RESCISSIONS)

Of the amounts made available under this heading in Public Law 103–316 and prior years' Energy and Water Development Acts, $30,000,000 are rescinded.

INDEPENDENT AGENCIES

APPALACHIAN REGIONAL COMMISSION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–316, $10,000,000 are rescinded.

TENNESSEE VALLEY AUTHORITY

TENNESSEE VALLEY AUTHORITY FUND

(RESCISSION)

Of the funds made available under this heading in Public Law 103–316, $5,000,000 are rescinded.

CHAPTER IV

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS

(RESCISSION)

Of the unearmarked and unobligated balances of funds available in Public Law 103–87 and Public Law 103–306, $100,000,000 are rescinded: *Provided,* That not later than thirty days after the enactment of this Act the Director of the Office of Management and Budget shall submit a report to Congress setting forth the accounts and amounts which are reduced pursuant to this paragraph.

CHAPTER V

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $70,000 are rescinded, to be derived from amounts available for developing and finalizing the Roswell Resource Management Plan/Environmental Impact Statement and the Carlsbad Resource Management Plan Amendment Environmental Impact Statement: *Provided,* That none of the funds made available in such Act or any other appropriations Act may be used for finalizing or implementing either such plan.

CONSTRUCTION AND ACCESS

(RESCISSIONS)

Of the funds available under this heading in Public Law 103–332, Public Law 103–138, and Public Law 102–381, $2,100,000 are rescinded.

LAND ACQUISITION

(RESCISSIONS)

Of the funds available under this heading in Public Law 102–381, Public Law 101–121, and Public Law 100–446, $1,497,000 are rescinded.

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $3,000,000 are rescinded.

CONSTRUCTION

(RESCISSIONS)

Of the funds available under this heading or the Heading Construction and Anadromous Fish in Public Law 103–332, Public Law 103–138, Public Law 103–75, Public Law 102–381, Public Law 102–154, Public Law 102–368, Public Law 101–512, Public Law 101–121, Publc Law 100–446, and Public Law 100–202, $13,215,000 are rescinded.

LAND ACQUISITION

(RESCISSIONS)

Of the funds available under this heading in Public Law 103–332, Public Law 103–138, Public Law 102–381, and Public Law 101–512, $3,893,000 are rescinded.

NATIONAL BIOLOGICAL SURVEY

RESEARCH, INVENTORIES, AND SURVEYS

(RESCISSIONS)

Of the funds available under this heading in Public Law 103–332 and Public Law 103–138, $12,544,000 are rescinded.

NATIONAL PARK SERVICE

CONSTRUCTION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $25,970,000 are rescinded.

URBAN PARK AND RECREATION FUND

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $7,480,000 are rescinded.

LAND ACQUISITION AND STATE ASSISTANCE

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, Public Law 103–138, Public Law 102–381, Public Law 102–154, Public Law 101–512, Public Law 101–121, Public Law 100–446, Public Law 100–202, Public Law 99–190, Public Law 98–473, and Public Law 98–146, $11,297,000 are rescinded.

MINERALS MANAGEMENT SERVICE

ROYALTY AND OFFSHORE MINERALS MANAGEMENT

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $814,000 are rescinded.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $11,350,000 are rescinded: *Provided,* That the first proviso under this head in Public Law 103–332 is amended by striking ''$330,111,000'' and inserting in lieu thereof ''$329,361,000''.

CONSTRUCTION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $9,571,000 are rescinded.

INDIAN DIRECT LOAN PROGRAM ACCOUNT

(RESCISSION)

Of the funds provided under this heading in Public Law 103–332, $1,900,000 are rescinded.

TERRITORIAL AND INTERNATIONAL AFFAIRS

ADMINISTRATION OF TERRITORIES

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $1,900,000 are rescinded.

TRUST TERRITORY OF THE PACIFIC ISLANDS

(RESCISSION)

Of the funds available under this heading in Public Law 99–591, $32,139,000 are rescinded.

COMPACT OF FREE ASSOCIATION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $1,000,000 are rescinded.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST RESEARCH

(RESCISSIONS)

Of the funds available under this heading in Public Law 103–332, $6,000,000 are rescinded.

STATE AND PRIVATE FORESTRY

(RESCISSIONS)

Of the funds available under this heading in Public Law 103–332 and Public Law 103–138, $6,250,000 are rescinded.

INTERNATIONAL FORESTRY

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $3,000,000 are rescinded.

CONSTRUCTION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, Public Law 103–138 and Public Law 102–381, $7,824,000 are rescinded: *Provided*, That the first proviso under this head in Public Law 103–332 is amended by striking ''1994'' and inserting in lieu thereof ''1995''.

LAND ACQUISITION

(RESCISSIONS)

Of the funds available under this heading in Public Law 103–332, Public Law 103–138 and Public Law 102–381, $3,020,000 are rescinded.

DEPARTMENT OF ENERGY

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $20,750,000 are rescinded.

NAVAL PETROLEUM AND OIL SHALE RESERVES

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $11,000,000 are rescinded.

ENERGY CONSERVATION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $34,928,000 are rescinded.

Of the funds available under this heading in Public Law 103–138, $13,700,000 are rescinded.

DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

INDIAN EDUCATION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $2,000,000 are rescinded.

OTHER RELATED AGENCIES

SMITHSONIAN INSTITUTION

CONSTRUCTION AND IMPROVEMENTS, NATIONAL ZOOLOGICAL PARK

(RESCISSIONS)

Of the funds available under this heading in Public Law 102–381, and Public Law 103–138, $1,000,000 are rescinded.

CONSTRUCTION

(RESCISSIONS)

Of the funds made available under this heading in Public Law 102–154, Public Law 102–381, Public Law 103–138, and Public Law 103–332, $11,237,000 are rescinded: *Provided*, That of the amounts proposed herein for rescission, $2,500,000 are from funds previously appropriated for the National Museum of the American Indian: *Provided further*, That notwithstanding any other provision of law, the provisions of the Davis-Bacon Act shall not apply to any contract associated with the construction of facilities for the National Museum of the American Indian.

NATIONAL GALLERY OF ART

REPAIR, RESTORATION AND RENOVATION OF BUILDINGS

(RESCISSIONS)

Of the funds available under this heading in Public Law 103–332, $407,000 are rescinded.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

CONSTRUCTION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $3,000,000 are rescinded.

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

SALARIES AND EXPENSES

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $1,000,000 are rescinded.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

GRANTS AND ADMINISTRATION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $5,000,000 are rescinded.

NATIONAL ENDOWMENT FOR THE HUMANITIES

GRANTS AND ADMINISTRATION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $5,000,000 are rescinded.

GENERAL PROVISIONS

SEC. 501. No funds made available in any appropriations Act may be used by the Department of the Interior, including but not limited to the United States Fish and Wildlife Service and the National Biological Service, to search for the Alabama sturgeon in the Alabama River, the Cahaba River, the Tombigbee River or the Tennessee-Tombigbee Waterway in Alabama or Mississippi.

SEC. 502. (a) None of the funds made available in Public Law 103–332 may be used by the United States Fish and Wildlife Service to implement or enforce special use permit numbered 72030.

(b) The Secretary of the Interior shall immediately reinstate the travel guidelines specified in special use permit numbered 65715 for the visiting public and employees of the Virginia Department of Conservation and Recreation at Back Bay National Wildlife Refuge, Virginia. Such guidelines shall remain in effect until such time as an agreement described in subsection (c) becomes effective, but in no case shall remain in effect after September 30, 1995.

(c) It is the sense of Congress that the Secretary of the Interior and the Governor of Virginia should negotiate and enter into a long term agreement concerning resources management and public access with respect to Back Bay National Wildlife Refuge and False Cape State Park, Virginia, in order to improve the implementation of the missions of the Refuge and Park.

SEC. 503. (a) No funds available to the Forest Service may be used to implement Habitat Conservation Areas in the Tongass National Forest for species which have not been declared threatened or endangered pursuant to the Endangered Species Act, except that with respect to goshawks the Forest Service may impose interim Goshawk Habitat Conservation Areas not to exceed 300 acres per active nest consistent with the guidelines utilized in national forests in the continental United States.

(b) The Secretary shall notify Congress within 30 days of any timber sales which may be delayed or canceled due to the Goshawk Habitat Conservation Areas described in subsection (a).

SEC. 504. RENEWAL OF PERMITS FOR GRAZING ON NATIONAL FOREST LANDS.

Notwithstanding any other law, at the request of an applicant for renewal of a permit that expires on or after the date of enactment of this Act for grazing on land located in a unit of the National Forest System, the Secretary of Agriculture shall reinstate, if necessary, and extend the term of the permit until the date on which the Secretary of Agriculture completes action on the application, including action required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

CHAPTER VI

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $1,521,220,000 are rescinded, including $46,404,000 for necessary expenses of construction, rehabilitation, and acquisition of new Job Corps centers, $15,000,000 for the School-to-Work Opportunities Act, $15,600,000 for title III, part A of the Job Training Partnership Act, $20,000,000 for the title III, part B of such Act, $3,861,000 for service delivery areas under section 101(a)(4)(A)(iii) of such Act, $33,000,000 for carrying out title II, part A of such Act, $472,010,000 for carrying out title II, part C of such Act, $750,000 for the National Commission for Employment Policy and $421,000 for the National Occupational Information Coordinating Committee: *Provided*, That service delivery areas may transfer up to 50 percent of the amounts allocated for program years 1994 and 1995 between the title II–B and title II–C programs authorized by the Job Training Partnership Act, if such transfers are approved by the Governor.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $20,000,000 are rescinded, and amounts which may be expended from the Employment Security Administration account in the Unemployment Trust Fund are reduced from $3,269,097,000 to $3,221,397,000.

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

Of the funds made available under this heading in Public Law 103–333, $1,100,000 are rescinded.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $42,071,000 are rescinded.

CENTERS FOR DISEASE CONTROL AND PREVENTION

DISEASE CONTROL, RESEARCH, AND TRAINING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $1,300,000 are rescinded.

NATIONAL INSTITUTES OF HEALTH

BUILDINGS AND FACILITIES

(RESCISSION)

Of the available balances under this heading, $79,289,000 are rescinded.

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $14,700,000 are rescinded.

ASSISTANT SECRETARY FOR HEALTH

OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $2,320,000 are rescinded.

AGENCY FOR HEALTH CARE POLICY AND RESEARCH

HEALTH CARE POLICY AND RESEARCH

(RESCISSION)

Of the Federal funds made available under this heading in Public Law 103–333, $3,132,000 are rescinded.

HEALTH CARE FINANCING ADMINISTRATION

PROGRAM MANAGEMENT

(RESCISSION)

Funds made available under this heading in Public Law 103–333 are reduced from $2,207,235,000 to $2,185,935,000, and funds transferred to this account as authorized by section 201(g) of the Social Security Act are reduced to the same amount.

SOCIAL SECURITY ADMINISTRATION

SUPPLEMENTAL SECURITY INCOME PROGRAM

(RESCISSION)

Of the amounts appropriated in the first paragraph under this heading Public Law 103–333, $67,000,000 are rescinded.

LIMITATION ON ADMINISTRATIVE EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333 to invest in a state-of-the-art computing network, $88,283,000 are rescinded.

ADMINISTRATION FOR CHILDREN AND FAMILIES

JOB OPPORTUNITIES AND BASIC SKILLS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, there are rescinded an amount equal to the total of the funds within each State's limitation for fiscal year 1995 that are not necessary to pay such State's allowable claims for such fiscal year.

Section 403(k)(3)(E) of the Social Security Act (as amended by Public Law 100–485) is amended by adding before the ''and'': ''reduced by an amount equal to the total of those funds that are within each State's limitation for fiscal year 1995 that are not necessary to pay such State's allowable claims for such fiscal year (except that such amount for such year shall be deemed to be $1,300,000,000 for the purpose of determining the amount of the payment under subsection (l) to which each State is entitled),''.

STATE LEGALIZATION IMPACT-ASSISTANCE GRANTS

(RESCISSION)

Of the funds made available in the second paragraph under this heading in Public Law 103–333, $6,000,000 are rescinded.

COMMUNITY SERVICES BLOCK GRANT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $13,988,000 are rescinded.

CHILDREN AND FAMILIES SERVICES PROGRAMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $42,000,000 are rescinded from section 639(A) of the Head Start Act, as amended.

ADMINISTRATION ON AGING

(AGING SERVICES PROGRAMS)

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $899,000 are rescinded.

OFFICE OF THE SECRETARY

POLICY RESEARCH

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $2,918,000 are rescinded.

DEPARTMENT OF EDUCATION

EDUCATION REFORM

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $82,600,000 are rescinded, including $55,800,000 from funds made available for State and local education systemic improvement, and $11,800,000 from funds made available for Federal activities under the Goals 2000: Educate America Act; and $15,000,000 are rescinded from funds made available under the School to Work Opportunities Act, including $4,375,000 for National programs and $10,625,000 for State grants and local partnerships.

EDUCATION FOR THE DISADVANTAGED

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $80,400,000 are rescinded as follows: $72,500,000 from the Elementary and Secondary Education Act, title I, part A, $2,000,000 from part B, and $5,900,000 from part E, section 1501.

SCHOOL IMPROVEMENT PROGRAMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $211,417,000 are rescinded as follows: from the Elementary and Secondary Education Act, title II–B, $69,000,000, title IV, $75,000,000, title V–C, $2,000,000, title IX–B, $1,000,000, title X–D, $1,500,000,000, section 10602, $1,630,000, title XII, $20,000,000, and title XIII–A, $8,900,000; from the Higher Education Act, section 596, $13,875,000; from funds derived from the Violent Crime Reduction Trust Fund, $11,100,000; and from funds for the Civil Rights Act of 1964, title IV, $7,412,000.

BILINGUAL AND IMMIGRANT EDUCATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $32,380,000 are rescinded from funding for title VII–A and $11,000,000 from part C of the Elementary and Secondary Education Act.

VOCATIONAL AND ADULT EDUCATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $60,566,000 are rescinded as follows: from the Carl D. Perkins Vocational and Applied Technology Education Act, title III–A, and –B, $43,888,000 and from title IV–A and –C, $8,891,000; from the Adult Education Act, part B–7, $7,787,000.

STUDENT FINANCIAL ASSISTANCE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $10,000,000 are rescinded from funding for the Higher Education Act, title IV, part H–1.

HIGHER EDUCATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $46,583,000 are rescinded as follows: from amounts available for the Higher Education Act, title IV–A, chapter 5, $496,000, title IV–A–2, chapter 2, $600,000, title IV–A–6, $2,000,000, title V–C, subparts 1 and 3, $16,175,000, title IX–B, $10,100,000, title IX–E, $3,500,000, title IX–G, $2,888,000, title X–D, $2,900,000, and title XI–A, $500,000; Public Law 102–325, $1,000,000; and the Excellence in Mathematics, Science, and Engineering Education Act of 1990, $6,424,000.

HOWARD UNIVERSITY

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $3,300,000 are rescinded, including $1,500,000 for construction.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333 for the costs of direct loans, as authorized under part C of title VII of the Higher Education Act, as amended, $168,000 are rescinded, and the authority to subsidize gross loan obligations is repealed. In addition, $322,000 appropriated for administrative expenses are rescinded.

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $15,200,000 are rescinded as follows: from the Elementary and Secondary Education Act, title III–A, $5,000,000, title III–B, $5,000,000, and title X–B, $4,600,000; from the Goals 2000: Educate America Act, title VI, $600,000.

LIBRARIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $2,916,000 are rescinded from title II, part B, section 222 of the Higher Education Act.

RELATED AGENCIES

CORPORATION FOR PUBLIC BROADCASTING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–112, $17,791,000 are rescinded. Of the funds made available under this heading in Public Law 103–333, $11,965,000 are rescinded.

DASCHLE (AND LEVIN) AMENDMENT NO. 475

(Ordered to lie on the table.)

Mr. DASCHLE (for himself and Mr. LEVIN) submitted an amendment intended to be proposed by them to amendment to be proposed by them to amendment No. 420 proposed by Mr. HATFIELD to the bill H.R. 1158, supra; as follows:

On page 33 strike lines 1 through line 4 on page 55 and insert the following:

SCHOOL IMPROVEMENT PROGRAMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $236,417,000 are rescinded as follows: from the Elementary and Secondary Education Act, title II–B, $69,000,000, title IV, $100,000,000, title V–C, $2,000,000, title IX–B, $1,000,000, title X–D, $1,500,000, section 10602, $1,630,000, title XII, $20,000,000, and title XIII–A, $8,900,000; from the Higher Education Act, section 596, $13,875,000; from funds derived from the Violent Crime Reduction Trust Fund, $11,100,000; and from funds for the Civil Rights Act of 1964, title IV, $7,412,000.

BILINGUAL AND IMMIGRANT EDUCATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $32,380,000 are

rescinded from funding for title VII–A and $11,000,000 from part C of the Elementary and Secondary Education Act.

VOCATIONAL AND ADULT EDUCATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $60,566,000 are rescinded as follows: from the Carl D. Perkins Vocational and Applied Technology Education Act, title III–A, and –B, $43,888,000 and from title IV–A and –C, $8,891,000; from the Adult Education Act, part B–7, $7,787,000.

STUDENT FINANCIAL ASSISTANCE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $10,000,000 are rescinded from funding for the Higher Education Act, title IV, part H–1.

HIGHER EDUCATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $57,783,000 are rescinded as follows: from amounts available for the Higher Education Act, title IV–A, chapter 5, $496,000, title IV–A–2, chapter 1, $11,200,000, title IV–A–2, chapter 2, $600,000, title IV–A–6, $2,000,000, title V–C, subparts 1 and 3, $16,175,000, title IX–B, $10,100,000, title IX–E, $3,500,000, title IX–G, $2,888,000, title X–D, $2,900,000, and title XI–A, $500,000; Public Law 102–325, $1,000,000; and the Excellence in Mathematics, Science, and Engineering Education Act of 1990, $6,424,000.

HOWARD UNIVERSITY

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $3,300,000 are rescinded, including $1,500,000 for construction.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333 for the costs of direct loans, as authorized under part C of title VII of the Higher Education Act, as amended, $168,000 are rescinded, and the authority to subsidize gross loan obligations is repealed. In addition, $322,000 appropriated for administrative expenses are rescinded.

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $15,200,000 are rescinded as follows: from the Elementary and Secondary Education Act, title III–A, $5,000,000, title III–B, $5,000,000, and title X–B, $4,600,000; from the Goals 2000: Educate America Act, title VI, $600,000.

LIBRARIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $2,916,000 are rescinded from title II, part B, section 222 of the Higher Education Act.

RELATED AGENCIES

CORPORATION FOR PUBLIC BROADCASTING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–112, $26,360,000 are rescinded. Of the funds made available under this heading in Public Law 103–333, $29,360,000 are rescinded.

RAILROAD RETIREMENT BOARD

DUAL BENEFITS PAYMENTS ACCOUNT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $7,000,000 are rescinded.

GENERAL PROVISIONS

FEDERAL DIRECT STUDENT LOAN PROGRAM

SEC. 601. Section 458(a) of the Higher Education Act of 1965 (20 U.S.C. 1087h(a)) is amended—

(1) by striking ''$345,000,000'' and inserting ''$250,000,000''; and

(2) by striking ''$2,500,000,000'' and inserting ''$2,405,000,000''.

SEC. 602. Of the funds made available in fiscal year 1995 to the Department of Labor in Public Law 103–333 for compliance assistance and enforcement activities, $8,975,000 are rescinded.

CHAPTER VII

LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to the family trust of Dean A. Gallo, late a Representative from the State of New Jersey, $133,600.

JOINT ITEMS

JOINT ECONOMIC COMMITTEE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $460,000 are rescinded.

JOINT COMMITTEE ON PRINTING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $238,137 are rescinded.

OFFICE OF TECHNOLOGY ASSESSMENT

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $650,000 are rescinded.

CONGRESSIONAL BUDGET OFFICE

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $187,000 are rescinded.

ARCHITECT OF THE CAPITOL

CAPITOL BUILDINGS AND GROUNDS

SENATE OFFICE BUILDINGS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $850,000 are rescinded.

CAPITAL POWER PLANT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $2,650,000 are rescinded.

GOVERNMENT PRINTING OFFICE

CONGRESSIONAL PRINTING AND BINDING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $5,000,000 are rescinded.

BOTANIC GARDEN

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available until expended by transfer under this heading in Public Law 103–283, $7,000,000 are rescinded.

GOVERNMENT PRINTING OFFICE

OFFICE OF SUPERINTENDENT OF DOCUMENTS

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $600,000 are rescinded.

LIBRARY OF CONGRESS

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $150,000 are rescinded.

BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED

SALARIES AND EXPENESES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $100,000 are rescinded.

GENERAL ACCOUNTING OFFICE

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $8,867,000 are rescinded.

CHAPTER VIII

DEPARTMENT OF DEFENSE—MILITARY CONSTRUCTION

MILITARY CONSTRUCTION, ARMY

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $10,000,000 are rescinded.

MILITARY CONSTRUCTION, NAVY

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $13,050,000 are rescinded.

MILITARY CONSTRUCTION, AIR FORCE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $33,250,000 are rescinded.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $1,340,000 are rescinded.

NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $69,000,000 are rescinded.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART II

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $10,628,000 are rescinded.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART III

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $93,566,000 are rescinded.

CHAPTER IX

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES

OFFICE OF THE SECRETARY

WORKING CAPITAL FUND

(RESCISSION)

The obligation authority under this heading in Public Law 103–331 is hereby reduced by $4,000,000.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the funds made available under this heading, $5,300,000 are rescinded: *Provided*, That the Secretary shall not enter into any contracts for ''Small Community Air Service'' beyond September 30, 1995, which require compensation fixed and determined

under subchapter II of chapter 417 of Title 49, United States Code (49 U.S.C. 41731–42) payable by the Department of Transportation: *Provided further,* That no funds under this head shall be available for payments to air carriers under subchapter II.

COAST GUARD

OPERATING EXPENSES

(RESCISSION)

Of the amounts provided under this heading in Public Law 103–331, $3,700,000 are rescinded.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

(RESCISSION)

Of the available balances under this heading, $34,298,000 are rescinded.

ENVIRONMENTAL COMPLIANCE AND RESTORATION

(RESCISSION)

Of the amounts provided under this heading in Public Law 103–331, $400,000 are rescinded.

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

(RESCISSION)

Of the available balances under this heading, $1,000,000 are rescinded: *Provided,* That the following proviso in Public Law 103–331 under this heading is repealed, ''*Provided further,* That of the funds available under this head, $17,500,000 is available only for permanent change of station moves for members of the air traffic work force''.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the available balances under this heading, $31,850,000 are rescinded.

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the available balances under this heading, $7,500,000 are rescinded.

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the available contract authority balances under this account, $1,300,000 are rescinded.

FEDERAL HIGHWAY ADMINISTRATION

LIMITATION ON GENERAL OPERATING EXPENSES

(RESCISSION)

The obligation limitation under this heading in Public Law 103–331 is hereby reduced by $45,950,000.

FEDERAL-AID HIGHWAYS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

(RESCISSION)

The obligation limitation under this heading in Public Law 103–331 is hereby reduced by $123,590,000, of which $27,640,000 shall be deducted from amounts made available for the Applied Research and Technology Program authorized under section 307(e) of title 23, United States Code, and $50,000,000 shall be deducted from the amounts available for the Congestion Pricing Pilot Program authorized under section 1002(b) of Public Law 102–240, and $45,950,000 shall be deducted from the limitation on General Operating Expenses: *Provided,* That the amounts deducted from the aforementioned programs are rescinded.

FEDERAL-AID HIGHWAYS

EMERGENCY RELIEF PROGRAM

(HIGHWAY TRUST FUND)

(RESCISSION)

Of the amounts provided under this heading in Public Law 103–211, $50,000,000 are rescinded.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

HIGHWAY TRAFFIC SAFETY GRANTS

(HIGHWAY TRUST FUND)

(RESCISSION)

Of the available balances of contract authority under this heading, $20,000,000 are rescinded.

FEDERAL RAILROAD ADMINISTRATION

OFFICE OF THE ADMINISTRATOR

(TRANSFER OF FUNDS)

Section 341 of Public Law 103–331 is amended by deleting ''and received from the Delaware and Hudson Railroad,'' after ''amended,''.

NORTHEAST CORRIDOR IMPROVEMENT PROGRAM

(RESCISSION)

Of the amounts provided under this heading in Public Law 103–331, $7,768,000 are rescinded.

NATIONAL MAGNETIC LEVITATION PROTOTYPE DEVELOPMENT PROGRAM

(HIGHWAY TRUST FUND)

(RESCISSION)

Of the available balances of contract authority under this heading, $250,000,000 are rescinded.

FEDERAL TRANSIT ADMINISTRATION

DISCRETIONARY GRANTS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

(RESCISSION)

The obligation limitation under this heading in Public Law 103–331 is hereby reduced by $17,650,000: *Provided,* That such reduction shall be made from obligational authority available to the Secretary for the replacement, rehabilitation, and purchase of buses and related equipment and the construction of bus-related facilities.

Notwithstanding Section 313 of Public Law 103–331, the obligation limitations under this heading in the following Department of Transportation and Related Agencies Appropriations Acts are reduced by the following amounts:

Public Law 102–143, $62,833,000, to be distributed as follows:

(a) $2,563,000, for the replacement, rehabilitation, and purchase of buses and related equipment and the construction of bus-related facilities: *Provided,* That the foregoing reduction shall be distributed according to the reductions identified in Senate Report 104–17, for which the obligation limitation in Public Law 102–143 was applied; and

(b) $60,270,000, for new fixed guideway systems, to be distributed as follows:

$2,000,000, for the Cleveland Dual Hub Corridor Project;

$930,000, for the Kansas City-South LRT Project;

$1,900,000, for the San Diego Mid-Coast Extension Project;

$34,200,000, for the Hawthorne-Warwick Commuter Rail Project;

$8,000,000, for the San Jose-Gilroy Commuter Rail Project;

$3,240,000, for the Seattle-Tacoma Commuter Rail Project; and

$10,000,000, for the Detroit LRT Project.

Public Law 101–516, $4,460,000, for new fixed guideway systems, to be distributed as follows:

$4,460,000 for the Cleveland Dual Hub Corridor Project.

GENERAL PROVISIONS

(INCLUDING RESCISSIONS)

SEC. 901. Of the funds provided in Public Law 103–331 for the Department of Transportation working capital fund (WCF), $4,000,000 are rescinded, which limits fiscal year 1995 WCF obligational authority for elements of the Department of Transportation funded in Public Law 103–331 to no more than $89,000,000.

SEC. 902. Of the total budgetary resources available to the Department of Transportation (excluding the Maritime Administration) during fiscal year 1995 for civilian and military compensation and benefits and other administrative expenses, $10,000,000 are permanently canceled.

SEC. 903. Section 326 of Public Law 103–122 is hereby amended to delete the words ''or previous Acts'' each time they appear in that section.

CHAPTER X

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT

INDEPENDENT AGENCIES

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

(TRANSFER OF FUNDS)

Of the funds made available for the Federal Buildings Fund in Public Law 103–329, $5,000,000 shall be made available by the General Service Administration to implement an agreement between the Food and Drug Administration and another entity for space, equipment and facilities related to seafood research.

OFFICE OF PERSONNEL MANAGEMENT

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE BENEFITS

For an additional amount for ''Government payment for annuitants, employee life insurance'', $9,000,000 to remain available until expended.

DEPARTMENT OF THE TREASURY

DEPARTMENT OFFICES

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–329, $100,000 are rescinded.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–329, $160,000 are rescinded.

UNITED STATES MINT

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

In the paragraph under this heading in Public Law 103–329, insert ''not to exceed'' after ''of which''.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–123, $1,500,000 are rescinded.

INTERNAL REVENUE SERVICE

INFORMATION SYSTEMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–329, $1,490,000 are rescinded.

ADMINISTRATIVE PROVISION—INTERNAL REVENUE SERVICE

In the paragraph under this heading in Public Law 103–329, in section 3, after ''$119,000,000'', insert ''annually''.

EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

THE WHITE HOUSE OFFICE

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–329, $171,000 are rescinded.

FEDERAL DRUG CONTROL PROGRAMS

SPECIAL FORFEITURE FUND

(INCLUDING TRANSFER AND RESCISSION OF FUNDS)

For activities authorized by Public Law 100–690, an additional amount of $13,200,000, to remain available until expended for transfer to the United States Customs Service, ''Salaries and expenses'' for carrying out border enforcement activities: *Provided*, That of the funds made available under this heading in Public Law 103–329, $13,200,000 are rescinded.

INDEPENDENT AGENCIES

Of the funds made available under this heading in Public Laws 101–136, 101–509, 102–27, 102–141, 103–123, 102–393, 103–329, $1,842,885,000 are rescinded from the following projects in the following amounts:

Alabama:
Montgomery, U.S. Courthouse annex, $46,320,000
Arkansas:
Little Rock, Courthouse, $13,816,000
Arizona:
Bullhead City, FAA grant, $2,200,000
Lukeville, commercial lot expansion, $1,219,000
Nogales, Border Patrol, headquarters, $2,998,000
Phoenix, U.S. Federal Building, Courthouse, $121,890,000
San Luis, primary lane expansion and administrative office space, $3,496,000
Sierra Vista, U.S. Magistrates office, $1,000,000
Tucson, Federal Building, U.S. Courthouse $121,890,000
California:
Menlo Park, United States Geological Survey office laboratory building, $6,868,000
Sacramento, Federal Building-U.S. Courthouse, $142,902,000
San Diego, Federal building-Courthouse, $3,379,000
San Francisco, Lease purchase, $9,702,000
San Francisco, U.S. Courthouse, $4,378,000
San Francisco, U.S. Court of Appeals annex, $9,003,000
San Pedro, Customhouse, $4,887,000
Colorado:
Denver, Federal building-Courthouse, $8,006,000
District of Columbia:
Central and West heating plants, $5,000,000
Corps of Engineers, headquarters, $37,618,000
General Services Administration, Southeast Federal Center, headquarters, $25,000,000
U.S. Secret Service, headquarters, $113,084,000
Florida:
Ft. Myers, U.S. Courthouse, $24,851,000
Jacksonville, U.S. Courthouse, $10,633,000
Tampa, U.S. Courthouse, $14,998,000
Georgia:
Albany, U.S. Courthouse, $12,101,000
Atlanta, Centers for Disease Control, site acquisition and improvement, $25,890,000
Atlanta, Centers for Disease Control, $14,110,000
Atlanta, Centers for Disease Control, Roybal Laboratory, $47,000,000
Savannah, U.S. Courthouse annex, $3,000,000
Hawaii:
Hilo, federal facilities consolidation, $12,000,000
Illinois:
Chicago, SSA DO, $2,167,000
Chicago, Federal Center, $47,682,000
Chicago, Dirksen building, $1,200,000
Chicago, J.C. Kluczynski building, $13,414,000
Indiana:
Hammond, Federal Building, U.S. Courthouse, $52,272,000
Jeffersonville, Federal Center, $13,522,000
Kentucky:
Covington, U.S. Courthouse, $2,914,000
London, U.S. Courthouse, $1,523,000
Louisiana:
Lafayette, U.S. Courthouse, $3,295,000
Maryland:
Avondale, DeLaSalle building, $16,671,000
Bowie, Bureau of Census, $27,877,000
Prince Georges/Montgomery Counties, FDA consolidation, $284,650,000
Woodlawn, SSA building, $17,292,000
Massachusetts:
Boston, U.S. Courthouse, $4,076,000
Missouri:
Cape Girardeau, U.S. Courthouse, $3,688,000
Kansas City, U.S. Courthouse, $100,721,000
Nebraska:
Omaha, Federal Building, U.S. Courthouse, $9,291,000
Nevada:
Las Vegas, U.S. Courthouse, $4,230,000
Reno, Federal building-U.S. Courthouse, $1,465,000
New Hampshire:
Concord, Federal building-U.S. Courthouse, $3,519,000
New Jersey:
Newark, parking facility, $9,000,000
Trenton, Clarkson Courthouse, $14,107,000
New Mexico:
Albuquerque, U.S. Courthouse, $47,459,000
Santa Teresa, Border Station, $4,004,000
New York:
Brooklyn, U.S. Courthouse, $43,717,000
Holtsville, IRS Center, $19,183,000
Long Island, U.S. Courthouse, $27,198,000
North Dakota:
Fargo, Federal building-U.S. Courthouse, $20,105,000
Pembina, Border Station, $93,000
Ohio:
Cleveland, Celebreeze Federal building, $10,972,000
Cleveland, U.S. Courthouse, $28,246,000
Steubenville, U.S. Courthouse, $2,820,000
Youngstown, Federal Building-U.S. Courthouse, $4,574,000
Oklahoma:
Oklahoma City, Murrah Federal building, $5,290,000
Oregon:
Portland, U.S. Courthouse, $5,000,000
Pennsylvania:
Philadelphia, Byrne-Green Federal building-Courthouse, $30,628,000
Philadelphia, Nix Federal building-Courthouse, $13,814,000
Philadelphia, Veterans Administration, $1,276,000
Scranton, Federal Building-U.S. Courthouse, $9,969,000
Rhode Island:
Providence, Kennedy Plaza Federal Courthouse, $7,740,000
South Carolina:
Columbia, U.S. Courthouse annex, $592,000
Tennessee:
Greeneville, U.S. Courthouse, $2,936,000
Texas:
Austin, Veterans Administration annex, $1,028,000
Brownsville, U.S. Courthouse, $4,339,000
Corpus Christi, U.S. Courthouse, $6,446,000
Laredo, Federal building-U.S. Courthouse, $5,986,000
Lubbock, Federal building-Courthouse, $12,167,000
Ysleta, site acquisition and construction, $1,727,000
U.S. Virgin Islands:
Charlotte Amalie, St. Thomas, U.S. Courthouse, $2,184,000
Virginia:
Richmond, Courthouse annex, $12,509,000
Washington:
Blaine, Border Station, $4,472,000
Point Roberts, Border Station, $698,000
Seattle, U.S. Courthouse, $10,949,000
Walla Walla, Corps of Engineers building, $2,800,000
West Virginia:
Beckley, Federal building-U.S. Courthouse, $33,097,000
Martinsburg, IRS center, $4,494,000
Wheeling, Federal building-U.S. Courthouse, $35,829,000
Nationwide chlorofluorocarbons program, $12,300,000
Nationwide energy program, $15,300,000

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–329, $3,140,000 are rescinded.

CHAPTER XI

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

For an additional amount for ''Disaster Relief'' for necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), $1,900,000,000, to remain available until expended: *Provided*, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

DISASTER RELIEF EMERGENCY CONTINGENCY FUND

For necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), $4,783,707,000.

LAUTENBERG AMENDMENTS NOS. 476–478

(Ordered to lie on the table.)

Mr. LAUTENBERG submitted three amendments to be proposed by him to the bill, H.R. 1158, supra; as follows:

AMENDMENT NO. 476

On page 21, line 26, strike ''$11,000,000'' and insert ''$19,400,000''.

On page 31, strike lines 10 through 13.

AMENDMENT NO. 477

On page 21, line 26, strike ''$11,000,000'' and insert ''$19,400,000. Notwithstanding any other provision of this Act, no provision shall reduce funding for the Child Care and Development Block Grant.''

AMENDMENT NO. 478

On page 21, line 26, strike all that follows through page 31, line 13 and insert the following:

$19,400,000 are rescinded.

ENERGY CONSERVATION

(RESCISSIONS)

Of the funds available under this heading in Public Law 103–332, $34,928,000 are rescinded.

Of the funds available under this heading in Public Law 103–138, $13,700,000 are rescinded.

DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

INDIAN EDUCATION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $2,000,000 are rescinded.

OTHER RELATED AGENCIES

SMITHSONIAN INSTITUTION

CONSTRUCTION AND IMPROVEMENTS, NATIONAL ZOOLOGICAL PARK

(RESCISSIONS)

Of the funds available under this heading in Public Law 102–381, and Public Law 103–138, $1,000,000 are rescinded.

CONSTRUCTION

(RESCISSIONS)

Of the funds made available under this heading in Public Law 102–154, Public Law 102–381, Public Law 103–138, and Public Law 103–332, $11,237,000 are rescinded: *Provided,* That of the amounts proposed herein for rescission, $2,500,000 are from funds previously appropriated for the National Museum of the American Indian: *Provided further,* That notwithstanding any other provision of law, the provisions of the Davis-Bacon Act shall not apply to any contract associated with the construction of facilities for the National Museum of the American Indian.

NATIONAL GALLERY OF ART

REPAIR, RESTORATION AND RENOVATION OF BUILDINGS

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $407,000 are rescinded.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

CONSTRUCTION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $3,000,000 are rescinded.

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

SALARIES AND EXPENSES

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $1,000,000 are rescinded.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

GRANTS AND ADMINISTRATION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $5,000,000 are rescinded.

NATIONAL ENDOWMENT FOR THE HUMANITIES

GRANTS AND ADMINISTRATION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $5,000,000 are rescinded.

GENERAL PROVISIONS

SEC. 501. No funds made available in any appropriations Act may be used by the Department of the Interior, including but not limited to the United States Fish and Wildlife Service and the National Biological Service, to search for the Alabama sturgeon in the Alabama River, the Cahaba River, the Tombigbee River or the Tennessee-Tombigbee Waterway in Alabama or Mississippi.

SEC. 502. (a) None of the funds made available in Public Law 103–332 may be used by the United States Fish and Wildlife Service to implement or enforce special use permit numbered 72030.

(b) The Secretary of the Interior shall immediately reinstate the travel guidelines specified in special use permit numbered 65715 for the visiting public and employees of the Virginia Department of Conservation and Recreation at Back Bay National Wildlife Refuge, Virginia. Such guidelines shall remain in effect until such time as an agreement described in subsection (c) becomes effective, but in no case shall remain in effect after September 30, 1995.

(c) It is the sense of Congress that the Secretary of the Interior and the Governor of Virginia should negotiate and enter into a long term agreement concerning resources management and public access with respect to Back Bay National Wildlife Refuge and False Cape State Park, Virginia, in order to improve the implementation of the missions of the Refuge and Park.

SEC. 503. (a) No funds available to the Forest Service may be used to implement Habitat Conservation Areas in the Tongass National Forest for species which have not been declared threatened or endangered pursuant to the Endangered Species Act, except that with respect to goshawks the Forest Service may impose interim Goshawk Habitat Conservation Areas not to exceed 300 acres per active nest consistent with the guidelines utilized in national forests in the continental United States.

(b) The Secretary shall notify Congress within 30 days of any timber sales which may be delayed or canceled due to the Goshawk Habitat Conservation Areas described in subsection (a).

CHAPTER VI

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $1,521,220,000 are rescinded, including $46,404,000 for necessary expenses of construction, rehabilitation, and acquisition of new Job Corps centers, $15,000,000 for the School-to-Work Opportunities Act, $15,600,000 for title III, part A of the Job Training Partnership Act, $20,000,000 for the title III, part B of such Act, $3,861,000 for service delivery areas under section 101(a)(4)(A)(iii) of such Act, $33,000,000 for carrying out title II, part A of such Act, $472,010,000 for carrying out title II, part C of such Act, $750,000 for the National Commission for Employment Policy and $421,000 for the National Occupational Information Coordinating Committee: *Provided,* That service delivery areas may transfer up to 50 percent of the amounts allocated for program years 1994 and 1995 between the title II–B and title II–C programs authorized by the Job Training Partnership Act, if such transfers are approved by the Governor.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

(RESCISSIONS)

Of the funds made available in the first paragraph under this heading in Public Law 103–333, $11,263,000 are rescinded.

Of the funds made available in the second paragraph under this heading in Public Law 103–333, $3,177,000 are rescinded.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $20,000,000 are rescinded, and amounts which may be expended from the Employment Security Administration account in the Unemployment Trust Fund are reduced from $3,269,097,000 to $3,221,397,000.

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

Of the funds made available under this heading in Public Law 103–333, $1,100,000 are rescinded.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $42,071,000 are rescinded.

CENTERS FOR DISEASE CONTROL AND PREVENTION

DISEASE CONTROL, RESEARCH, AND TRAINING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $1,300,000 are rescinded.

NATIONAL INSTITUTES OF HEALTH

BUILDINGS AND FACILITIES

(RESCISSION)

Of the available balances under this heading, $79,289,000 are rescinded.

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $14,7000,000 are rescinded.

ASSISTANT SECRETARY FOR HEALTH

OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $2,320,000 are rescinded.

AGENCY FOR HEALTH CARE POLICY AND RESEARCH

HEALTH CARE POLICY AND RESEARCH

(RESCISSION)

Of the Federal funds made available under this heading in Public Law 103–333, $3,132,000 are rescinded.

HEALTH CARE FINANCING ADMINISTRATION

PROGRAM MANAGEMENT

(RESCISSION)

Funds made available under this heading in Public Law 103–333 are reduced from $2,207,135,000 to $2,185,935,000, and funds transferred to this account as authorized by section 201(g) of the Social Security Act are reduced to the same amount.

SOCIAL SECURITY ADMINISTRATION

SUPPLEMENTAL SECURITY INCOME PROGRAM

(RESCISSION)

Of the amounts appropriated in the first paragraph under this heading in Public Law 103–333, $67,000,000 are rescinded.

LIMITATION ON ADMINISTRATIVE EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333 to invest in a

state-of-the-art computing network, $88,283,000 are rescinded.

ADMINISTRATION FOR CHILDREN AND FAMILIES

JOB OPPORTUNITIES AND BASIC SKILLS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, there are rescinded an amount equal to the total of the funds within each State's limitation for fiscal year 1995 that are not necessary to pay such State's allowable claims for such fiscal year.

Section 403(k)(3)(E) of the Social Security Act (as amended by Public Law 100–485) is amended by adding before the ''and'': ''reduced by an amount equal to the total of those funds that are within each State's limitation for fiscal year 1995 that are not necessary to pay such State's allowable claims for such fiscal year (except that such amount for such year shall be deemed to be $1,300,000,000 for purposes of determining the amount of the payment under subsection (l) to which each State is entitled),''.

STATE LEGALIZATION IMPACT-ASSISTANCE GRANTS

(RESCISSION)

Of the funds made available in the second paragraph under this heading in Public Law 103–333, $6,000,000 are rescinded.

COMMUNITY SERVICES BLOCK GRANT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $26,988,000 are rescinded.

AKAKA AMENDMENT NO. 479

(Ordered to lie on the table.)

Mr. AKAKA submitted an amendment intended to be proposed by him to the bill (H.R. 1158), supra; as follows:

On page 31, strike line 9 and insert the following: ''Public Law 103–333, $10,988,000 are rescinded.''

On page 31, between lines 9 and 10, insert the following:

''Of the funds made available under this heading in Public Law 103–333 and reserved by the Secretary pursuant to section 674(a)(1) of the Community Services Block Grant Act, $1,900,000 are rescinded.''

On page 32, line 5, strike ''$2,918,000'' and insert ''$4,018,000''.

MOSELEY-BRAUN AMENDMENT NO. 480

(Ordered to lie on the table.)

Ms. MOSELEY-BRAUN submitted an amendment intended to be proposed by her to the bill (H.R. 1158), supra; as follows:

On page 18, line 15, strike ''$25,970,000'' and insert ''$27,970,000''.

On page 20, line 23, strike ''$6,250,000'' and insert ''$8,050,000''.

On page 21, line 4, strike ''$3,000,000'' and insert ''$4,000,000''.

On page 21, line 22, strike ''$20,750,000'' and insert ''$15,950,000''.

BOND AMENDMENTS NOS. 481–482

(Ordered to lie on the table.)

Mr. BOND submitted two amendments intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill (H.R. 1158), supra; as follows:

AMENDMENT NO. 481

At the appropriate place in amendment No. 420 add the following:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

The Department of Housing and Urban Development shall employ no more than 90 Schedule C employees at any one time during FY 1995; no person who has been a Schedule C employee during FY 1995 shall be converted to a Schedule A, B, or noncareer or career SES employee during FY 1995, or otherwise hired by contract. The Department of Housing and Urban Development shall employ no more than 22 noncareer SES employees at any one time during FY 1995.

AMENDMENT NO. 482

At the appropriate place in amount No. 420 add the following:

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

GENERAL PROVISIONS

Section 14(c)(1) of the United States Housing Act of 1937 is amended to read as follows: ''(1) which projects are owned or controlled by public housing agencies or are made available to eligible low-income families pursuant to an agreement between the public housing agency and a housing provider.''.

GORTON AMENDMENTS NOS. 483–486

(Ordered to lie on the table.)

Mr. GORTON submitted four amendments intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill (H. R. 1158), supra; as follows:

AMENDMENT NO. 483

On page 23, strike lines 17 and 18 and insert in lieu thereof the following:

''Of the available balances under this heading, $3,000,000 are rescinded.''

AMENDMENT NO. 484

On page 19, line 2, strike ''$11,297,000'' and insert: ''$9,983,000''.

On page 21, line 17, strike $3,020,000'' and insert: ''$3,720,000''.

On page 21, line 17, after ''rescinded'' insert ''and the Chief of the Forest Service shall not exercise any option of purchase or initiate any new purchases of land, with obligated or unobligated funds, in Washington County, Ohio, and Lawrence County, Ohio, during fiscal year 1995''.

On page 44, line 77, insert the following:

FEDERAL HIGHWAY ADMINISTRATION

FEDERAL AID HIGHWAYS

(HIGHWAY TRUST FUND)

(RESCISSION)

Of the available contract authority balances under this heading in Public Law 100–17, $690,074 are rescinded.

AMENDMENT NO. 485

On page 17 of the bill, strike lines 14 through 17.

AMENDMENT NO. 486

On page 26, after line 2, insert the following:

This section shall only apply to permits that were not extended or replaced with a new term grazing permit solely because the analysis required by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other applicable laws has not been completed and also shall include permits that expired in 1994 and in 1995 before the date of enactment of this Act.

HATFIELD AMENDMENT NO. 487

(Ordered to lie on the table.)

Mr. HATFIELD submitted an amendment intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

On page 44 line 16 insert:

'': *Provided further,* Of the available contract authority balances under this heading in Public Law 97–424, $13,340,000 are rescinded; and of the available balances under this heading in Public Law 100–17, $126,608,000 are rescinded.

''MISCELLANEOUS HIGHWAY DEMONSTRATION PROJECTIONS

''(RESCISSIONS)

''Of the available appropriated balances provided in Public Law 93–87; Public Law 98–8; Public Law 98–473; and Public Law 100–71, $12,004,450 are rescinded.''

HOLLINGS AMENDMENTS NOS. 488–489

(Ordered to lie on the table.)

Mr. HOLLINGS submitted two amendments intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

AMENDMENT NO. 488

On page 9 of the substitute amendment, strike line 1 through line 23 and insert the following:

INDUSTRIAL TECHNOLOGY SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $3,100,000 are rescinded.

CONSTRUCTION OF RESEARCH FACILITIES

(RESCISSION)

Of the unobligated balances available under this heading, $30,000,000 are rescinded.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH AND FACILITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $25,100,000 are rescinded.

CONSTRUCTION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $13,000,000 are rescinded.

GOES SATELLITE CONTINGENCY FUND

(RESCISSION)

Of the unobligated balances available under this heading, $2,500,000 are rescinded.

AMENDMENT NO. 489

On page 7 of the substitute amendment, strike line 13 through line 8 on page 13 and insert the following:

DEPARTMENT OF JUSTICE

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $1,000,000 are rescinded.

GENERAL ADMINISTRATION

WORKING CAPITAL FUND

(RESCISSION)

Of the unobligated balances available under this heading in Public Law 103–317, $5,000,000 are rescinded.

LEGAL ACTIVITIES

ASSET FORFEITURE FUND

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $5,000,000 are rescinded.

OFFICE OF JUSTICE PROGRAMS

DRUG COURTS

(RESCISSION)

Of the funds made available under this heading in title VIII of Public Law 103–317, 17,100,000 are rescinded.

OUNCE OF PREVENTION COUNCIL

(INCLUDING RESCISSION)

Of the funds made available under this heading in title VIII of Public Law 103–317, $1,000,000 are rescinded.

In addition, under this heading in Public Law 103–317, after the word ''grants'', insert the following: ''and administrative expenses''. After the word ''expended'', insert the following: '': *Privided*, That the Council is authorized to accept, hold, administer, and use gifts, both real and personal, for the purpose of aiding or facilitating the work of the Council''.

DEPARTMENT OF COMMERCE

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $21,000,000 are rescinded.

INDUSTRIAL TECHNOLOGY SERVICES

(RESCISSION)

Of the funds made available under this heading in Pubic Law 103–317 for the Manufacturing Extension Partnership and the Quality Program, $7,100,000 are rescinded.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $32,000,000 are rescinded.

CONSTRUCTION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $14,000,000 are rescinded.

NATIONAL TECHNICAL INFORMATION SERVICE

NTIS REVOLVING FUND

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $7,600,000 are rescinded.

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

(RESCISSIONS)

Of unobligated balances available under this heading pursuant to Public Law 103–75, Public Law 102–368, and Public Law 103–317, $47,384,000 are rescinded.

THE JUDICIARY

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

UNITED STATES COURT OF INTERNATIONAL TRADE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $1,000,000 are rescinded.

DEFENDER SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $6,100,000 are rescinded.

RELATED AGENCY

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $15,000,000 are rescinded: *Provided*, That no funds in that public law shall be available to implement section 24 of the Small Business Act, as amended.

BUSINESS LOANS PROGRAM ACCOUNT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $15,000,000 are rescinded.

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

DIPLOMATIC AND CONSULAR PROGRAMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $2,000,000 are rescinded.

ACQUISITION AND MAINTENANCE OF BUILDINGS ABROAD

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $30,000,000 are rescinded.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $20,000,000 are rescinded.

RELATED AGENCIES

ARMS CONTROL AND DISARMAMENT AGENCY

ARMS CONTROL AND DISARMAMENT ACTIVITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $4,000,000 are rescinded, of which $2,000,000 are from funds made available for activities related to the implementation of the Chemical Weapons Convention.

BOARD FOR INTERNATIONAL BROADCASTING

ISRAEL RELAY STATION

(RESCISSION)

From unobligated balances available under this heading, $2,000,000 are rescinded.

UNITED STATES INFORMATION AGENCY

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $5,000,000 are rescinded.

RADIO CONSTRUCTION

(RESCISSION)

Of the funds made available under this heading, $11,000,000 are rescinded.

RADIO FREE ASIA

(RESCISSION)

Of the funds made available under this heading, $6,000,000 are rescinded.

PELL (AND OTHERS) AMENDMENT NO. 490

(Ordered to lie on the table.)

Mr. PELL (for himself, Mrs. FEINSTEIN, Mr. FEINGOLD, Ms. MOSELEY-BRAUN, and Mr. SIMON) submitted and intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

On page 33, line 9, strike ''$236,417,000'' and insert ''$242,417,000''.

On page 33, line 14, strike ''$8,900,000'' and insert ''$14,900,000''.

On page 34, line 4, strike ''$60,566,000'' and insert ''$54,566,000''.

On page 34, line 7, strike ''$8,891,000'' and insert ''$2,891,000''.

Mr. PELL. Mr. President, I offer this amendment on behalf of myself, Senator FEINSTEIN, Senator FEINGOLD, Senator SIMON, and Senator MOSELEY-BRAUN.

The amendment will ensure continued funding for the National Center for Research in Vocational Education. The Center is a consortium of institutions of higher education in California, Wisconsin, Illinois, New York, and Virginia. The Center is widely recognized for the important research work it does in vocational education, and it would be very unfortunate, indeed, if funding to permit it to continue its work were curtailed.

As my colleagues know, we will soon be considering reauthorization of the Vocational Education Act. The work of the Center has provided the authorizing committee invaluable information to help guide and facilitate our work. But even more critical, their research efforts are vital to improving the quality of vocational education throughout our Nation.

I view the amendment as an important placeholder so that when the Senate and House conferees meet on this legislation, they will have the opportunity to give this matter full and complete consideration. I am very hopeful they will ultimately decide to retain funding for the Center, but without this amendment there will be no chance whatsoever to provide continued funding for the Center and the important work it does.

WELLSTONE AMENDMENTS NOS. 491–495

(Ordered to lie on the table.)

Mr. WELLSTONE submitted five amendments intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

AMENDMENT NO, 491

On page 29, strike ''$2,185,935,000'' and insert ''$2,191,435,000''.

Notwithstanding any other provision of this Act, the amount to become available on October 1, 1995, for necessary expenses in carrying out the functions of the Robert T.

Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), shall not exceed $4,794,500,000.

AMENDMENT NO. 492

On page 31, strike lines 10 through 13.

Notwithstanding any other provision of this Act, the amount to become available on October 1, 1995, for necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), shall not exceed $4,785,500,000.

AMENDMENT NO. 493

On pages 6, strike lines 8 through 13.

Notwithstanding any other provision of this Act, the amount to become available on October 1, 1995, for necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), shall not exceed $4,785,500,000.

AMENDMENT NO. 494

On page 31, strike lines 14 through 18.

Notwithstanding any other provision of this Act, the amount to become available on October 1, 1995, for necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), shall not exceed $4,785,500,000.

AMENDMENT NO. 495

On page 14, line 12, strike ''$81,500,000 are rescinded'' and insert ''$67,000,000 are rescinded.

Notwithstanding any other provision of this Act, the amount to become available on October 1, 1995, for necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), shall not exceed $4,785,500,000.''

KERRY AMENDMENTS NOS. 496–498

(Ordered to lie on the table.)

Mr. KERRY submitted three amendments intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

AMENDMENT NO. 496

At the appropriate place insert the following:

(RESCISSION)

Notwithstanding any other provision of this Act, of the funds made available under the heading ''DEPARTMENT OF EDUCATION'', under the heading ''SCHOOL IMPROVEMENT PROGRAMS'', in Public Law 103–333, no funds are rescinded from title IV of the Elementary and Secondary Education Act: *Provided*, That notwithstanding any other provision of this Act, the additional amount otherwise provided in this Act in Chapter XI for ''DISASTER RELIEF EMERGENCY CONTINGENCY FUND'' for necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) to become available on October 1, 1995, is reduced by $100,000,000.''.

AMENDMENT NO. 497

On page 4, strike lines 1 through 7 and insert the following:

GENERAL PROVISIONS

Section 715 of Public Law 103–330 is amended by striking ''$85,500,000'' and inserting ''$0''. Notwithstanding any other provision of this Act, only $14,500,000 made available in Public Law 103–333 under the heading ''DEPARTMENT OF EDUCATION'', under the heading ''SCHOOL IMPROVEMENT PROGRAMS'', shall be rescinded.

AMENDMENT NO. 498

In amendment 420, on page 60, line 9, after ''1995'' and before the period, insert the following: ''*Provided further*, That with respect to Transfer Plans of Action approved on or before September 30, 1995, the Secretary may release up to $150 million in support of such transfers''.

SARBANES AMENDMENTS NOS. 499–500

(Ordered to lie on the table.)

Mr. SARBANES submitted two amendments intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

AMENDMENT NO. 499

On page 59, line 16, before the period insert the following: '': *Provided further*, That of the funds made available under this heading in Public Law 103–327 and any unobligated balances from funds appropriated under this heading in prior years, the Secretary may obligate $262,000,000 for public housing for Indian families, and an additional $262,000,000 of the unobligated funds available for new incremental rental subsidy contracts under the section 8 existing housing certificate program (42 U.S.C. 1437f) and the housing voucher program under section 8(o) of the Act (42 U.S.C. 1437f(o)), for loan management set-asides, for section 8 contract amendments, or for expiring contracts for the tenant-based existing housing certificate program (42 U.S.C. 1437f) and the housing voucher program under section 8(o) of the Act (42 U.S.C. 1437f(o)), provided under the heading 'ASSISTANCE FOR THE RENEWAL OF EXPIRING SECTION 8 SUBSIDY CONTRACTS' are rescinded (subject to the determination by the Secretary of the distribution of such rescissions)''.

AMENDMENT NO. 500

On page 59, line 16, before the period insert the following: '': *Provided further*, That of the funds made available under this heading in Public Law 103–327 and any unobligated balances from funds appropriated under this heading in prior years, the Secretary may obligate $100,000,000 and not more than $262,000,000 for public housing for Indian families, and an amount equal to the amount obligated for public housing for Indian families shall be rescinded from the obligated funds available for new incremental rental subsidy contracts under the section 8 existing housing certificate program (42 U.S.C. 1437f) and the housing voucher program under section 8(o) of the Act (42 U.S.C. 1437f(o)), or for loan management set-asides, (subject to the determination by the Secretary of the distribution of such rescissions)''.

BREAUX (AND OTHERS) AMENDMENTS NOS. 501–502

(Ordered to lie on the table.)

Mr. BREAUX (for himself, Mr. NUNN, Mr. LIEBERMAN, Mr. ROCKEFELLER, Mr. DODD, and Ms. MIKULSKI) submitted two amendments intended to be proposed by them to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

AMENDMENT NO. 501

At the end of the amendment, add the following:

SEC. . PARAMOUNT PROVISIONS.

(a) Appropriation for Disaster Relief Emergency Contingency Fund.—NOTWITHSTANDING ANY PROVISION OF THIS ACT THAT MAY APPROPRIATE A GREATER AMOUNT, THERE IS APPROPRIATED, FOR NECESSARY EXPENSES IN CARRYING OUT THE FUNCTIONS OF THE ROBERT T. STAFFORD DISASTER RELIEF AND EMERGENCY ASSISTANCE ACT (42 U.S.C. 5121 ET SEQ.), $4,632,000,000.

(b) RESCISSION OF FUNDS MADE AVAILABLE FOR THE NATIONAL AND COMMUNITY SERVICE PROGRAM.—Notwithstanding any other provision of this Act that may rescind a greater amount, of the funds made available under the heading ''Corporation for National and Community Service/National and Community Service Programs/Operating Expenses'' in Public Law 103–327, $42,000,000 are rescinded.

AMENDMENT NO. 502

At the end of the amendment, add the following:

SEC. . PARAMOUNT PROVISIONS.

(a) APPROPRIATION FOR DISASTER RELIEF EMERGENCY CONTINGENCY FUND.—Notwithstanding any provision of this Act that may appropriate a greater amount, there is appropriated, for necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), $4,425,890,000.

(b) RESCISSION OF FUNDS MADE AVAILABLE FOR THE NATIONAL AND COMMUNITY SERVICE PROGRAM.—Notwithstanding any other provision of this Act that may rescind a greater amount, of the funds made available under the heading ''CORPORATION FOR NATIONAL AND COMMUNITY SERVICE/NATIONAL AND COMMUNITY SERVICE PROGRAMS/OPERATING EXPENSES'' in Public Law 103–327, $42,000,000 are rescinded.

MOSELEY-BRAUN (AND SIMON) AMENDMENT NO. 503

(Ordered to lie on the table.)

Ms. MOSELEY-BRAUN (for herself and Mr. SIMON) submitted an amendment intended to be proposed by them to the bill H.R. 1158, supra; as follows:

On page 18, line 16, strike ''$25,970,000'' and insert ''$27,970,000''.

On page 20, line 23, strike ''$6,250,000'' and insert ''$8,050,000''.

On page 21, line 4, strike ''$3,000,000'' and insert ''$4,000,000''.

On page 21, line 22, strike ''$20,750,000'' and insert ''$15,950,000''.

HOLLINGS AMENDMENT NO. 504

(Ordered to lie on the table.)

Mr. HOLLINGS submitted an amendment intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill H.R. 1158, supra; as follows:

On page 7 of the substitute amendment, strike line 13 through line 8 on page 13 and insert the following:

DEPARTMENT OF JUSTICE

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $1,000,000 are rescinded.

GENERAL ADMINISTRATION

WORKING CAPITAL FUND

(RESCISSION)

Of the unobligated balances available under this heading in Public Law 103–317, $5,000,000 are rescinded.

LEGAL ACTIVITIES

ASSET FORFEITURE FUND

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $5,000,000 are rescinded.

OFFICE OF JUSTICE PROGRAMS

DRUG COURTS

(RESCISSION)

Of the funds made available under this heading in title VIII of Public Law 103–317, $17,100,000 are rescinded.

OUNCE OF PREVENTION COUNCIL

(INCLUDING RESCISSION)

Of the funds made available under this heading in title VIII of Public Law 103–317, $1,000,000 are rescinded.

In addition, under this heading in Public Law 103–317, after the word ''grants'', insert the following: ''and administrative expenses''. After the word ''expended'', insert the following: '': *Provided*, That the Council is authorized to accept, hold, administer, and use gifts, both real and personal, for the purpose of aiding or facilitating the work of the Council''.

DEPARTMENT OF COMMERCE

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $19,500,000 are rescinded.

INDUSTRIAL TECHNOLOGY SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317 for the Manufacturing Extension Partnership and the Quality Program, $7,100,000 are rescinded.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $32,600,000 are rescinded.

CONSTRUCTION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $14,000,000 are rescinded.

NATIONAL TECHNICAL INFORMATION SERVICE

NTIS REVOLVING FUND

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $7,600,000 are rescinded.

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

(RESCISSIONS)

Of unobligated balances available under this heading pursuant to Public Law 103–75, Public Law 102–368, and Public Law 103–317, $47,384,000 are rescinded.

THE JUDICIARY

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

UNITED STATES COURT OF INTERNATIONAL TRADE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $1,000,000 are rescinded.

DEFENDER SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $4,100,000 are rescinded.

RELATED AGENCY

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $15,000,000 are rescinded: *Provided*, That no funds in that public law shall be available to implement section 24 of the Small Business Act, as amended.

BUSINESS LOANS PROGRAM ACCOUNT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $15,000,000 are rescinded.

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

DIPLOMATIC AND CONSULAR PROGRAMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $2,000,000 are rescinded.

ACQUISITION AND MAINTENANCE OF BUILDINGS ABROAD

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $30,000,000 are rescinded.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $25,000,000 are rescinded.

RELATED AGENCIES

ARMS CONTROL AND DISARMAMENT AGENCY

ARMS CONTROL AND DISARMAMENT ACTIVITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $4,000,000 are rescinded, of which $2,000,000 are from funds made available for activities related to the implementation of the Chemical Weapons Convention.

BOARD FOR INTERNATIONAL BROADCASTING

ISRAEL RELAY STATION

(RESCISSION)

From unobligated balances available under this heading, $2,000,000 are rescinded.

UNITED STATES INFORMATION AGENCY

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $5,000,000 are rescinded.

RADIO CONSTRUCTION

(RESCISSION)

Of the funds made available under this heading, $9,000,000 are rescinded.

RADIO FREE ASIA

(RESCISSION)

Of the funds made available under this heading, $6,000,000 are rescinded.

MURKOWSKI AMENDMENT NO. 505

(Ordered to lie on the table.)

Mr. MURKOWSKI submitted an amendment intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill H.R. 1158, supra; as follows:

On page 20, between lines 13 and 14, insert the following:

DEPARTMENTAL OFFICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–332 for the Office of Aircraft Services, $150,000 of the amount available for administrative costs are rescinded, and in expending other amounts made available, the Director of the Office of Aircraft Services shall, to the extent practicable, provide aircraft services through contracting.

KEMPTHORNE AMENDMENT NO. 506

(Ordered to lie on the table.)

Mr. KEMPTHORNE submitted an amendment intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill H.R. 1158, supra; as follows:

On page 11, line 19, strike ''$2,000,000 are rescinded.'' and insert the following: $2,500,000 are rescinded.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

For the Advisory Commission on Intergovernmental Relations for purposes of section 306 of the Unfunded Mandates Reform Act of 1995 (Public Law 104–4), $500,000.

KERRY (AND OTHERS) AMENDMENT NO. 507

(Ordered to lie on the table.)

Mr. KERRY (for himself, Mr. HOLLINGS, Mr. KENNEDY, Mr. REID, and Mr. PELL) submitted an amendment intended to be proposed by them to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

On page 4, strike lines 1 through 7 and insert the following:

GENERAL PROVISIONS

Section 715 of Public Law 103–330 is amended by striking ''$85,500,000'' and inserting ''$70,800,000''. Notwithstanding any other provision of this Act, no funds made available in Public Law 103–333 under the heading ''SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION'' under the subheading ''SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES'' SHALL BE RESCINDED.

BURNS AMENDMENT NO. 508

(Ordered to lie on the table.)

Mr. BURNS submitted an amendment intended to be proposed by him to the bill, H.R. 1158, supra; as follows:

At the appropriate place, insert:

(a) SCHEDULE FOR NEPA COMPLIANCE.—Each National Forest System unit shall establish and adhere to a schedule for the completion of NEPA analysis and decisions on all allotments within the National Forest System unit for which NEPA analysis is needed. The schedule for completion of NEPA analysis and decisions shall not extend beyond December 31, 2004.

(b) RE-ISSUANCE PENDING NEPA COMPLIANCE.—Notwithstanding any other law, tern grazing permits which expire or are waived before the date scheduled for the NEPA analysis and decision pursuant to the schedule developed by individual Forest Service System units, shall be issued on the same terms and conditions and for the full term of the expired or waived permit. Upon completion of the scheduled NEPA analysis and decision for the allotment, the terms and conditions of existing grazing permits may be modified or re-issued.

PRESSLER AMENDMENTS NOS. 509–510

(Ordered to lie on the table.)

Mr. PRESSLER submitted two amendments intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

AMENTMENT NO. 509

At the appropriate place in amendment No. 420 add the following:

SECTION 1. EXCEPTION FOR FARMERS AND FARM SUPPLIERS FROM TRANSPORTATION LIMITATIONS ON MAXIMUM DRIVING AND ON-DUTY TIME.

(a) EXCEPTION FOR FARMERS AND FARM SUPPLIERS.—Regulations prescribed by the Secretary of Transportation under section 31502 of title 49, United States Code, regarding maximum driving and on-duty time for drivers used by motor carriers shall not apply to farmers or retail farm suppliers transporting agricultural commodities or farm supplies for agricultural purposes if such transportation is limited to an area within a 100-air mile radius of the source of the commodities or the distribution point for the farm supplies.

(b) Conforming Regulations.—The Secretary shall amend part 395 of title 49, Code of Federal Regulations, to reflect the exception provided by subsection (a).

AMENDMENT NO. 510

At the appropriate place in amendment No. 420 add the following:

(a) EXCEPTION FOR TRANSPORTING AGRICULTURAL COMMODITIES AND SUPPLIES.—None of the funds made available in any appropriations Act for fiscal year 1995 may be used by the Department of Transportation until the Secretary of Transportation establishes that the regulations prescribed by the Secretary of Transportation under section 31502 of title 49, United States Code, regarding maximum driving and on-duty time for drivers used by motor carriers shall not apply to drivers transporting agricultural commodities or farm supplies for agricultural purposes if such transportation is limited to an area within a 100-air-mile radius of the source of the commodities or the distribution point for the farm supplies.

(b) CONFORMING REGULATIONS.—The Secretary shall amend part 395 of title 49, Code of Federal Regulations, to reflect the exception provided by subsection (a).

SIMON (AND OTHERS) AMENDMENTS NOS. 511–513

(Ordered to lie on the table.)

Mr. SIMON (for himself, Ms. MOSELEY-BRAUN, and Mr. BOND) submitted three amendments intended to be proposed by them to amendment No. 420 proposed by Mr. HATFIELD to the bill H.R. 1158, supra; as follows:

AMENDMENT NO. 511

On page 19, line 2, strike ''$11,297,000 are rescinded.'' and insert ''$10,597,000 are rescinded. Notwithstanding any other provision of this Act that may rescind a lesser amount of the funds made available under the heading 'POWER MARKETING ADMINISTRATIONS/CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE, WESTERN AREA POWER ADMINISTRATION' IN PUBLIC LAW 103–316, $30,700,000 ARE RESCINDED.''.

AMENDMENT NO. 512

On page 19, line 2, strike ''$11,297,000 are rescinded.'' and insert ''$10,597,000 are rescinded. Notwithstanding any other provision of this Act that may reduces an obligation limitation under the heading 'FEDERAL-AID HIGHWAYS / (LIMITATION ON OBLIGATIONS) / (HIGHWAY TRUST FUND)' in Public Law 103–331, the obligation limitation is reduced by $124,290,000.''.

AMENDMENT NO. 513

On page 19, line 2, strike ''$11,297,000'' and insert ''$10,597,000''.

Mr. SIMON. Mr. President, I am introducing an amendment for myself and my colleagues from Illinois and Missouri. Quite simply it restores $700,000 to the land acquisition account of the National Park Service for the Jefferson National Expansion Memorial. One hundred acres on the riverbank of the Mississippi River in East St. Louis, IL was designated in 1992 as a National Park. Included in the authorization was $2 million allocation for land acquisition. This $700,000 is well within that allocation.

The park is designed to be an extension of the Arch Park in St. Louis, MO. It enjoys the bipartisan support of Governors and delegations in both Illinois and Missouri and for a good reason. Similar to the resources and effort that went into revitalizing the riverfront in St. Louis, investors on both sides of the river have and will continue considerable private sector donations towards development of the park.

Those important investment by the private sector are jeopardized if the Federal Government backs out of its commitment to share in the development of the park. A great deal is at stake in the development of the park. It's influence in the years ahead on the economy of East St. Louis could be significant. For that reason my colleagues and I share a commitment to this project and its success.

SIMON AMENDMENT NO. 514

(Ordered to lie on the table.)

Mr. SIMON submitted an amendment intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill H.R. 1158, supra; as follows:

On page 26, strike lines 12 through 20 and insert in lieu thereof the following: ''Public Law 103–333, 1,359,210,000 are rescinded, including $46,404,000 for necessary expenses of construction, rehabilitation, and acquisition of new Job Corps centers, $15,000,000 for the School-to-Work Opportunities Act, $15,600,000 for title III, part A of the Job Training Partnership Act, $20,000,000 for the title III, part B of such Act, $3,861,000 for service delivery areas under section 101(a)(4)(A)(iii) of such Act, $33,000,000 for carrying out title II, part A of such Act, $310,000,000 for * * *.

SIMON AMENDMENT NO. 515

(Ordered to lie on the table.)

Mr. SIMON submitted an amendment intended to be proposed by him to the bill H.R. 1158, supra, as follows:

Strike page 34 and insert:

VOCATIONAL AND ADULT EDUCATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $52,779,000 are rescinded as follows: from the Carl D. Perkins Vocational and Applied Technology Education Act, title III–A, and –B, $43,888,000 and from title IV–A and –C, $8,891,000.

STUDENT FINANCIAL ASSISTANCE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $10,000,000 are rescinded from funding for the Higher Education Act, title IV, part H–1.

HIGHER EDUCATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $57,783,000 are rescinded as follows: from amounts available for the Higher Education Act, title IV–A, chapter 5, $496,000, title IV–A–2, chapter 1, $11,200,000, title IV–A–2, chapter 2, $600,000, title IV–A–6, $2,000,000, title V–C, subparts 1 and 3, $16,175,000, title IX–B, $10,100,000, title IX–E, $3,500,000, title IX–G, $2,888,000, title X–D, $2,900,000, and title XI–A, $500,000; Public Law 102–325, $1,000,000; and the Excellence in Mathematics,

SIMON (AND OTHERS) AMENDMENT NO. 516

(Ordered to lie on the table.)

Mr. SIMON (for himself, Mrs. FEINSTEIN, and Ms. MOSELEY-BRAUN) submitted an amendment intended to be proposed by them to amendment No. 420 proposed by Mr. HATFIELD to the bill H.R. 1158, supra; as follows:

On page 31, strike lines 1 through 5.

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF EMERGENCY CONTINGENCY FUND

Notwithstanding any other provision of this Act, the additional amount otherwise provided in this Act in chapter XI for ''DISASTER RELIEF EMERGENCY CONTINGENCY FUND'' for necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance act (42 U.S.C. 5121 et seq.) shall be ''$4,794,000,000.''

SIMON (AND OTHERS) AMENDMENT NO. 517

(Ordered to lie on the table.)

Mr. SIMON (for himself, Mr. FEINGOLD, and Mr. WELLSTONE) submitted an amendment intended to be proposed by them to the bill H.R. 1158, supra; as follows:

On page 26, beginning with line 12, strike all through page 36, line 25, and insert the following:

Public Law 103–333, $1,506,220,000 are rescinded, including $46,404,000 for necessary expenses of construction, rehabilitation, and acquisition of new Job Corps centers, $15,600,000 for title III, part A of the Job Training Partnership Act, $20,000,000 for the title III, part B of such Act, $3,861,000 for service delivery areas under section 101(a)(4)(A)(iii) of such Act, $33,000,000 for carrying out title II, part A of such Act, $472,010,000 for carrying out title II, part C of such Act, $750,000 for the National Commission for Employment Policy and $421,000 for the National Occupational Information Coordinating Committee: *Provided*, That service delivery areas may transfer up to 50 percent of the amounts allocated for program years 1994 and 1995 between the title II–B and title II–C programs authorized by the Job Training Partnership Act, if such transfers are approved by the Governor.

COMMUNITY SERVICE EMPLOYMENT FOR OLDER AMERICANS

(RESCISSIONS)

Of the funds made available in the first paragraph under this heading in Public Law 103–333, $11,263,000 are rescinded.

Of the funds made available in the second paragraph under this heading in Public Law 103–333, $3,177,000 are rescinded.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $20,000,000 are rescinded, and amounts which may be expended from the Employment Security Administration account in the Unemployment Trust Fund are reduced from $3,269,097,000 to $3,221,397,000.

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

Of the funds made available under this heading in Public Law 103–333, $1,100,000 are rescinded.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $42,071,000 are rescinded.

CENTERS FOR DISEASE CONTROL AND PREVENTION

DISEASE CONTROL, RESEARCH, AND TRAINING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $1,300,000 are rescinded.

NATIONAL INSTITUTES OF HEALTH

BUILDINGS AND FACILITIES

(RESCISSION)

Of the available balances under this heading, $79,289,000 are rescinded.

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $14,700,000 are rescinded.

ASSISTANT SECRETARY FOR HEALTH

OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $2,320,000 are rescinded.

AGENCY FOR HEALTH CARE POLICY AND RESEARCH

HEALTH CARE POLICY AND RESEARCH

(RESCISSION)

Of the Federal funds made available under this heading in Public Law 103–333, $3,132,000 are rescinded.

HEALTH CARE FINANCING ADMINISTRATION

PROGRAM MANAGEMENT

(RESCISSION)

Funds made available under this heading in Public Law 103–333 are reduced from $2,207,135,000 to $2,185,935,000, and funds transferred to this account as authorized by section 201(g) of the Social Security Act are reduced to the same amount.

SOCIAL SECURITY ADMINISTRATION

SUPPLEMENTAL SECURITY INCOME PROGRAM

(RESCISSION)

Of the amounts appropriated in the first paragraph under this heading in Public Law 103–333, $67,000,000 are rescinded.

LIMITATION ON ADMINISTRATIVE EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333 to invest in a state-of-the-art computing network, $88,283,000 are rescinded.

ADMINISTRATION FOR CHILDREN AND FAMILIES

JOB OPPORTUNITIES AND BASIC SKILLS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, there are rescinded an amount equal to the total of the funds within each State's limitation for fiscal year 1995 that are not necessary to pay such State's allowable claims for such fiscal year.

Section 403(k)(3)(E) of the Social Security Act (as amended by Public Law 100–485) is amended by adding before the ''and'': ''reduced by an amount equal to the total of those funds that are within each State's limitation for fiscal year 1995 that are not necessary to pay such State's allowable claims for such fiscal year (except that such amount for such year shall be deemed to be $1,300,000,000 for the purpose of determining the amount of the payment under subsection (l) to which each State is entitled),''.

COMMUNITY SERVICES BLOCK GRANT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $26,988,000 are rescinded.

CHILD CARE AND DEVELOPMENT BLOCK GRANT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $8,400,000 are rescinded.

ADMINISTRATION ON AGING

(AGING SERVICES PROGRAMS)

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $899,000 are rescinded.

OFFICE OF THE SECRETARY

POLICY RESEARCH

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $2,918,000 are rescinded.

DEPARTMENT OF EDUCATION

EDUCATION REFORM

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $67,600,000 are rescinded, including $55,800,000 from funds made available for State and local education systemic improvement, and $11,800,000 from funds made available for Federal activities under the Goals 2000: Educate America Act.

EDUCATION FOR THE DISADVANTAGED

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $80,400,000 are rescinded as follows: $72,500,000 from the Elementary and Secondary Education Act, title I, part A, $2,000,000 from part B, and $5,900,000 from part E, section 1501.

IMPACT AID

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $16,293,000 for section 8002 are rescinded.

SCHOOL IMPROVEMENT PROGRAMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $236,417,000 are rescinded as follows: from the Elementary and Secondary Education Act, title II–B, $69,000,000, title IV, $100,000,000, title V–C, $2,000,000, title IX–B, $1,000,000, title X–D, $1,500,000, section 10602, $1,630,000, title XII, $20,000,000, and title XIII–A, $8,900,000; from the Higher Education Act, section 596, $13,875,000; from funds derived from the Violent Crime Reduction Trust Fund, $11,100,000; and from funds for the Civil Rights Act of 1964, title IV, $7,412,000.

BILINGUAL AND IMMIGRANT EDUCATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $32,380,000 are rescinded from funding for title VII–A and $11,000,000 from part C of the Elementary and Secondary Education Act.

VOCATIONAL AND ADULT EDUCATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $52,779,000 are rescinded as follows: from the Carl D. Perkins Vocational and Applied Technology Education Act, title III–A, and –B, $43,888,000 and from title IV–A and –C, $8,891,000.

STUDENT FINANCIAL ASSISTANCE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $10,000,000 are rescinded from funding for the Higher Education Act, title IV, part H–1.

HIGHER EDUCATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $20,308,000 are rescinded as follows: from amounts available for the Higher Education Act, title IV–A, chapter 5, $496,000, title IV–A–2, chapter 2, $600,000, title IV–A–6, $2,000,000, title IX–E, $3,500,000, title IX–G, $2,888,000, title X–D, $2,900,000, and title XI–A, $500,000; Public Law 102–325, $1,000,000; and the Excellence in Mathematics, Science, and Engineering Education Act of 1990, $6,424,000.

HOWARD UNIVERSITY

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $3,300,000 are rescinded, including $1,500,000 for construction.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333 for the costs of direct loans, as authorized under part C of title VII of the Higher Education Act, as amended, $168,000 are rescinded, and the authority to subsidize gross loan obligations is repealed. In addition, $322,000 appropriated for administrative expenses are rescinded.

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $15,200,000 are rescinded as follows: from the Elementary and Secondary Education Act, title III–A, $5,000,000, title III–B, $5,000,000, and title X–B, $4,600,000; from the Goals 2000: Educate America Act, title VI, $600,000.

LIBRARIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $2,916,000 are rescinded from title II, part B, section 222 of the Higher Education Act.

RELATED AGENCIES

CORPORATION FOR PUBLIC BROADCASTING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–112, $26,360,000 are rescinded. Of the funds made available under this heading in Public Law 103–333, $29,360,000 are rescinded.

RAILROAD RETIREMENT BOARD

DUAL BENEFITS PAYMENTS ACCOUNT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $7,000,000 are rescinded.

GENERAL PROVISIONS

FEDERAL DIRECT STUDENT LOAN PROGRAM

SEC. 601. Notwithstanding any other provision of law, the Secretary of Education shall recover from the reserve funds held by guaranty agencies (as defined in section 435(j) of the Higher Education Act of 1965 (20 U.S.C. 1085(j))) an aggregate amount that is not less than $500,000,000 for fiscal year 1995.

SIMON AMENDMENT NO. 518

(Ordered to lie on the table.)

Mr. SIMON submitted an amendment intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

At the appropriate place, insert the following new section:

NO RESTRICTIONS ON IRS ENFORCEMENT FUNDING OR PERSONNEL

SEC. . Notwithstanding any other provision of this Act, there shall be no rescission of any amount of the $4,385,459,000 made available under the heading ''TAX LAW ENFORCEMENT'' in Public Law 103–329 and there shall be no restrictions on the hiring or deployment of additional revenue officers during fiscal year 1995.

SIMON AMENDMENT NO. 519

(Ordered to lie on the table.)

Mr. SIMON submitted an amendment intended to be proposed by him to the bill, H.R. 1158, supra; as follows:

At the end of the bill, insert the following:

SEC. . SENSE OF THE SENATE.

(a) FINDINGS.—The Senate finds that—

(1) the Inspector General of the Department of Education has testified that $11,000,000,000 of Federal student loans are at risk because of conflicts of interest at guaranty agencies;

(2) a review by the Department of Education found that a large guaranty agency increased such agency's income, at a significant cost to taxpayers, by creating, and contracting with, a new, separate corporation;

(3) the Inspector General identified a guaranty agency that contracts for services with a for-profit company owned by a guaranty agency official; and

(4) the Department of Education found that another guaranty agency used Federal funds for excessive salaries, and to purchase furs, artwork, expensive and unnecessary automobiles, resort retreats, and other items not critical to the Federal purpose of providing student access to loans and protecting the Federal guarantee of student loans.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Secretary of Education should fully investigate the types of guaranty agency activities and arrangements described in subsection (a), and, where appropriate, should take prompt and decisive action to protect the Federal fiscal interest.

KASSEBAUM (AND SNOWE) AMENDMENT NO. 520

(Ordered to lie on the table.)

Mrs. KASSEBAUM (for herself and Ms. SNOWE) submitted an amendment intended to be proposed by them to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

On page 31, strike lines 10 through 18, and insert the following:

DISASTER RELIEF EMERGENCY CONTINGENCY FUND

Notwithstanding the matter under this heading in chapter XI, for necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), $4,749,600,000, to become available on October 1, 1995, and remain available until expended: *Provided*, That such amount is subject to the limitations specified in the matter under this heading in chapter XI.

BINGAMAN AMENDMENT NO. 521

(Ordered to lie on the table.)

Mr. BINGAMAN submitted an amendment intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

Beginning on page 35, strike line 21 and all that follows through page 43, line 17, and insert the following:

Public Law 103–333, $5,200,000 are rescinded as follows: from the Elementary and Secondary Education Act of 1965, part B of title X, $4,600,000, and from the Goals 2000: Educate America Act, title VI, $600,000.

LIBRARIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $2,916,000 are rescinded from title II, part B, section 222 of the Higher Education Act.

RELATED AGENCIES

CORPORATION FOR PUBLIC BROADCASTING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–112, $26,360,000 are rescinded. Of the funds made available under this heading in Public Law 103–333, $29,360,000 are rescinded.

RAILROAD RETIREMENT BOARD

DUAL BENEFITS PAYMENTS ACCOUNT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $7,000,000 are rescinded.

GENERAL PROVISIONS

FEDERAL DIRECT STUDENT LOAN PROGRAM

SEC. 601. Section 458(a) of the Higher Education Act of 1965 (20 U.S.C. 1087h(a)) is amended—

(1) by striking ''$345,000,000'' and inserting ''$250,000,000''; and

(2) by striking ''$2,500,000,000'' and inserting ''$2,405,000,000''.

SEC. 602. Of the funds made available in fiscal year 1995 to the Department of Labor in Public Law 103–333 for compliance assistance and enforcement activities, $8,975,000 are rescinded.

CHAPTER VII

LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to the family trust of Dean A. Gallo, late a Representative from the State of New Jersey, $133,600.

JOINT ITEMS

JOINT ECONOMIC COMMITTEE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $460,000 are rescinded.

JOINT COMMITTEE ON PRINTING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $238,137 are rescinded.

OFFICE OF TECHNOLOGY ASSESSMENT

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $650,000 are rescinded.

CONGRESSIONAL BUDGET OFFICE

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $187,000 are rescinded.

ARCHITECT OF THE CAPITOL

CAPITOL BUILDINGS AND GROUNDS

SENATE OFFICE BUILDINGS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $850,000 are rescinded.

CAPITAL POWER PLANT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $1,650,000 are rescinded.

GOVERNMENT PRINTING OFFICE

CONGRESSIONAL PRINTING AND BINDING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $5,000,000 are rescinded.

BOTANIC GARDEN

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available until expended by transfer under this heading in Public Law 103–283, $7,000,000 are rescinded.

GOVERNMENT PRINTING OFFICE

OFFICE OF SUPERINTENDENT OF DOCUMENTS

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $600,000 are rescinded.

LIBRARY OF CONGRESS

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $150,000 are rescinded.

BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $100,000 are rescinded.

GENERAL ACCOUNTING OFFICE

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $8,867,000 are rescinded.

CHAPTER VIII

DEPARTMENT OF DEFENSE—MILITARY CONSTRUCTION

MILITARY CONSTRUCTION, ARMY

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $10,000,000 are rescinded.

MILITARY CONSTRUCTION, NAVY

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $13,050,000 are rescinded.

MILITARY CONSTRUCTION, AIR FORCE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $33,250,000 are rescinded.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $1,340,000 are rescinded.

NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $69,000,000 are rescinded.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART II

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $10,628,000 are rescinded.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART III

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $93,566,000 are rescinded.

CHAPTER IX

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES

OFFICE OF THE SECRETARY

WORKING CAPITAL FUND

(RESCISSION)

The obligation authority under this heading in Public Law 103–331 is hereby reduced by $4,000,000.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the funds made available under this heading, $5,300,000 are rescinded: *Provided,* That the Secretary shall not enter into any contracts for ''Small Community Air Service'' beyond September 30, 1995, which require compensation fixed and determined under subchapter II of chapter 417 of Title 49, United States Code (49 U.S.C. 41731–42) payable by the Department of Transportation: *Provided further,* That no funds under this head shall be available for payments to air carriers under subchapter II.

COAST GUARD

OPERATING EXPENSES

(RESCISSION)

Of the amounts provided under this heading in Public Law 103–331, $3,700,000 are rescinded.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

(RESCISSION)

Of the available balances under this heading, $34,298,000 are rescinded.

ENVIRONMENTAL COMPLIANCE AND RESTORATION

(RESCISSION)

Of the amounts provided under this heading in Public Law 103–331, $400,000 are rescinded.

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

(RESCISSION)

Of the available balances under this heading, $1,000,000 are rescinded: *Provided,* That the following proviso in Public Law 103–331 under this heading is repealed, ''*Provided further,* That of the funds available under this head, $17,500,000 is available only for permanent change of station moves for members of the air traffic work force''.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the available balances under this heading, $31,850,000 are rescinded.

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the available balances under this heading, $7,500,000 are rescinded.

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the available contract authority balances under this account, $1,310,000,000 are rescinded.

HARKIN AMENDMENTS NOS. 522–523

(Ordered to lie on the table.)

Mr. HARKIN submitted two amendments intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill, H.R. 1158, supra; as follows:

AMENDMENT NO. 522

On page 81, between lines 16 and 17, insert the following:

(RESCISSION)

SEC. . Of the funds available under Public Law 103–335 for intelligence activities, $14,400,000 are rescinded.

On page 27, strike lines 4–12.

AMENDMENT NO. 523

On page 68, between lines 6 and 7, insert the following:

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, DEFENSE-WIDE

(RESCISSION)

Of the funds available under this heading in title IV of Public Law 103–335, $100,000,000 are rescinded.

On page 33, line 11, strike ''title IV, $100,000,000.''

KENNEDY AMENDMENTS NOS. 524–526

(Ordered to lie on the table.)

Mr. KENNEDY submitted three amendments intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill H.R. 1158, supra; as follows:

AMENDMENT NO. 524

Strike from page 55, line 1 through page 65, line 26 and insert the following:

DISASTER RELIEF EMERGENCY CONTINGENCY FUND

For necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), $4,590,000,000, to become available on October 1, 1995, and remain available until expended: *Provided,* That such amount shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to Congress: *Provided further,* That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

NATIONAL FLOOD INSURANCE FUND

(TRANSFER OF FUNDS)

Of the funds available from the National Flood Insurance Fund for activities under the National Flood Insurance Reform Act of 1994, an additional amount not to exceed $331,000 shall be transferred as needed to the ''Salaries and expenses'' appropriation for flood mitigation and flood insurance operations, and an additional amount not to exceed $5,000,000 shall be transferred as needed to the ''Emergency management planning and assistance'' appropriation for flood mitigation expenses pursuant to the National Flood Insurance Reform Act of 1994.

DEPARTMENT OF VETERANS AFFAIRS

VETERANS HEALTH ADMINISTRATION

MEDICAL CARE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–327, $50,000,000 are rescinded: *Provided,* That $20,000,000 of this amount is to be taken from the $771,000,000 earmarked for the equipment and land and structures object classifications, which amount does not become available until August 1, 1995: *Provided further,* That of the $16,214,684,000 made available under this heading in Public Law 103–327, the $9,920,819,000 restricted by section 509 of Public Law 103–327 for personnel compensation and benefits expenditures is reduced to $9,890,819,000.

DEPARTMENTAL ADMINISTRATION

CONSTRUCTION, MAJOR PROJECTS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–327 and prior years, $50,000,000 are rescinded.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HOUSING PROGRAMS

NATIONAL HOMEOWNERSHIP TRUST DEMONSTRATION PROGRAM

(RESCISSION)

Of the funds made available under this heading in Public Law 103–327, $50,000,000 are rescinded.

ANNUAL CONTRIBUTIONS FOR ASSISTED HOUSING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–327 and any unobligated balances from funds appropriated under this heading in prior years, $451,000,000 of funds for development or acquisition costs of public housing (including public housing for Indian families) are rescinded, except that such rescission shall not apply to funds for replacement housing for units demolished, reconstructed, or otherwise disposed of (including units to be disposed of pursuant to a homeownership program under section 5(h) or title III of the United States Housing Act of 1937) from the existing public housing inventory, or to funds related to litigation settlements or court orders, and the Secretary shall not be required to make any remaining funds available pursuant to section 213(d)(1)(A) of the Housing and Community Development Act of 1994; $2,406,789,000 of funds for new incremental rental subsidy contracts under the section 8 existing housing certificate program (42 U.S.C. 1437f) and the housing voucher program under section

8(o) of the Act (42 U.S.C. 1437f(o)), including $100,000,000 from new programs and $350,000,000 from pension fund rental assistance as provided in Public Law 103–327, are rescinded, and the remaining authority for such purposes shall be only for units necessary to provide housing assistance for residents to be relocated from existing Federally subsidized or assisted housing, for replacement housing for units demolished, reconstructed, or otherwise disposed of (including units to be disposed of pursuant to a homeownership program under section 5(h) or title III of the United States Housing Act of 1937) from the public housing inventory, for funds related to litigation settlements or court orders, for amendments to contracts to permit continued assistance to participating families, or to enable public housing authorities to implement ''mixed population'' plans for developments housing primarily elderly residents; $500,000,000 of funds for expiring contracts for the tenant-based existing housing certificate program (42 U.S.C. 1437f) and the housing voucher program under section 8(o) of the Act (42 U.S.C. 1437f(o)), provided under the heading ''Assistance for the renewal of expiring section 8 subsidy contracts'' are rescinded, and the Secretary shall require that $500,000,000 of funds held as project reserves by the local administering housing authorities which are in excess of current needs shall be utilized for such renewals; $835,150,000 of amounts earmarked for the modernization of existing public housing projects pursuant to section 14 of the United States Housing Act of 1937 are rescinded and the Secretary may take actions necessary to assure that such rescission is distributed among public housing authorities, to the extent practicable, as if such rescission occurred prior to the commencement of the fiscal year; $106,000,000 of amounts earmarked for special purpose grants are rescinded; $152,500,000 of amounts earmarked for loan management set-asides are rescinded; and $90,000,000 of amounts earmarked for the lead-based paint hazard reduction program are rescinded.

(DEFERRAL)

Of funds made available under this heading in Public Law 103–327 and any unobligated balances from funds appropriated under this heading in prior years, $465,100,000 of amounts earmarked for the preservation of low-income housing programs (excluding $17,000,000 of previously earmarked, plus an additional $5,000,000, for preservation technical assistance grant funds pursuant to section 253 of the Housing and Community Development Act of 1987, as amended) shall not become available for obligation until September 30, 1995: *Provided*, That, notwithstanding any other provision of law, pending the availability of such funds, the Department of Housing and Urban Development may suspend further processing of applications with the exception of applications regarding properties for which an owner's appraisal was submitted on or before February 6, 1995, or for which a notice of intent to transfer the property was filed on or before February 6, 1995.

HOUSING COUNSELING ASSISTANCE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–327, $38,000,000 are rescinded.

NEHEMIAH HOUSING OPPORTUNITIES FUND

(RESCISSION)

Of the funds transferred to this revolving fund in prior years, $17,700,000 are rescinded.

ADMINISTRATIVE PROVISIONS

Section 14 of the United States Housing Act of 1937 is amended by adding at the end the following new subsection:

''(q)(1) Notwithstanding any other provision of law, a public housing agency may use modernization assistance provided under section 14 for any eligible activity currently authorized by this Act or applicable appropriation Acts (including section 5 replacement housing) for a public housing agency, including the demolition of existing units, for replacement housing, for temporary relocation assistance, for drug elimination activities, and in conjunction with other programs; provided the public housing agency consults with the appropriate local government officials (or Indian tribal officials) and with tenants of the public housing development. The public housing agency shall establish procedures for consultation with local government officials and tenants.

''(2) The authorization provided under this subsection shall not extend to the use of public housing modernization assistance for public housing operating assistance.''.

The above amendment shall be effective for assistance appropriated on or before the effective date of this Act.

Section 18 of the United States Housing Act of 1937 is amended by—

(1) inserting ''and'' at the end of subsection (b)(1);

(2) striking all that follows after ''Act'' in subsection (b)(2) and inserting in lieu thereof the following: '', and the public housing agency provides for the payment of the relocation expenses of each tenant to be displaced, ensures that the rent paid by the tenant following relocation will not exceed the amount permitted under this Act and shall not commence demolition or disposition of any unit until the tenant of the unit is relocated;'';

(3) striking (b)(3);

(4) striking ''(1)'' in subsection (c);

(5) striking (c)(2);

(6) inserting before the period at the end of subsection (d) the following: '', provided that nothing in this section shall prevent a public housing agency from consolidating occupancy within or among buildings of a public housing project, or among projects, or with other housing for the purpose of improving the living conditions of or providing more efficient services to its tenants'';

(7) striking ''under section (b)(3)(A)'' in each place it occurs in subsection (e);

(8) redesignating existing subsection (f) as subsection (g); and

(9) inserting a new subsection (f) as follows:

''(f) Notwithstanding any other provision of law, replacement housing units for public housing units demolished may be built on the original public housing site or the same neighborhood if the number of such replacement units is significantly fewer than the number of units demolished.''.

Section 304(g) of the United States Housing Act of 1937 is hereby repealed.

The above two amendments shall be effective for plans for the demolition, disposition or conversion to homeownership of public housing approved by the Secretary on or before September 30, 1995.

Section 8 of the United States Housing Act of 1937 is amended by adding the following new subsection:

''(z) TERMINATION OF SECTION 8 CONTRACTS AND REUSE OF RECAPTURED BUDGET AUTHORITY.—

''(1) GENERAL AUTHORITY.—The Secretary may reuse any budget authority, in whole or part, that is recaptured on account of termination of a housing assistance payments contract (other than a contract for tenant-based assistance) only for one or more of the following:

''(A) TENANT-BASED ASSISTANCE.—Pursuant to a contract with a public housing agency, to provide tenant-based assistance under this section to families occupying units formerly assisted under the terminated contract.

''(B) PROJECT-BASED ASSISTANCE.—Pursuant to a contract with an owner, to attach assistance to one or more structures under this section.

''(2) FAMILIES OCCUPYING UNITS FORMERLY ASSISTED UNDER TERMINATED CONTRACT.—Pursuant to paragraph (1), the Secretary shall first make available tenant- or project-based assistance to families occupying units formerly assisted under the terminated contract. The Secretary shall provide project-based assistance in instances only where the use of tenant-based assistance is determined to be infeasible by the Secretary.

''(3) EFFECTIVE DATE.—This subsection shall be effective for actions initiated by the Secretary on or before September 30, 1995.''.

INDEPENDENT AGENCIES

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–327, $500,000 are rescinded.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

PROGRAM ACCOUNT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–327, $124,000,000 are rescinded.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS OPERATING EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–327, $0 are rescinded.

ENVIRONMENTAL PROTECTION AGENCY

RESEARCH AND DEVELOPMENT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–327, $9,635,000 are rescinded.

ABATEMENT, CONTROL, AND COMPLIANCE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–327, $9,806,805 are rescinded: *Provided*, That notwithstanding any other provision of law, the Environmental Protection Agency shall not be required to site a computer to support the regional acid deposition monitoring program in the Bay City, Michigan, vicinity.

AMENDMENT NO. 525

Strike from page 32, line 8 through page 55, line 16 and insert the following:

Of the funds made available under this heading in Public Law 103–333, –00– are rescinded, including –00– from funds made

available for State and local education systemic improvement, and –00– from funds made available for Federal activities under the Goals 2000: Educate America Act; and –00– are rescinded from funds made available under the School to Work Opportunities Act, including –00– for National programs and –00– for State grants and local partnerships.

EDUCATION FOR THE DISADVANTAGED

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, –00– are rescinded as follows: –00– from the Elementary and Secondary Education Act, title I, part A, –00– from part B, and –00– from part E, section 1501, and $2,000,000 are rescinded from part B of title I of the Elementary and Secondary Education Act of 1965.

IMPACT AID

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $16,293,000 for section 8002 are rescinded.

SCHOOL IMPROVEMENT PROGRAMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $67,417,000 are rescinded as follows: from the Elementary and Secondary Education Act, title II–B, –00–, title IV, –00–, title V–C, $2,000,000, title IX–B, $1,000,000, title X–D, $1,500,000, section 10602, $1,630,000, title XII, $20,000,000, and title XIII–A, $8,900,000; from the Higher Education Act, section 596, $13,875,000; from funds derived from the Violent Crime Reduction Trust Fund, $11,100,000; and from funds for the Civil Rights Act of 1964, title IV, $7,412,000.

BILINGUAL AND IMMIGRANT EDUCATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $6,967,000 are rescinded from funding for title VII of the Elementary and Secondary Education Act.

VOCATIONAL AND ADULT EDUCATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $52,779,000 are rescinded as follows: from the Carl D. Perkins Vocational and Applied Technology Education Act, title III–A, and –B, $43,888,000 and from title IV–A and –C, $8,891,000 from the Adult Education Act, part B–7, –00–.

STUDENT FINANCIAL ASSISTANCE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $10,000,000 are rescinded from funding for the Higher Education Act, title IV, part H–1.

HIGHER EDUCATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $46,583,000 are rescinded as follows: from amounts available for the Higher Education Act, title IV–A, chapter 5, $496,000, title IV–A–2, chapter 1, –00–, title IV–A–2, chapter 2, $600,000, title IV–A–6, $2,000,000, title V–C, subparts 1 and 3, $16,175,000, title IX–B, $10,100,000, title IX–E, $3,500,000, title IX–G, $2,888,000, title X–D, $2,900,000, and title XI–A, $500,000; Public Law 102–325, $1,000,000; and the Excellence in Mathematics, Science, and Engineering Education Act of 1990, $6,424,000.

HOWARD UNIVERSITY

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $3,300,000 are rescinded, including $1,500,000 for construction.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333 for the costs of direct loans, as authorized under part C of title VII of the Higher Education Act, as amended, $168,000 are rescinded, and the authority to subsidize gross loan obligations is repealed. In addition, $322,000 appropriated for administrative expenses are rescinded.

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $600,000 are rescinded as follows: from the Elementary and Secondary Education Act, title III–A, –00–, title III–B, –00–, and title X–B, –00–; from the Goals 2000: Educate America Act, title VI, $600,000.

LIBRARIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $2,916,000 are rescinded from title II, part B, section 222 of the Higher Education Act.

RELATED AGENCIES

CORPORATION FOR PUBLIC BROADCASTING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–112, $26,360,000 are rescinded. Of the funds made available under this heading in Public Law 103–333, $29,360,000 are rescinded.

RAILROAD RETIREMENT BOARD

DUAL BENEFITS PAYMENTS ACCOUNT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $7,000,000 are rescinded.

GENERAL PROVISIONS

FEDERAL DIRECT STUDENT LOAN PROGRAM

SEC. 601. Section 458(a) of the Higher Education Act of 1965 (20 U.S.C. 1087h(a)) is amended—

(1) by striking ''$345,000,000'' and inserting ''$298,000,000''; and

(2) by striking ''$2,500,000,000'' and inserting ''$2,405,000,000''.

SEC. 602. Of the funds made available in fiscal year 1995 to the Department of Labor in Public Law 103–333 for compliance assistance and enforcement activities, $8,975,000 are rescinded.

CHAPTER VII

LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

PAYMENTS TO WIDOWS AND HEIRS OF DECEASED MEMBERS OF CONGRESS

For payment to the family trust of Dean A. Gallo, late a Representative from the State of New Jersey, $133,600.

JOINT ITEMS

JOINT ECONOMIC COMMITTEE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $460,000 are rescinded.

JOINT COMMITTEE ON PRINTING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $238,137 are rescinded.

OFFICE OF TECHNOLOGY ASSESSMENT

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $650,000 are rescinded.

CONGRESSIONAL BUDGET OFFICE

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $187,000 are rescinded.

ARCHITECT OF THE CAPITOL

CAPITOL BUILDINGS AND GROUNDS

SENATE OFFICE BUILDINGS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $850,000 are rescinded.

CAPITAL POWER PLANT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $1,650,000 are rescinded.

GOVERNMENT PRINTING OFFICE

CONGRESSIONAL PRINTING AND BINDING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $5,000,000 are rescinded.

BOTANIC GARDEN

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available until expended by transfer under this heading in Public Law 103–283, $7,000,000 are rescinded.

GOVERNMENT PRINTING OFFICE

OFFICE OF SUPERINTENDENT OF DOCUMENTS

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $600,000 are rescinded.

LIBRARY OF CONGRESS

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $150,000 are rescinded.

BOOKS FOR THE BLIND AND PHYSICALLY HANDICAPPED

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $100,000 are rescinded.

GENERAL ACCOUNTING OFFICE

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–283, $8,867,000 are rescinded.

CHAPTER VIII

DEPARTMENT OF DEFENSE—MILITARY CONSTRUCTION

MILITARY CONSTRUCTION, ARMY

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $10,000,000 are rescinded.

MILITARY CONSTRUCTION, NAVY

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $13,050,000 are rescinded.

MILITARY CONSTRUCTION, AIR FORCE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $33,250,000 are rescinded.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $1,340,000 are rescinded.

NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $69,000,000 are rescinded.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART II

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $10,628,000 are rescinded.

BASE REALIGNMENT AND CLOSURE ACCOUNT, PART III

(RESCISSION)

Of the funds made available under this heading in Public Law 103–307, $93,566,000 are rescinded.

CHAPTER IX

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES

OFFICE OF THE SECRETARY

WORKING CAPITAL FUND

(RESCISSION)

The obligation authority under this heading in Public Law 103–331 is hereby reduced by $4,000,000.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the funds made available under this heading, $5,300,000 are rescinded: *Provided*, That the Secretary shall not enter into any contracts for ''Small Community Air Service'' beyond September 30, 1995, which require compensation fixed and determined under subchapter II of chapter 417 of Title 49, United States Code (49 U.S.C. 41731–42) payable by the Department of Transportation: *Provided further*, That no funds under this head shall be available for payments to air carriers under subchapter II.

COAST GUARD

OPERATING EXPENSES

(RESCISSION)

Of the amounts provided under this heading in Public Law 103–331, $3,700,000 are rescinded.

ACQUISITION, CONSTRUCTION, AND IMPROVEMENTS

(RESCISSION)

Of the available balances under this heading, $34,298,000 are rescinded.

ENVIRONMENTAL COMPLIANCE AND RESTORATION

(RESCISSION)

Of the amounts provided under this heading in Public Law 103–331, $400,000 are rescinded.

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

(RESCISSION)

Of the available balances under this heading, $1,000,000 are rescinded: *Provided*, That the following proviso in Public Law 103–331 under this heading is repealed, ''*Provided further*, That of the funds available under this head, $17,500,000 is available only for permanent change of station moves for members of the air traffic work force''.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the available balances under this heading, $31,850,000 are rescinded.

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the available balances under this heading, $7,500,000 are rescinded.

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION)

Of the available contract authority balances under this account, $1,300,000,000 are rescinded.

FEDERAL HIGHWAY ADMINISTRATION

LIMITATION ON GENERAL OPERATING EXPENSES

(RESCISSION)

The obligation limitation under this heading in Public Law 103–331 is hereby reduced by $45,950,000.

FEDERAL-AID HIGHWAYS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

(RESCISSION)

The obligation limitation under this heading in Public Law 103–331 is hereby reduced by $123,590,000, of which $27,640,000 shall be deducted from amounts made available for the Applied Research and Technology Program authorized under section 307(e) of title 23, United States Code, and $50,000,000 shall be deducted from the amounts available for the Congestion Pricing Pilot Program authorized under section 1002(b) of Public Law 102–240, and $45,950,000 shall be deducted from the limitation on General Operating Expenses: *Provided*, That the amounts deducted from the aforementioned programs are rescinded.

FEDERAL-AID HIGHWAYS

EMERGENCY RELIEF PROGRAM

(HIGHWAY TRUST FUND)

(RESCISSION)

Of the amounts provided under this heading in Public Law 103–211, $50,000,000 are rescinded.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

HIGHWAY TRAFFIC SAFETY GRANTS

(HIGHWAY TRUST FUND)

(RESCISSION)

Of the available balances of contract authority under this heading, $20,000,000 are rescinded.

FEDERAL RAILROAD ADMINISTRATION

OFFICE OF THE ADMINISTRATOR

(TRANSFER OF FUNDS)

Section 341 of Public Law 103–331 is amended by deleting ''and received from the Delaware and Hudson Railroad,'' after ''amended,''.

NORTHEAST CORRIDOR IMPROVEMENT PROGRAM

(RESCISSION)

Of the amounts provided under this heading in Public Law 103–331, $7,768,000 are rescinded.

NATIONAL MAGNETIC LEVITATION PROTOTYPE DEVELOPMENT PROGRAM

(HIGHWAY TRUST FUND)

(RESCISSION)

Of the available balances of contract authority under this heading, $250,000,000 are rescinded.

FEDERAL TRANSIT ADMINISTRATION

DISCRETIONARY GRANTS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

(RESCISSION)

The obligation limitation under this heading in Public Law 103–331 is hereby reduced by $17,650,000: *Provided*, That such reduction shall be made from obligational authority available to the Secretary for the replacement, rehabilitation, and purchase of buses and related equipment and the construction of bus-related facilities.

Notwithstanding Section 313 of Public Law 103–331, the obligation limitations under this heading in the following Department of Transportation and Related Agencies Appropriations Acts are reduced by the following amounts:

Public Law 102–143, $62,833,000, to be distributed as follows:

(a) $2,563,000, for the replacement, rehabilitation, and purchase of buses and related equipment and the construction of bus-related facilities: *Provided*, That the foregoing reduction shall be distributed according to the reductions identified in Senate Report 104–17, for which the obligation limitation in Public Law 102–143 was applied; and

(b) $60,270,000, for new fixed guideway systems, to be distributed as follows:

$2,000,000, for the Cleveland Dual Hub Corridor Project;

$930,000, for the Kansas City-South LRT Project;

$1,900,000, for the San Diego Mid-Coast Extension Project;

$34,200,000, for the Hawthorne-Warwick Commuter Rail Project;

$8,000,000, for the San Jose-Gilroy Commuter Rail Project;

$3,240,000, for the Seattle-Tacoma Commuter Rail Project; and

$10,000,000, for the Detroit LRT Project.

Public Law 101–516, $4,460,000, for new fixed guideway systems, to be distributed as follows:

$4,460,000 for the Cleveland Dual Hub Corridor Project.

GENERAL PROVISIONS

(INCLUDING RESCISSIONS)

SEC. 901. Of the funds provided in Public Law 103–331 for the Department of Transportation working capital fund (WCF), $4,000,000 are rescinded, which limits fiscal year 1995 WCF obligational authority for elements of the Department of Transportation funded in Public Law 103–331 to no more than $89,000,000.

SEC. 902. Of the total budgetary resources available to the Department of Transportation (excluding the Maritime Administration) during fiscal year 1995 for civilian and military compensation and benefits and other administrative expenses, $10,000,000 are permanently canceled.

SEC. 903. Section 326 of Public Law 103–122 is hereby amended to delete the words ''or previous Acts'' each time they appear in that section.

CHAPTER X

TREASURY, POSTAL SERVICE, AND GENERAL GOVERNMENT

INDEPENDENT AGENCIES

GENERAL SERVICES ADMINISTRATION

FEDERAL BUILDINGS FUND

(TRANSFER OF FUNDS)

Of the funds made available for the Federal Buildings Fund in Public Law 103–329, $5,000,000 shall be made available by the General Services Administration to implement an agreement between the Food and Drug Administration and another entity for space, equipment and facilities related to seafood research.

OFFICE OF PERSONNEL MANAGEMENT

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE BENEFITS

For an additional amount for ''Government payment for annuitants, employee life insurance'', $9,000,000 to remain available until expended.

DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–329, $100,000 are rescinded.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–329, $160,000 are rescinded.

UNITED STATES MINT

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

In the paragraph under this heading in Public Law 103–329, insert ''not to exceed'' after ''of which''.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–123, $1,500,000 are rescinded.

INTERNAL REVENUE SERVICE

INFORMATION SYSTEMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–329, $1,490,000 are rescinded.

ADMINISTRATIVE PROVISION—INTERNAL REVENUE SERVICE

In the paragraph under this heading in Public Law 103–329, in section 3, after ''$119,000,000'', insert ''annually''.

EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

THE WHITE HOUSE OFFICE

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–329, $171,000 are rescinded.

FEDERAL DRUG CONTROL PROGRAMS

SPECIAL FORFEITURE FUND

(INCLUDING TRANSFER AND RESCISSION OF FUNDS)

For activities authorized by Public Law 100–690, an additional amount of $13,200,000, to remain available until expended for transfer to the United States Customs Service, ''Salaries and expenses'' for carrying out border enforcement activities: *Provided,* That of the funds made available under this heading in Public Law 103–329, $13,200,000 are rescinded.

INDEPENDENT AGENCIES

In lieu of the language proposed to be inserted, insert the following:

Of the funds made available under this heading in Public Laws 101–136, 101–509, 102–27, 102–141, 103–123, 102–393, 103–329, $1,842,885,000 are rescinded from the following projects in the following amounts:

Alabama:

Montgomery, U.S. Courthouse annex, $46,320,000

Arkansas:

Little Rock, Courthouse, $13,816,000

Arizona:

Bullhead City, FAA grant, $2,200,000

Lukeville, commercial lot expansion, $1,219,000

Nogales, Border Patrol, headquarters, $2,998,000

Phoenix, U.S. Federal Building, Courthouse, $121,890,000

San Luis, primary lane expansion and administrative office space, $3,496,000

Sierra Vista, U.S. Magistrates office, $1,000,000

Tucson, Federal Building, U.S. Courthouse, $121,890,000

California:

Menlo Park, United States Geological Survey office laboratory building, $6,868,000

Sacramento, Federal Building-U.S. Courthouse, $142,902,000

San Diego, Federal Building-Courthouse, $3,379,000

San Francisco, Lease purchase, $9,702,000

San Francisco, U.S. Courthouse, $4,378,000

San Francisco, U.S. Court of Appeals annex, $9,003,000

San Pedro, Customhouse, $4,887,000

Colorado:

Denver, Federal Building-Courthouse, $8,006,000

District of Columbia:

Central and West heating plants, $5,000,000

Corps of Engineers, headquarters, $37,618,000

General Services Administration, Southeast Federal Center, headquarters, $25,000,000

U.S. Secret Service, headquarters, $113,084,000

Florida:

Ft. Myers, U.S. Courthouse, $24,851,000

Jacksonville, U.S. Courthouse, $10,633,000

Tampa, U.S. Courthouse, $14,998,000

Georgia:

Albany, U.S. Courthouse, $12,101,000

Atlanta, Centers for Disease Control, site acquisition and improvement, $25,890,000

Atlanta, Centers for Disease Control, $14,110,000

Atlanta, Centers for Disease Control, Roybal Laboratory, $47,000,000

Savannah, U.S. Courthouse annex, $3,000,000

Hawaii:

Hilo, federal facilities consolidation, $12,000,000

Illinois:

Chicago, SSA DO, $2,167,000

Chicago, Federal Center, $47,682,000

Chicago, Dirksen building, $1,200,000

Chicago, J.C. Kluczynski building, $13,414,000

Indiana:

Hammond, Federal Building, U.S. Courthouse, $52,272,000

Jeffersonville, Federal Center, $13,522,000

Kentucky:

Covington, U.S. Courthouse, $2,914,000

London, U.S. Courthouse, $1,523,000

Louisiana:

Lafayette, U.S. Courthouse, $3,295,000

Maryland:

Avondale, DeLaSalle building, $16,671,000

Bowie, Bureau of Census, $27,877,000

Prince Georges/Montgomery Counties, FDA consolidation, $284,650,000

Woodlawn, SSA building, $17,292,000

Masschusetts:

Boston, U.S. Courthouse, $4,076,000

Missouri:

Cape Girardeau, U.S. Courthouse, $3,688,000

Kansas City, U.S. Courthouse, $100,721,000

Nebraska:

Omaha, Federal Building, U.S. Courthouse, $9,291,000

Nevada:

Las Vegas, U.S. Courthouse, $4,230,000

Reno, Federal Building-U.S. Courthouse, $1,465,000

New Hampshire:

Concord, Federal Building-U.S. Courthouse, $3,519,000

New Jersey:

Newark, parking facility, $9,000,000

Trenton, Clarkson Courthouse, $14,107,000

New Mexico:

Albuquerque, U.S. Courthouse, $47,459,000

Santa Teresa, Border Station, $4,004,000

New York:

Brooklyn, U.S. Courthouse, $43,717,000

Holtsville, IRS Center, $19,183,000

Long Island, U.S. Courthouse, $27,198,000

North Dakota:

Fargo, Federal Building-U.S. Courthouse, $20,105,000

Pembina, Border Station, $93,000

Ohio:

Cleveland, Celebreeze Federal Building, $10,972,000

Cleveland, U.S. Courthouse, $28,246,000

Steubenville, U.S. Courthouse, $2,820,000

Youngstown, Federal Building—U.S. Courthouse, $4,574,000

Oklahoma:

Oklahoma City, Murrah Federal Building, $5,290,000

Oregon:

Portland, U.S. Courthouse, $5,000,000

Pennsylvania:

Philadelphia, Byrne-Green Federal Building—Courthouse, $30,628,000

Philadelphia, Nix Federal building—Courthouse, $13,814,000

Philadelphia, Veterans Administration, $1,276,000

Scranton, Federal Building—U.S. Courthouse, $9,969,000

Rhode Island:

Providence, Kennedy Plaza Federal Courthouse, $7,740,000

South Carolina:

Columbia, U.S. Courthouse annex, $592,000

Tennessee:

Greeneville, U.S. Courthouse, $2,936,000

Texas:

Austin, Veterans Administration annex, $1,028,000

Brownsville, U.S. Courthouse, $4,339,000

Corpus Christi, U.S. Courthouse, $6,446,000

Laredo, Federal Building—U.S. Courthouse, $5,986,000

Lubbock, Federal Building—Courthouse, $12,167,000

Ysleta, site acquisition and construction, $1,727,000

U.S. Virgin Islands:

Charlotte Amalie, St. Thomas, U.S. Courthouse, $2,184,000

Virginia:

Richmond, Courthouse annex, $12,509,000

Washington:

Blaine, Border Station, $4,472,000

Point Roberts, Border Station, $698,000

Seattle, U.S. Courthouse, $10,949,000

Walla Walla, Corps of Engineers building, $2,800,000

West Virginia:

Beckley, Federal Building—U.S. Courthouse, $33,097,000

Martinsburg, IRS center, $4,494,000

Wheeling, Federal Building—U.S. Courthouse, $35,829,000

Nationwide chlorofluorocarbons program, $12,300,000

Nationwide energy program, $15,300,000

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–329, $3,140,000 are rescinded.

CHAPTER XI

DEPARTMENTS OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND INDEPENDENT AGENCIES

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

For an additional amount for ''Disaster Relief'' for necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), $1,900,000,000, to remain available until expended: *Provided*, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

DISASTER RELIEF EMERGENCY CONTINGENCY FUND

For necessary expenses in carrying out the functions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), $4,800,000,000, to become available on October 1, 1995, and remain available until expended: *Provided*, That such amount shall be available only to the extent that an official budget request for a specific dollar amount, that includes designation of the entire amount of the request as an emergency requirement as defined in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, is transmitted by the President to Congress: *Provided further*, That such amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

HATFIELD AMENDMENT NO. 526

(Ordered to lie on the table.)

Mr. HATFIELD submitted an amendment intended to be proposed by him to the bill H.R. 1158, supra; as follows:

On page 9, line 12, of the Committee substitute, strike ''$37,600,000'' and inset in lieu thereof ''$30,600,000''.

GRAMM AMENDMENT NO. 527

(Ordered to lie on the table.)

Mr. GRAMM submitted an amendment intended to be proposed by him amendment No. 420 proposed by Mr. HATFIELD to the bill H.R. 1158, supra; as follows:

On page 10, line 6 of the Committee substitute, insert the following:

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

INFORMATION INFRASTRUCTURE GRANTS

(RESCISSION)

Of the amounts made available under this heading in Public Law 103–317, $15,000,000 are rescinded.

REID AMENDMENT NO. 528

(Ordered to lie on the table.)

Mr. REID submitted an amendment intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill H.R. 1158, supra; as follows:

At the appropriate place, insert the following:

PROHIBITION OF BENEFITS FOR INDIVIDUALS NOT LAWFULLY WITHIN THE UNITED STATES

SEC. . None of the funds made available in this Act may be used to provide any benefit or assistance to any individual in the United States when it is known to a Federal entity or official to which the funds are made available that—

(1) the individual is not lawfully within the United States;

(2) the direct Federal assistance or benefit to be provided is other than search and rescue; emergency medical care; emergency mass care; emergency shelter; clearance of roads and construction of temporary bridges necessary to the performance of emergency tasks and essential community services; warning of further risks or hazards; dissemination of public information and assistance regarding health and safety measures; the provision of food, water, medicine, and other essential needs, including movement of supplies or persons; and reduction of immediate threats to life, property, and public health and safety;

(3) temporary housing assistance provided in this Act may be made available to individuals and families for a period of up to 90 days without regard to the requirements of paragraph (4);

(4) immediately upon the enactment of this Act, other than for the purposes set forth in paragraphs (2) and (3), any Federal entity or official who makes available funds under this Act shall take reasonable steps to determine whether any individual or company seeking to obtain such funds is lawfully within the United States;

(5) in no case shall such Federal entity, official, or their agent discriminate against any individual with respect to filing, inquiry, or adjudication of an application for funding on the bases of race, color, creed, handicap, religion, gender, national origin, citizenship status, or form of lawful immigration status; and

(6) the implementation of this section shall not require the publication or implementation of any intervening regulations.

KENNEDY (AND DODD) AMENDMENT NO. 529

(Ordered to lie on the table.)

Mr. KENNEDY (for himself and Mr. DODD) submitted an amendment intended to be proposed by them to amendment No. 420 proposed by Mr. HATFIELD to the bill H.R. 1158, supra; as follows:

On page 31, strike lines 10 through 18 and insert the following:

DISASTER RELIEF EMERGENCY CONTINGENCY FUND

Notwithstanding any other provision of this Act, the amount available under the heading ''Disaster Relief Emergency Contingency Fund'' in chapter XI shall be reduced by $50,400,000.

GRAMM AMENDMENT NO. 530

(Ordered to lie on the table.)

Mr. GRAMM submitted an amendment intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill H.R. 1158, supra; as follows:

On page 9 of the substitute amendment, strike line 7 through line 16 and insert the following:

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH AND FACILITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $32,600,000 are rescinded.

CONSTRUCTION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $13,000,000 are rescinded.

LEAHY AMENDMENTS NOS. 531–532

(Ordered to lie on the table.)

Mr. LEAHY submitted two amendments intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill H.R. 1158, supra; as follows:

AMENDMENT NO. 531

On page 7, strike out line 13 and all that follows through page 7, line 17, and insert the following:

Notwithstanding any other provision of this Act, that may rescind a greater amount under the heading:

''RELATED AGENCIES

CORPORATION FOR PUBLIC BROADCASTING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–112, $19,070,000 are rescinded.''

AMENDMENT NO. 532

On page 36, strike lines 6–12 and insert the following:

RELATED AGENCIES

CORPORATION FOR PUBLIC BROADCASTING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–112, $19,070,000 are rescinded. Of the funds made available under this heading in Public Law 103–333, $11,360,000 are rescinded.

MACK AMENDMENT NO. 533

(Ordered to lie on the table.)

Mr. MACK submitted an amendment intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill H.R. 1158, supra; as follows:

On page 81, between lines 13 and 14, insert the following:

SEC. . PROHIBITION OF RETROACTIVE APPLICATION OF OUTER CONTINENTAL SHELF LANDS ACT.

None of the funds made available in any appropriations Act for fiscal year 1995 may be used by the Minerals Management Service of the Department of the Interior to apply or enforce Section 8(k) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(k)) to any contract for the removal of sand, gravel or shell resources from the Outer Continental Shelf executed prior to the enactment of Public Law 103–426.

KENNEDY AMENDMENT NO. 534

(Ordered to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill H.R. 1158, supra; as follows:

At the end of Amendment 420 insert:

''It is the sense of the Senate that—

''(1) the Congress of the United States should act as quickly as possible to amend the Internal Revenue Code to end the tax avoidance by United States citizens who relinquish their United States citizenship; and

''(2) The effective date of such amendment to the Internal Revenue Code should be February 6, 1995.''

BURNS AMENDMENT NO. 535

(Ordered to lie on the table.)

Mr. BURNS submitted an amendment intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill 1158, supra; as follows:

At the appropriate place, insert:

(a) SCHEDULE FOR NEPA COMPLIANCE.—Each National Forest System unit shall establish and adhere to a schedule for the completion of NEPA analysis and decisions on all allotments within the National Forest System unit for which NEPA analysis is needed. The schedule for completion of NEPA analysis and decisions shall not extend beyond December 31, 2004.

(b) RE-ISSUANCE PENDING NEPA COMPLIANCE.—Notwithstanding any other law, term grazing permits which expire or are waived before the date scheduled for the NEPA analysis and decision pursuant to the schedule developed by individual Forest Service System units, shall be issued on the same terms and conditions and for the full term of the expired or waived permit. Upon completion of scheduled NEPA analysis and decision for the allotment, the terms and conditions of existing grazing permits may be modified or re-issued.

LEVIN (AND OTHERS) AMENDMENT NO. 536

(Ordered to lie on the table.)

Mr. LEVIN (for himself, Mr. SPECTER, Mr. KOHL, Mr. GLENN, Mr. SANTORUM, and Mr. SIMON) submitted an amendment intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill H.R. 1158, supra; as follows:

On page 7, strike line 23 and insert the following: ''Public Law 103–317, $3,000,000 and rescinded. Notwithstanding any other provision of law, $2,000,000 of the amount rescinded under the preceding sentence may be deducted from the total amount of unobligated funds in the Immigration Emergency Fund.

''Notwithstanding any other provision of this Act, of the funds made available under the heading 'Department of Commerce—National Oceanic and Atmospheric Administration—Operations, Research, and Facilities' in Public Law 103–317, $35,600,000 are rescinded.''.

LAUTENBERG AMENDMENT NO. 537

(Ordered to lie on the table.)

Mr. LAUTENBERG submitted an amendment intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill H.R. 1158, supra; as follows:

On page 43, line 17, strike the numeral and insert $1,318,000,000.

On page 46, strike all beginning on line 6 through the end of line 11.

KENNEDY AMENDMENT NO. 538

(Ordered to lie on the table.)

Mr. KENNEDY submitted an amendment intended to be proposed by him to amendment No. 420 proposed by Mr. HATFIELD to the bill H.R. 1158, supra; as follows:

On page 36 after line 5, insert:

''PROGRAM ADMINISTRATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $4,424,000 are rescinded.''

On page 34, line 18, strike $57,783,000, and insert in lieu ''$53,359,000''.

On Page 35, line 2, strike $6,424,000, and insert in lieu of ''$2,000,000''.

LEAHY (AND HARKIN) AMENDMENT NO. 539

(Ordered to lie on the table.)

Mr. LEAHY (for himself and Mr. HARKIN) submitted an amendment intended to be proposed by them to the bill H.R. 1158, supra; as follows:

In lieu of the matter proposed to be inserted, insert:

INTERNATIONAL BROADCASTING OPERATIONS

(RESCISSION)

Of the funds made available under this heading to the Board for International Broadcasting in Public Law 103–317, $95,000,000 are rescinded.

DEPARTMENT OF JUSTICE

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $1,000,000 are rescinded.

GENERAL ADMINISTRATION

WORKING CAPITAL FUND

(RESCISSION)

Of the unobligated balances available under this heading in Public Law 103–317, $5,000,000 are rescinded.

LEGAL ACTIVITIES

ASSET FORFEITURE FUND

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $5,000,000 are rescinded.

OFFICE OF JUSTICE PROGRAMS

DRUG COURTS

(RESCISSION)

Of the funds made available under this heading in title VIII of Public Law 103–317, $17,100,000 are rescinded.

OUNCE OF PREVENTION COUNCIL

(INCLUDING RESCISSION)

Of the funds made available under this heading in title VIII of Public Law 103–317, $1,000,000 are rescinded.

In addition, under this heading in Public Law 103–317, after the word ''grants'', insert the following: ''and administrative expenses''. After the word ''expended'', insert the following: *Provided*, That the Council is authorized to accept, hold, administer, and use gifts, both real and personal, for the purpose of aiding or facilitating the work of the Council''.

DEPARTMENT OF COMMERCE

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $19,500,000 are rescinded.

INDUSTRIAL TECHNOLOGY SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317 for the Manufacturing Extension Partnership and the Quality Program, $27,100,000 are rescinded.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $37,600,000 are rescinded.

CONSTRUCTION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $8,000,000 are rescinded

TECHNOLOGY ADMINISTRATION

UNDER SECRETARY FOR TECHNOLOGY/OFFICE OF TECHNOLOGY POLICY

SALARIES AND EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $1,500,000 are rescinded.

NATIONAL TECHNICAL INFORMATION SERVICE

NTIS REVOLVING FUND

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $7,600,000 are rescinded.

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

(RESCISSIONS)

Of unobligated balances available under this heading pursuant to Public Law 103–75, Public Law 102–368, and Public Law 103–317, $47,384,000 are rescinded.

THE JUDICIARY

COURT OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

UNITED STATES COURT OF INTERNATIONAL TRADE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $1,000,000 are rescinded.

DEFENDER SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $4,100,000 are rescinded.

RELATED AGENCY

BUSINESS LOANS PROGRAM ACCOUNT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $15,000,000 are rescinded.

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

DIPLOMATIC AND CONSULAR PROGRAMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $2,000,000 are rescinded.

ACQUISITION AND MAINTENANCE OF BUILDING ABROAD

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $30,000,000 are rescinded.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING

ACTIVITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $14,617,000 are rescinded.

RELATED AGENCIES

ARMS CONTROLS AND DISARMAMENT AGENCY

ARMS CONTROL AND DISARMAMENT ACTIVITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $4,000,000 are rescinded, of which $2,000,000 are from funds made available for activities related to the implementation of the Chemical Weapons Convention.

BOARD FOR INTERNATIONAL BROADCASTING

ISRAEL RELAY STATION

(RESCISSION)

From unobligated balances available under this heading, $2,000,000 are rescinded.

UNITED STATES INFORMATION AGENCY

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–317, $5,000,000 are rescinded.

RADIO CONSTRUCTION

(RESCISSION)

Of the funds made available under this heading, $6,000,000 are rescinded.

RADIO FREE ASIA

(RESCISSION)

Of the funds made available under this heading, $6,000,000 are rescinded.

CHAPTER III

ENERGY AND WATER DEVELOPMENT

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

GENERAL INVESTIGATIONS

(RESCISSIONS)

Of the funds made available under this heading in Public Law 103–316 and prior years' Energy and Water Development Appropriations Act, $10,000,000 are rescinded.

CONSTRUCTION, GENERAL

(RESCISSIONS)

Of the funds made available under this heading in Public Law 103–316 and prior years' Energy and Water Development Appropriations Act, $50,000,000 are rescinded.

DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

OPERATION AND MAINTENANCE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–316, $10,000,000 are rescinded.

DEPARTMENT OF ENERGY

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–316, $81,500,000 are rescinded.

ATOMIC ENERGY DEFENSE ACTIVITIES

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

(RESCISSIONS)

Of the amounts made available under this heading in Public Law 103–316 and prior years' Energy and Water Development Acts, $113,000,000 are rescinded.

MATERIALS SUPPORT AND OTHER DEFENSE PROGRAMS

(RESCISSIONS)

Of the amounts made available under this heading in Public Law 103–316, and prior years' Energy and Water Development Acts, $15,000,000 are rescinded.

DEPARTMENTAL ADMINISTRATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–316, $20,000,000 are rescinded.

POWER MARKETING ADMINISTRATIONS

CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE, WESTERN AREA POWER ADMINISTRATION

(RESCISSIONS)

Of the amounts made available under this heading in Public Law 103–316 and prior years' Energy and Water Development Acts, $30,000,000 are rescinded.

INDEPENDENT AGENCIES

APPALACHIAN REGIONAL COMMISSION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–316, $10,000,000 are rescinded.

TENNESSEE VALLEY AUTHORITY

TENNESSEE VALLEY AUTHORITY FUND

(RESCISSION)

Of the funds made available under this heading in Public Law 103–316, $5,000,000 are rescinded.

CHAPTER IV

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS

(RESCISSION)

Of the unearmarked and unobligated balances of funds available in Public Law 103–87 and Public Law 103–306, $100,000,000 are rescinded: *Provided*, That not later than thirty days after the enactment of this Act the Director of the Office of Management and Budget shall submit a report to Congress setting forth the accounts and amounts which are reduced pursuant to this paragraph.

CHAPTER V

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

MANAGEMENT OF LANDS AND RESOURCES

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $70,000 are rescinded, to be derived from amounts available for developing and finalizing the Roswell Resource Management Plan/Environmental Impact Statement and the Carlsbad Resource Management Plan Amendment/Environmental Impact Statement: *Provided*, That none of the funds made available in such Act or any other appropriations Act may be used for finalizing or implementing either such plan.

CONSTRUCTION AND ACCESS

(RESCISSIONS)

Of the funds available under this heading in Public Law 103–332, Public Law 103–138, and Public Law 102–381, $2,100,000 are rescinded.

LAND ACQUISITION

(RESCISSIONS)

Of the funds available under this heading in Public Law 102–381, Public Law 102–381, Public Law 101–121, and Public Law 100–446, $1,497,000 are rescinded.

UNITED STATES FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT

(RESCISSIONS)

Of the funds available under this heading in Public Law 103–332, $3,000,000 are rescinded.

CONSTRUCTION

(RESCISSIONS)

Of the funds available under this heading or the heading Construction and Anadromous Fish in Public Law 103–332, Public Law 103–138, Public Law 103–75, Public Law 102–381, Public Law 102–154, Public Law 102–368, Public Law 101–512, Public Law 101–121, Public Law 100–446, and Public Law 100–202, $13,215,000 are rescinded.

LAND ACQUISITION

(RESCISSIONS)

Of the funds available under this heading in Public Law 103–332, Public Law 103–138, Public Law 102–381, and Public Law 101–512, $3,893,000 are rescinded.

NATIONAL BIOLOGICAL SURVEY

RESEARCH, INVENTORIES, AND SURVEYS

(RESCISSIONS)

Of the funds available under this heading in Public Law 103–332 and Public Law 103–138, $12,544,000 are rescinded.

NATIONAL PARK SERVICE

CONSTRUCTION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $25,970,000 are rescinded.

URBAN PARK AND RECREATION FUND

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $7,480,000 are rescinded.

LAND ACQUISITION AND STATE ASSISTANCE

(RESCISSIONS)

Of the funds available under this heading in Public Law 103–332, Public Law 103–138, Public Law 102–381, Public Law 102–154, Public Law 101–512, Public Law 101–121, Public Law 100–446, Public Law 100–202, Public Law 99–190, Public Law 98–473, and Public Law 98–146, $11,297,000 are rescinded.

MINERALS MANAGEMENT SERVICE

ROYALTY AND OFFSHORE MINERALS MANAGEMENT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–332, $814,000 are rescinded.

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $11,350,000 are rescinded: *Provided*, That the first proviso under this head in Public Law 103–332 is amended by striking ''$330,111,000'' and inserting in lieu thereof ''$329,361,000''.

CONSTRUCTION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $9,571,000 are rescinded.

INDIAN DIRECT LOAN PROGRAM ACCOUNT

(RESCISSION)

Of the funds provided under this heading in Public Law 103–332, $1,900,000 are rescinded.

TERRITORIAL AND INTERNATIONAL AFFAIRS

ADMINISTRATION OF TERRITORIES

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $1,900,000 are rescinded.

TRUST TERRITORY OF THE PACIFIC ISLANDS

(RESCISSION)

Of the funds available under this heading in Public Law 99–591, $32,139,000 are rescinded.

COMPACT OF FREE ASSOCIATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–332, $1,000,000 are rescinded.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

FOREST RESEARCH

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $6,000,000 are rescinded.

STATE AND PRIVATE FORESTRY

(RESCISSIONS)

Of the funds available under this heading in Public Law 103–332 and Public Law 103–138, $6,250,000 are rescinded.

INTERNATIONAL FORESTRY

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $3,000,000 are rescinded.

CONSTRUCTION

(RESCISSIONS)

Of the funds available under this heading in Public Law 103–332, Public Law 103–138 and Public Law 102–381, $7,824,000 are rescinded: *Provided,* That the first proviso under this head in Public Law 103–332 is amended by striking ''1994'' and inserting in lieu thereof ''1995''.

LAND ACQUISITION

(RESCISSIONS)

Of the funds available under this heading in Public Law 103–332, Public Law 103–138 and Public Law 102–381, $3,020,000 are rescinded.

DEPARTMENT OF ENERGY

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $20,750,000 are rescinded.

NAVAL PETROLEUM AND OIL SHALE RESERVES

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $11,000,000 are rescinded.

ENERGY CONSERVATION

(RESCISSIONS)

Of the funds available under this heading in Public Law 103–332, $34,928,000 are rescinded.

Of the funds available under this heading in Public Law 103–138, $13,700,000 are rescinded.

DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

INDIAN EDUCATION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $2,000,000 are rescinded.

OTHER RELATED AGENCIES

SMITHSONIAN INSTITUTION

CONSTRUCTION AND IMPROVEMENTS, NATIONAL ZOOLOGICAL PARK

(RESCISSIONS)

Of the funds available under this heading in Public Law 102–381 and Public Law 103–138, $1,000,000 are rescinded.

CONSTRUCTION

(RESCISSIONS)

Of the funds made available under this heading in Public Law 102–154, Public Law 102–381, Public Law 103–138 and Public Law 103–332, $11,237,000 are rescinded: *Provided,* That of the amounts proposed herein for rescission, $2,500,000 are from funds previously appropriated for the National Museum of the American Indian: *Provided further,* That notwithstanding any other provision of law, the provisions of the Davis-Bacon Act shall not apply to any contract associated with the construction of facilities for the National Museum of the American Indian.

NATIONAL GALLERY OF ART

REPAIR, RESTORATION AND RENOVATION OF BUILDINGS

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $407,000 are rescinded.

JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

CONSTRUCTION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $3,000,000 are rescinded.

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

SALARIES AND EXPENSES

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $1,000,000 are rescinded.

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

NATIONAL ENDOWMENT FOR THE ARTS

GRANTS AND ADMINISTRATION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $5,000,000 are rescinded.

NATIONAL ENDOWMENT FOR THE HUMANITIES

GRANTS AND ADMINISTRATION

(RESCISSION)

Of the funds available under this heading in Public Law 103–332, $5,000,000 are rescinded.

GENERAL PROVISIONS

SEC. 501. No funds made available in any appropriations Act may be used by the Department of the Interior, including but not limited to the United States Fish and Wildlife Service and the National Biological Service, to search for the Alabama sturgeon in the Alabama River, the Cahaba River, the Tombigbee River or the Tennessee-Tombigbee Waterway in Alabama or Mississippi.

SEC. 502. (a) None of the funds made available in Public Law 103–332 may be used by the United States Fish and Wildlife Service to implement or enforce special use permit numbered 72030.

(b) The Secretary of the Interior shall immediately reinstate the travel guidelines specified in special use permit numbered 65715 for the visiting public and employees of the Virginia Department of Conservation and Recreation at Back Bay National Wildlife Refuge, Virginia. Such guidelines shall remain in effect until such times as an agreement described in subsection (c) becomes effective, but in no case shall remain in effect after September 30, 1995.

(c) It is the sense of Congress that the Secretary of the Interior and the Governor of Virginia should negotiate and enter into a long term agreement concerning resources management and public access with respect to Back Bay National Wildlife Refuge and False Cape State Park, Virginia, in order to improve the implementation of the missions of the Refuge and Park.

SEC. 503. (a) No funds available to the Forest Service may be used to implement Habitat Conservation Areas in the Tongass National Forest for species which have not been declared threatened or endangered pursuant to the Endangered Species Act, except that with respect to goshawks the Forest Service may impose interim Goshawk Habitat Conservation Areas not to exceed 300 acres per active nest consistent with the guidelines utilized in national forests in the continental United States.

(b) The Secretary will notify Congress within 30 days of any timber sales which may be delayed or canceled due to the Goshawk Habitat Conservation Areas described in subsection (a).

SEC. 504. RENEWAL OF PERMITS FOR GRAZING ON NATIONAL FOREST LANDS.

Notwithstanding any other law, at the request of an applicant for renewal of a permit that expires on or after the date of enactment of this Act for grazing on land located in a unit of the National Forest System, the Secretary of Agriculture shall reinstate, if necessary, and extend the term of the permit until the date on which the Secretary of Agriculture completes action on the application, including action required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

CHAPTER VI

DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES

DEPARTMENT OF LABOR

EMPLOYMENT AND TRAINING ADMINISTRATION

TRAINING AND EMPLOYMENT SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $1,521,220,000 are rescinded, including $46,404,000 for necessary expenses of construction, rehabilitation, and acquisition of new Job Corps centers, $15,000,000 for the School-to-Work Opportunities Act, $15,600,000 for title III, part A of the Job Training Partnership Act, $20,000,000 for the title III, part B of such Act, $3,861,000 for service delivery areas under section 101(a)(4)(A)(iii) of such Act, $33,000,000 for carrying out title II, part A of such Act, $472,010,000 for carrying out title II, part C of such Act, $750,000 for the National Commission for Employment Policy and $421,000 for the National Occupational Information Coordinating Committee: *Provided,* That service delivery areas may transfer up to 50 percent of the amounts allocated for program years 1994 and 1995 between the title II–B and title II–C programs authorized by the Job Training Partnership Act, if such transfers are approved by the Governor.

STATE UNEMPLOYMENT INSURANCE AND EMPLOYMENT SERVICE OPERATIONS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $20,000,000 are rescinded, and amounts which may be expended from the Employment Security Administration account in the Unemployment Trust Fund are reduced from $3,269,097,000 to $3,221,397,000.

BUREAU OF LABOR STATISTICS

SALARIES AND EXPENSES

Of the funds made available under this heading in Public Law 103–333, $1,100,000 are rescinded.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

HEALTH RESOURCES AND SERVICES ADMINISTRATION

HEALTH RESOURCES AND SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $37,571,000 to be derived from accounts other than Trauma Care are rescinded.

CENTERS FOR DISEASE CONTROL AND PREVENTION

DISEASE CONTROL, RESEARCH, AND TRAINING

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $1,300,000 are rescinded.

NATIONAL INSTITUTES OF HEALTH

BUILDINGS AND FACILITIES

(RESCISSION)

Of the available balances under this heading, $79,289,000 are rescinded.

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $14,700,000 are rescinded.

ASSISTANT SECRETARY FOR HEALTH

OFFICE OF THE ASSISTANT SECRETARY FOR HEALTH

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $2,320,000 are rescinded.

AGENCY FOR HEALTH CARE POLICY AND RESEARCH

HEALTH CARE POLICY AND RESEARCH

(RESCISSION)

Of the Federal funds made available under this heading in Public Law 103–333, $3,132,000 are rescinded.

HEALTH CARE FINANCING ADMINISTRATION

PROGRAM MANAGEMENT

(RESCISSION)

Funds made available under this heading in Public Law 103–333 are reduced from $2,207,135,000 to $2,185,935,000, and funds transferred to this account as authorized by section 201(g) of the Social Security Act are reduced to the same amount.

SOCIAL SECURITY ADMINISTRATION

SUPPLEMENTAL SECURITY INCOME PROGRAM

(RESCISSION)

Of the amounts appropriated in the first paragraph under this heading in Public Law 103–333, $67,000,000 are rescinded.

LIMITATION ON ADMINISTRATIVE EXPENSES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333 to invest in a state-of-the-art computing network, $88,283,000 are rescinded.

ADMINISTRATION FOR CHILDREN AND FAMILIES

JOB OPPORTUNITIES AND BASIC SKILLS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, there are rescinded an amount equal to the total of the funds within each State's limitation for fiscal year 1995 that are not necessary to pay such State's allowable claims for such fiscal year.

Section 403(k)(3)(E) of the Social Security Act (as amended by Public Law 100–485) is amended by adding before the ''and'': ''reduced by an amount equal to the total of those funds that are within each State's limitation for fiscal year 1995 that are not necessary to pay such State's allowable claims for such fiscal year (except that such amount for such year shall be deemed to be $1,300,000,000 for the purpose of determining the amount of the payment under subsection (1) to which each State is entitled),''.

STATE LEGALIZATION IMPACT-ASSISTANCE GRANTS

(RESCISSION)

Of the funds made available in the second paragraph under this heading in Public Law 103–333, $6,000,000 are rescinded.

COMMUNITY SERVICES BLOCK GRANT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $13,988,000 are rescinded.

CHILDREN AND FAMILIES SERVICES PROGRAMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $42,000,000 are rescinded from section 639(A) of the Head Start Act, as amended.

ADMINISTRATION ON AGING

(AGING SERVICES PROGRAMS)

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $899,000 are rescinded.

OFFICE OF THE SECRETARY

POLICY RESEARCH

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $2,918,000 are rescinded.

DEPARTMENT OF EDUCATION

EDUCATION REFORM

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $82,600,000 are rescinded, including $55,800,000 from funds made available for State and local education systemic improvement, and $11,800,000 from funds made available for Federal activities under the Goals 2000: Educate America Act; and $15,000,000 are rescinded from funds made available under the School to Work Opportunities Act, including $4,375,000 for National programs and $10,625,000 for State grants and local partnerships.

EDUCATION FOR THE DISADVANTAGED

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $80,400,000 are rescinded as follows: $72,500,000 from the Elementary and Secondary Education Act, title I, part A, $2,000,000 from part B, and $5,900,000 from part E, section 1501.

SCHOOL IMPROVEMENT PROGRAMS

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $211,417,000 are rescinded as follows: from the Elementary and Secondary Education Act, title II–B, $69,000,000, title IV, $75,000,000, title V–C, $2,000,000, title IX–B, $1,000,000, title X–D, $1,500,000, section 10602, $1,630,000, title XII, $20,000,000, and title XIII–A, $8,900,000; from the Higher Education Act, section 596, $13,875,000; from funds derived from the Violent Crime Reduction Trust Fund, $11,100,000; and from funds for the Civil Rights Act of 1964, title IV, $7,412,000.

BILINGUAL AND IMMIGRANT EDUCATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $32,380,000 are rescinded from funding for title VII–A and $11,000,000 from part C of the Elementary and Secondary Education Act.

VOCATIONAL AND ADULT EDUCATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $60,566,000 are rescinded as follows: from the Carl D. Perkins Vocational and Applied Technology Education Act, title III–A, and –B, $43,888,000 and from title IV–A and –C, $8,891,000; from the Adult Education Act, part B–7, $7,787,000.

STUDENT FINANCIAL ASSISTANCE

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $10,000,000 are rescinded from funding for the Higher Education Act, title IV, part H–1.

HIGHER EDUCATION

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $46,583,000 are rescinded as follows: from amounts available for the Higher Education Act, title IV–A, chapter 5, $496,000, title IV–A–2, chapter 2, $600,000, title IV–A–6, $2,000,000, title V–C, subparts 1 and 3, $16,175,000, title IX–B, $10,100,000, title IX–E, $3,500,000, title IX–G, $2,888,000, title X–D, $2,900,000, and title XI–A, $500,000; Public Law 102–325, $1,000,000; and the Excellence in Mathematics, Science, and Engineering Education Act of 1990, $6,424,000.

HOWARD UNIVERSITY

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $3,300,000 are rescinded, including $1,500,000 for construction.

COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS PROGRAM

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333 for the costs of direct loans, as authorized under part C of title VII of the Higher Education Act, as amended, $168,000 are rescinded, and the authority to subsidize gross loan obligations is repealed. In addition, $322,000 appropriated for administrative expenses are rescinded.

EDUCATION RESEARCH, STATISTICS, AND IMPROVEMENT

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $15,200,000 are rescinded as follows: from the Elementary and Secondary Education Act, title III–A, $5,000,000, title III–B, $5,000,000, and title X–B, $4,600,000; from the Goals 2000: Educate America Act, title VI, $600,000.

LIBRARIES

(RESCISSION)

Of the funds made available under this heading in Public Law 103–333, $2,916,000 are rescinded from title II, part B, section 222 of the Higher Education Act.

RELATED AGENCIES

CORPORATION FOR PUBLIC BROADCASTING

(RESCISSION)

Of the funds made available under this heading in Public law 103–112, $17,791,000 are rescinded. Of the funds made available under this heading in Public Law 103–333, $11,965,000 are rescinded.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FINANCE

Mr. COATS. Mr. President, I ask unanimous consent that the Finance Committee be permitted to meet Wednesday, April 5, 1995, beginning at 9:30 a.m. in room SD–215, to conduct a hearing on various flat tax proposals.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. COATS. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized

to meet during the session of the Senate on Wednesday, April 5, 1995, at 2 p.m. to hold a hearing on the crisis in Rwanda and Burundi.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. COATS. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Wednesday, April 5, 1995, at 10 a.m. for a hearing on the subject of earned income tax credit.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. COATS. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to hold a business meeting during the session of the Senate on Wednesday, April 5, 1995.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. COATS. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet for a hearing on the FDA and the future of the American biomedical and food industries, during the session of the Senate on Wednesday, April 5, 1995 at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. COATS. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Wednesday, April 5, 1995, beginning at 9:30 a.m., in room 485 of the Russell Senate Office Building on providing direct funding through block grants to tribes to administer welfare and other social service programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. COATS. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, April 5, 1995, at 10 a.m. to hold an open hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AIRLAND FORCES

Mr. COATS. Mr. President, I ask unanimous consent that the Subcommittee on Airland Forces of the Committee on Armed Services be authorized to meet at 2:30 p.m. on Wednesday, April 5, 1995, in open session, to receive testimony on the future of the North Atlantic Treaty Organization.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ANTITRUST, BUSINESS RIGHTS AND COMPETITION

Mr. COATS. Mr. President, I ask unanimous consent that the Subcommittee on Antitrust, Business Rights and Competition for the Committee on the Judiciary be authorized to hold a business meeting during the session of the Senate on Wednesday, April 5, 1995.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FORESTS AND PUBLIC LAND MANAGEMENT

Mr. COATS. Mr. President, I ask unanimous consent that the Subcommittee on Forests and Public Land Management of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Wednesday, April 5, 1995, for purposes of conducting a subcommittee hearing which is scheduled to begin at 9:30 a.m. The purpose of this oversight hearing is to receive testimony on the Forest Service land management planning process.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PERSONNEL

Mr. COATS. Mr. President, I ask unanimous consent that the Subcommittee on Personnel of the Committee on Armed Services be authorized to meet at 9:30 a.m. on Wednesday, April 5, 1995, in open session, to receive testimony regarding the Department of Defense quality of life programs related to the National Defense Authorization Act for fiscal year 1996 and the future years defense program.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PERSONNEL

Mr. COATS. Mr. President, I ask unanimous consent that the Subcommittee on Personnel of the Committee on Armed Services be authorized to meet at 2:00 p.m. on Wednesday, April 5, 1995, in open session, to receive testimony regarding the Department of Defense quality of life programs related to the National Defense Authorization Act for fiscal year 1996 and the future years defense program.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON SUPERFUND, WASTE CONTROL, AND RISK ASSESSMENT

Mr. COATS. Mr. President, I ask unanimous consent that the Subcommittee on Superfund, Waste Control, and Risk Assessment be granted permission to conduct an oversight hearing Wednesday, April 5, 9:30 p.m. regarding the Comprehensive Environmental Response, Compensation, and Liability Act [CERCLA].

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

COST ESTIMATE—S. 523

• Mr. MURKOWSKI. Mr. President, at the time the Committee on Energy and Natural Resources filed its report on S. 523, legislation to amend the Colorado River Basin Salinity Control Act, the cost estimate from the Congressional Budget Office was not available. We have since received the estimate, and, for the information of the Senate, I ask that a copy of the cost estimate be printed in the RECORD. The estimate states that enactment would not affect direct spending or receipts and therefore pay-as-you-go procedures would not apply to the bill:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 3, 1995.

Hon. FRANK H. MURKOWSKI,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 523, a bill to amend the Colorado River Basin Salinity Control Act to authorize additional measures to carry out the control of salinity upstream of Imperial Dam in a cost-effective manner.

Enactment of S. 523 would not affect direct spending or receipts. Therefore, pay-as-you-go procedures would not apply to the bill.

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

Sincerely,

JAMES J. BLUM
(For June E. O'Neill).

CONGRESSIONAL BUDGET OFFICE—COST ESTIMATE, APRIL 3, 1995

1. Bill number: S. 523.

2. Bill title: A bill to amend the Colorado River Basin Salinity Control Act to authorize additional measures to carry out the control of salinity upstream of Imperial Dam in a cost-effective manner.

3. Bill status: As ordered reported by the Senate Committee on Energy and Natural Resources on on March 29, 1995.

4. Bill purpose: S. 523 would authorize appropriations of $75 million for the Bureau of Reclamation to develop a new program to reduce salinity in the Colorado River basin from saline springs, leaking wells, irrigation sources, industrial sources, erosion of public and private land, or other sources. The authorized funds also could be used to cover costs associated with ongoing salinity control projects. The federal government would be reimbursed over time for 30 percent of any appropriations provided for S. 523 through the Upper Colorado River Basin Fund (UCRBF) and the Lower Colorado River Basin Development Fund (LCRBDF), which collect surcharge from power users through the Western Area Power Administration.

5. Estimated cost to the Federal Government: Based on information from the Department of the Interior, CBO estimates that the $75 million in appropriations authorized by S. 523 would be used entirely for new salinity control projects. We expect that funding for these new projects would be required beginning in fiscal year 1996, and that outlays, would reflect historical spending patterns for similar construction projects. Estimated outlays for these projects would total $52 million over the 1996–2000 period, as shown in the following table. Because of the anticipated length of the project, additional outlays would continue beyond fiscal year 2000.

[By fiscal year, in millions of dollars]

	1996	1997	1998	1999	2000
Authorization of appropriations	6	8	10	15	15
Estimated outlays	5	8	10	14	15

The costs of this bill fall within budget function 300.

The bill's reimbursement requirements would not affect outlays over the 1996–2000 period. Fifteen percent of the reimbursable portion of the appropriation would be paid from collections to the UCRBF within 50 years after a project becomes operational,

and the remaining 85 percent of the reimbursable costs would be paid from collections to the LCRBDF as costs for construction are incurred. To cover the reimbursable costs allocated to the UCRBF, CBO expects that the federal government would increase its power surcharge rate beginning in fiscal year 2002. We expect that no rate change would be made to cover costs allocated to the LCRBDF because this fund is currently running an annual surplus of about $9 million.

6. Comparison with spending under current law: None.

7. Pay-as-you-go considerations: None.

8. Estimated cost to State and local governments: None.

9. Estimate comparison: None.

10. Previous CBO estimate: None.

11. Estimate prepared by: Ian McCormick and Susanne S. Mehlman.

12. Estimate approved by:

PAUL N. VAN DE WATER,
Assistant Director for Budget Analysis.●

GET OFF CUBA'S BACK

● Mr. SIMON. Mr. President, William Raspberry's column in the Washington Post and other newspapers around the Nation frequently gives us insights into our society and our policies that are important.

Recently, he had a column under the title ''Get Off Cuba's Back'' that pointed out how ridiculous our current policy toward Cuba is.

As I have said on the floor before, if Fidel Castro and the Soviet Union had a series of meetings to create an American policy that would make sure Castro would remain in power, they could not have devised a better policy than the one the United States has followed.

We should forget our illusions about overthrowing Castro, and move in the direction of trying to influence him to ameliorate his policies.

The William Raspberry column hits the nail on the head.

I ask that the column be printed in the RECORD.

The column follows:

[From the Washington Post, Apr. 3, 1995]

GET OFF CUBA'S BACK

(By William Raspberry)

Why doesn't the United States get off Cuba's back?

The question is meant literally, not rhetorically. In what way is it in the interest of the United States to cut Cuba off from the rest of the world, to wreck its economy and starve its people?

When there was a Cold War, the reasons were understandable enough—even to those who disagreed with them. Cuba was on outpost of international communism and right in our back yard. Communist leaders, whether in the Soviet Union or in China, were eager to use Fidel Castro as an annoyance to the United States and as the means of spreading communism throughout the hemisphere. There were even times when the communist-expansion-by-proxy scheme seemed to be working, and it didn't make sense for us to sit idly by and let it happen.

The alternate? Isolate Cuba from its neighbors, crush pro-communist revolutions wherever they occurred in the region, encourage the Cuban people to overthrow their despotic leader and serve notice to the communist world that it would be permitted no exploitable foothold 90 miles from our shores. That, as far as I can figure it, is how our opposition to Castro's Cuba became such an obsession.

But that was then. This is now, and I cannot find any logical reason for continuing our Cold War attitude toward Cuba—or Castro. Certainly there is no threat that anyone else in Latin America will be tempted to follow Cuba's disastrous economic path. Cuba, no longer anyone's well-financed puppet, is hardly a military or political threat to destabilize its neighbors. And If anything is clear, it's that the Cubans (in Cuba) have no intention of overthrowing the aging Castro.

But even if they did, so what? Absent the Cold War, why do we care that Castro continues to try to manage a communist state? Doesn't China, with whom we are panting to do more business? We're buddy-buddy with the Russians now—lending them money, supporting their leaders and again, doing business with them.

Isn't there business to be done with Cuba? To this recently reformed cigar smoker, the answer is obvious. And not just Habanas, either. There's sugar and rum and tourism on their side and (prospectively) cars and machinery and other sales and service opportunities on ours.

Isn't it likely that international trade and the concomitant exposure of Cuban citizens to the advantages of capitalism would do more to move Cuba away from communism than has a 30-year U.S.-led embargo of the island?

Or can it be that we don't care whether Cuba abandons communism or not? Officially, of course, we do care. It is, ostensibly, what our policy is about. Members of Congress—notably Sen. Jesse Helms (R-N.C.) and much of the Florida delegation—justify their call for yet tougher sanctions against Cuba on the ground that the new measures will finally topple the regime.

My fear is that the motivations are less philosophical—and significantly less noble—than that. Two things seem to be driving our anti-Castro policy: Cubans in Florida and sheer vengeance.

Few politicians with aspirations for national leadership seem willing to take on the Miami-based Cubans who (like the followers of Chiang Kai-shek) see themselves as a sort of government-in-exile and dream of a triumphant return to their homeland. There being no significant pro-Castro lobby here, the hopeful antis carry the political day.

Keeping these next-Christmas-in-Havana dreamers tractable is, I suspect, one reason for our policy. The other may be a sort of institutional rage that Castro has withstood an international missile confrontation, the Bay of Pigs, any number of unsuccessful CIA plots against him and the demise of international communism—and still sits there as a rebuke to our hegemony.

Our officials keep hinting that Castro is ailing, or aging or losing his iron-fisted control. No need to think of economic concessions or diplomatic rethinking now. . . just hold out a few months longer, and watch him fall like a ripe plum.

And, of course, use our political and economic power to shake the tree.

But to what purpose of ours? Isn't it time to stop making our official hatred of one increasingly harmless old man the basis of our foreign policy?

Why don't we get off Cuba's back?●

LONDONDERRY HIGH SCHOOL BAND PERFORMS IN WASHINGTON, DC.

● Mr. SMITH. Mr. President, I rise today to pay tribute to the Londonderry High School ''Lancer'' Marching Band and Colorguard from Londonderry, NH. The Lancers recently performed here in the Nation's Capital for the 1995 Washington, DC St. Patrick's Day parade and received awards for their performance.

The Lancer Marching Band and Colorguard, under the able direction of Mr. Andrew Soucy, have a proud tradition of representing the Granite State in parades across the country. In addition to the St. Patrick's Day parade, they have marched in the Pasadena Tournament of Roses Parade and, just this year, performed for the New England Patriots football team at Foxboro Stadium in Massachusetts.

These fine young men and women demonstrate the hard work and dedication that is characteristic of the Granite State students. They have proven that determination and teamwork are the hallmark of success both as musicians and students. The Lancer Band and Colorguard are outstanding ambassadors for New Hampshire.

Mr. President, I want to express my thanks to both the students and faculty at Londonderry High School for their commitment to excellence. It is an honor to represent them in the U.S. Senate.●

INVEST NOW, OR PAY MORE LATER

● Mrs. FEINSTEIN. Mr. President, I respectfully submit into the CONGRESSIONAL RECORD a statement from Mayor Richard J. Riordan of Los Angeles on the issue of the Davis-Bacon Act and Prevailing Wage laws.

Mr. President, I ask that Mayor Riordan's full statement be printed in the RECORD.

The statement follows:

INVEST NOW, OR PAY MORE LATER

(By Mayor Richard J. Riordan)

''You can pay now or pay later'' is more than grandmotherly advice. It is a healthy dose of financial wisdom which all levels of government ought to heed. In fact, the pay now approach is a goal-oriented investment strategy that considers current and future needs. The pay later scenario is highly reactive, unpredictable and void of strategy.

Unfortunately for Angelenos and our local businesses community, Los Angeles city government is too reliant on the pay later approach, which really translates to ''pay more later.'' The cost to the city by failing to invest is hundreds of millions of dollars in deferred maintenance and the taking of precious investment dollars for short-term crises. For example, due to years of inadequate funding for street maintenance, 111 miles of Los Angeles City streets are beyond repair and must be totally reconstructed at an estimated cost of $150 million. It costs five times as much to reconstruct a street as it does to maintain it.

Investment in affordable housing, streets, sidewalks, parks, library buildings, schools, water storage, railways, airports and port facilities is good business. Directly, this investment in infrastructure generates tens of thousands of construction jobs. Over the long-term, it creates a climate where businesses will stay and come out of their own self-interest because the quality of life is better—streets are safer, long term economic

investment is more secure and more jobs are available.

But it takes a lot more taxpayer dollars to build infrastructure.

It takes investment in human capital, too, and the same ''invest now or pay more later'' logic should apply. There are some existing strong partnerships between the public and private sectors and organized labor which have wisely adopted a goal-oriented strategy. Prevailing wage laws—created by the federal, state and local governments, in partnership with the building trades and business—have attracted skilled labor with the expertise and experience to complete projects on time and within budget. The Santa Monica Freeway is a shining example; it was reconstructed to the highest quality standards, ahead of schedule and under budget in the aftermath of the Northridge earthquake. Public infrastructure projects have also expanded career opportunities for young people. Some of the best technical training in our region is available through the organized building trades. The facilities are first rate, and the curriculum is fully up-to-date and forward looking.

Against the strong arguments for pay-now versus pay more later, those in the Washington beltway who would eliminate the Davis Bacon Act are shortsighted in their thinking. According to a recent study by the University of Utah Economics Department, in the nine states which have repealed prevailing wage laws, the pay more later rule has kicked in, with the net result being reduced wages for construction workers, increased workplace injuries and deaths, a decline in job training, a loss of tax revenue to the state and increased cost overruns.

Retaining the Davis-Bacon Act and our prevailing wage laws is critical to the public private partnership which has worked so well in developing our public infrastructure and the highly skilled workforce upon which it depends. In so doing, we can continue to build great projects, produce the good paying jobs and careers our economy must have, and save millions of taxpayer dollars in the process. And we can all rest a little easier knowing that the next time the earth moves, we will still have skilled contractors and construction workers needed to get the job done.●

KOWTOW: THE STATE DEPARTMENT'S BOW TO BEIJING

● Mr. SIMON. Mr. President, recently, Lorna Hahn had an op-ed piece in the Washington Post titled, ''Kowtow: The State Department's Bow to Beijing.''

What she says there makes eminent sense.

I cannot understand our continuing to give a cold shoulder to President Lee of Taiwan.

I trust our Government will make its decision known soon that it will do the responsible thing and let President Lee come to our country. He is a freely elected president of a multiparty country with a free press. We should not give him the cold shoulder because another nation without these human rights objects.

I ask that the Lorna Hahn item be printed in the RECORD at this point.

The item follows:

KOWTOW—THE STATE DEPARTMENT'S BOW TO BEIJING.

(By Lorna Hahn)

Lee Teng-hui, president of the Republic of China on Taiwan, wishes to accept an honorary degree from Cornell University, where he earned his PhD in agronomy.

Last year, when Cornell made the same offer, Lee was refused entry into the United States because Beijing belligerently reminded the State Department that granting a visa to a Taiwanese leader would violate the principle of ''One China.'' (Cornell subsequently sent an emissary to Taipei for a substitute ceremony.) This year, on Feb. 9, Assistant Secretary of State Winston Lord told a congressional hearing that our government ''will not reverse the policies of six administrations of both parties.''

It is high time it did. The old policy was adopted at a time when China and Taiwan were enemies, Taiwan's government claimed to represent all of China, and Beijing's leaders would never dream of meeting cordially with their counterparts from Taipei. Today, things are very different.

Upon assuming office in 1988, Lee dropped all pretense of ever reconquering the mainland and granted that the Communists do indeed control it. Since then, he has eased tensions and promoted cooperation with the People's Republic of China through the Lee Doctrine, the pragmatic, flexible approach through which he (1) acts independently without declaring independence, which would provoke Chinese wrath and perhaps an invasion; (2) openly recognizes the PRC government and its achievements and asks that it reciprocate, and (3) seeks to expand Taiwan's role in the world while assuring Beijing that he is doing so as a fellow Chinese who has their interests at heart as well.

Lee claims to share Beijing's dream of eventual reunification—provided it is within a democratic, free-market system. Meanwhile, he wants the PRC—and the world—to accept the obvious fact that China has since 1949 been a divided country, like Korea, and that Beijing has never governed or represented Taiwan's people. Both governments, he believes, should be represented abroad while forging ties that could lead to unity.

To this end he has fostered massive investments in the mainland, promoted extensive and frequent business, cultural, educational and other exchanges, and offered to meet personally with PRC President Jiang Zemin to discuss further cooperation. His policies are so well appreciated in Beijing—which fears the growing strength of Taiwan's pro-independence movement—that Jiang recently delivered a highly conciliatory speech to the Taiwanese people in which he suggested that their leaders exchange visits.

If China's leaders are willing to welcome Taiwan's president to Beijing, why did their foreign ministry, on March 9, once again warn that ''we are opposed to Lee Teng-hui visiting the United States in any form''? Because Beijing considers the ''Taiwan question'' to be an ''internal affair'' in which, it claims, the United States would be meddling if it granted Lee a visa.

But Lee does not wish to come here in order to discuss the ''Taiwan question'' or other political matters, and he does not seek to meet with any American officials. He simply wishes to accept an honor from a private American institution, and perhaps discuss with fellow Cornell alumni the factors that have contributed to Taiwan's—and China's—outstanding economic success.

President Clinton has yet to make the final decision regarding Lee's visit. As Rep. Sam Gejdenson (D-Conn.) recently stated: ''It seems to me illogical not to allow President Lee on a private basis to go back to his alma mater.'' As his colleague Rep. Gary Ackerman (D-N.Y.) added: ''It is embarrassing for many of us to think that, after encouraging the people and government on Taiwan to democratize, which they have, [we forbid President Lee] to return to the United States * * * to receive an honorary degree.''●

ETNA SWIMMER WINS GOLD IN PAN AMERICAN GAMES

● Mr. SMITH. Mr. President, I rise today to pay tribute to Barbara (B.J.) Bedford of Etna, NH for capturing three gold medals for swimming in the women's 100 meter and 200 meter backstroke, and as a member of the 4 x 100 meter medley relay, at the Pan American Games held in Mar del Plata, Argentina, March 11 to 26, 1995.

The U.S. Olympic committee sent 800 athletes, including 159 current Olympians, to compete in the 12th Pan Am Games—its largest contingent ever. B.J.'s performance was remarkable and one for which she can be very proud.

B.J. has not only excelled at the Pan Am Games, but she was the bronze medalist in the 100 meter in the 1994 World Championships and is the 11th fastest woman in history in the 100 meter backstroke. At the 1994 Goodwill Games, she won two gold medals in the 200 meter backstroke and 400 meter medley relay and a silver medal in the 100 meter backstroke. She is a three-time U.S. national champion. Currently, B.J. is training for the 1996 Olympics in Gainsville, FL.

B.J. is the daughter of Frederick and Jane Bedford of Etna. She attended Hanover High School and Kimball Union Academy in New Hampshire where she swam with the North Country Aquatics Club. She graduated from the University of Texas in 1994 with a degree in Art History.

On behalf of the citizens of the Granite State, congratulations to Barbara Bedford for a job well done. We are very proud to have this world-class competitor represent New Hampshire at the Pan American Games and look forward to following her future successes. It is an honor to represent Barbara and her family in the U.S. Senate.●

IN TRIBUTE TO NANCY D'ALESANDRO

● Ms. MIKULSKI. Mr. President, I rise today to pay tribute to Mrs. Nancy D'Alesandro, a first-class First Lady of Baltimore. She was a dedicated wife, mother of 6, grandmother of 16 and the driving force behind a family that distinguished itself in Baltimore and in Washington.

Nancy D'Alesandro was a Baltimore institution. There was nobody closer to the street or closer to the people. From 1947 to 1959, her husband Thomas D'Alesandro served as mayor of Baltimore and Nancy was a hands-on first lady. Likewise, she provided endless support during her husband's years in the U.S. House of Representatives.

Devoted to her children, she was there for her son, Thomas D'Alesandro III, who also served a term as mayor of Baltimore and she was there for her daughter Nancy Pelosi, who currently

serves California's Fifth District in the House of Representatives.

She was such an important part of not just the Little Italy section of Baltimore, but of the whole city and its history. She was a tireless worker and a great woman.

She immigrated to Baltimore from Italy and graduated from my high school, the Institute of Notre Dame, in 1926. She and her husband were married for nearly 60 years, until his death in 1987.

Nancy was so good to so many people—the nuns, the people in her neighborhood, people all over town. The city of Baltimore and the State of Maryland are proud and honored to have known her. The great First Lady of Baltimore has been called to glory. We will miss her.●

HEAVEN CAN WAIT

● Mr. SIMON. Mr. President, recently, the Jerusalem Report had a fascinating story about a 15-year-old boy who narrowly missed being recruited for a suicide mission.

It is an important story because of its insight into how people with the wrong motivation can cause such horrible and needless tragedy.

This is a story that ended positively, and the young man, Musa Ziyada, hopes to become a physician. I hope he will, and I wish him the best.

I ask that the Jerusalem Post story be printed in the RECORD at this point.

The story follows:

HEAVEN CAN WAIT

Musa Ziyada arrives for our meeting late. The 15-year-old schoolboy had come home from classes and fallen asleep. Still rubbing his huge almond eyes and yawning occasionally, he finally shuffles into his father's office at 3 in the afternoon in the Rimal district of Gaza city and takes a seat across the table.

It's a wonder he's here at all. On the fifteenth day of Ramadan (or February 14), the anniversary in the Muslim calendar of the 1994 Hebron massacre, Musa, an intelligent and earnest Hamas activist, was supposed to have strapped a belt of eight kilograms of TNT around his waste and entered Israel as a human bomb. By blowing himself up along with as many Israelis as he could manage, he was expecting to go directly to heaven; his victim, he says, would go to hell. He was stopped just days before his mission by his alert father and an uncle, who had grown suspicious and handed him over to the Palestinian police.

''In the mosque, they told me that martyrdom means paradise, and that the only way to paradise is through martyrdom,'' Musa explains. ''But I thank God that the suicide act didn't happen, because now I'm convinced it's wrong—both from a religious and personal point of view.

Musa's smooth olive skin and the downy shadow over his upper lip give him a look of innocence that belies the nature of the lethal journey he almost took. Paradise, he says, is a place where he would find ''all the pleasures of life and more.'' A place with no death (''the last station''), full of palaces and gardens flowing with rivers of milk and delicious wine—with the alcohol taken out.

''They'' told him that as a martyr, he could gain entry to heaven for 70 relatives and friends, no questions asked. And that 70 virgin brides would await him there. ''Wine and women,'' interjects his father, Hisham, with a hearty laugh. ''That was it! Admit it!'' It's in the Koran. Musa retorts quietly, trying not to look embarrassed.

''They'' are two members of the Izz al-Din al-Qassam brigades, the armed wing of Hamas, men in their mid-30s who told Musa he was true martyr material and started to train him. ''They're just ordinary people,'' he says, giving the word 'ordinary' a whole new meaning. ''Their main job is to persuade boys of our age to be suicide bombers.'' Asked whether he questioned why the two didn't go themselves, Musa replies: ''I didn't want to argue, just to be convinced.''

Musa was born in the Bureij refugee camp south of Gaza city in 1980, the fourth of nine children. His father, Hisham, a slim, European-looking man of 43 with blue-green eyes and a loud, ready laugh, hardly looks the part of a parent of a would-be suicide bomber. Sitting in the front office of his family firm, an aluminum window-frame workshop, he is sporting a red polo-neck, black silky jacket, jeans and tartan suspenders.

Hisham can joke about the experience now, and never misses an opportunity to do so. His son solemnly explains that a suicide bomber who blew himself up in Jerusalem in December but who didn't manage to take any Israelis with him will still go to heaven, because his intentions were ''*jihadi.*'' But he'll only get 35 virgins, the father gaffaws.

The Ziyadas are not a religious family, though Musa's mother and grandfather pray as many ordinary Muslims do. But from an early age, Musa was particularly attracted to Islam. At 10, he was a regular at the mosque and was considered something of a prodigy in Koran. By 12, he was a member of Hamas.

''Despite his youth, he was given the title of '*emir,*' or prince, because of his religious proficiency and knowledge of the Koran,'' Hisham relates, with a mixture of pride and bewilderment. ''Musa was trusted. Doctors and engineers used to flock to visit him in our home.'' Musa also loves soccer and played no the mosque team (''a Hamas team—no shorts,'' says Hisham).

About eight months ago, the family left Bureij and moved to Gaza city's Darraj neighborhood, to be closer to the business. Musa was happy with the move and immediately joined the Izz al-Din al-Qassam mosque near his new home. He came with recommendations form the mosque at Bureij, and quickly became something of a local celebrity.

When the bombs started exploding, killing dozens of Israelis from Afulah to Tel Aviv's Dizengoff Street, Musa began to talk about martyrdom and heaven. ''He began to mention it more and more,'' says the father. ''When bombs went off, he'd say 'Wow, I wish I was that martyr.'' He thought the suicide bombing at the Beit Lid junction in January, which killed 21 Israelis, was excellent. ''Still, we didn't think much of it,'' Hisham says. ''That's how some of the boys in the street talk.''

It was the winter vacation from school. Musa said he wanted to spend some time at Bureij with his friends and family that he'd left behind there. He was given permission, and after about 10 days, his father traveled down to check up on him. When he heard from Musa's aunt and sisters there that they had hardly seen him, he began to get suspicious.

One of Hisham's brothers, Samir, is an intelligence officer in the Palestinian police. He was hearing from ''his boys'' in Bureij that Musa had been attending secret sessions in the mosque; he finally came to Hisham and told him he'd better watch his son. The father went to Bureij and made Musa come home.

Musa, meanwhile, had attended two secret sessions with his Hamas operators. The first, he says, was to tell him he'd been chosen and to get his agreement. ''I wanted to be a martyr but I wasn't a volunteer,'' Musa says. ''They convinced me.''

The second session was to explain the outline of what he would have to do. ''I wasn't told the location of the attack, but I was told people would help me and be with me all the time, even inside Israel,'' Musa relates. The third session, for the final details, was set for the 13th of Ramadan. He had told his father that he absolutely had to go back to Bureij that day, to help with a Hamas food distribution. But by then, Hisham had made up his mind that Musa was in trouble, and took him to the police.

''I was scared,'' Musa recalls. ''The police were very nervous around me at the beginning and I was confused. I didn't know what to say.'' Before he could say much, his interrogators found on him a handwritten will that said it all. In it, Musa had asked forgiveness from his family and wrote that he'd see 70 of his relatives and friends in heaven.

Musa spent the next week-and-a-half in custody, and was released a few days before the end of the Ramdan feast. At that point, Hamas spokespeople denied Musa's story, and said the police had tortured him into giving a false confession. Musa claims he was beaten by his interrogators (his father vehemently denies it), but says matter-of-factly that, truth aside, Hamas has to defend its interests.

After months of admonishment from Israel that it has done little to stop Palestinian terrorism, the Palestinian Authority in Gaza is now making efforts, at least to improve its image and impart a sense of goodwill. Yasser Arafat has announced that his police have prevented at least 10 terror attacks recently; and Musa and two other teenage would-be suicide bombers who had changed their minds have been presented to the press in Gaza.

The Israeli public has been outraged by the recent levels of Palestinian terrorism, and after the Beit Lid attack, Prime Minister Yitzhak Rabin predicated a resumption of the autonomy talks with the Palestinians on a serious attempt by Arafat to quell the phenomenon.

Since then, the Palestinian Authority has announced the establishment of military courts and the Palestinian police have carried out a mini-crackdown on the radical Islamic Jihad, which claimed responsibility for Beit Lid and which is an easier target than the more popular Hamas. The offices of the Islamic Jihad newspaper, Istiqlal, have been closed and several of the radical organization's leaders are in detention.

The talks have resumed, but there is evidently still a way to go. Brig. Sa'eb al-Ajez, the National Security Forces commander of the northern Gaza Strip, can barely bring himself to accept any Palestinian responsibility for attacks that have taken place outside Gaza, and instead hints at an Israeli hand in the suicide bombings. ''One has to ask how come the bombs used in Dizengoff and Beit Lid were of such high technical quality, when all the ones we've found in Gaza are so crude,'' he tells The Jerusalem Report in an interview. ''How come someone carrying 20 kgs of explosives creates a blast with the force of 50 kgs?''

He goes on to relate that, according to the Palestinian police, the Beit Lid bombers set out from an area of the Gaza Strip under Israel's control, wearing Israeli army uniforms and driving an Israeli military vehicle. When told that his conspiracy theory would be considered shocking and ridiculous by most

Israelis, he replies, ''I'm not accusing anyone, I'll leave it up to the reader to decide.''

But at the same time, he tells of the exchange of information taking place between Israelis and Palestinians on the military liaison committee, which he terms a success. And he himself has been taking part in joint anti-terror training at the sensitive Erez checkpoint and industrial zone at the Strip's northern border with Israel. The training isn't a formal part of the Oslo agreement. ''The need just arose,'' says Ajez. ''It's in our interest. We need to protect the Erez area, for the sake of our economy.''

What's more, Palestinians argue, they are better positioned to police the Gaza Strip than the Israelis could ever have been. ''We know our people,'' says Brig. Ajez. ''From the first glance we can tell things about them that the Israelis can't. The Palestinian police have only been in Gaza for a matter of months. In another five or six months,'' he declares, ''we'll control the whole area. We'll even know who is blinking and who is not.''

Says another police source, who works in the southern half of the Strip: ''Believe me, when we are on a case, we do a hundred times what the Israelis used to do. We arrest many more people, because we know who they are.''

Musa's father Hisham stresses his abhorrence of terrorism. ''I want you to explain in your magazine that we are completely against these attacks and are doing our best to stop them.'' But asked whether he'd have turned Musa in to the Israelis had they still been in control of Gaza, he replies, ''Of course not, I'd have been a collaborator! I'd just have kept him at home myself. But many people support the Palestinian Authority, like me, and will help for no money.''

Musa has now been persuaded by his father, and an Islamic authority he went to for a second opinion, that it is un-Islamic to appoint the time of one's own death. Musa says he still wants to be a martyr, preferably dying for the cause, ''but not in a suicide attack.''

He expresses no remorse about the fact that he planned to kill as many Israeli bystanders as possible in the process, and says he still supports Hamas's religious and political program. Despite having been saved from the jaws of death, he says he is not angry at Hamas, ''but I may argue with them now.'' At times a little sheepish in front of his father, he comes across as little more than a teen rebel, if a potentially murderous one. He's not too religious to shake a woman's hand, and when an electronic pager goes off in the room, he asks if it's a Gameboy.

When he grows up, Musa says, he wants to be a doctor. ''To heal people?'' this reporter asks, incredulous after hearing the tale of heaven and hell, of eternal life, death and destruction, ''Yes,'' Musa replies quietly, ''to heal people.''●

ORDERS FOR THURSDAY, APRIL 6, 1995

Mr. DOLE. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9:30 a.m., Thursday, April 6; that following the prayer, the Journal of proceedings be approved to date and the two leaders' time be reserved for their use later in the day; and that the Senate then immediately resume consideration of H.R. 1158.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. DOLE. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 9:11 p.m., recessed until Thursday, April 6, 1995, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate April 4, 1995:

THE JUDICIARY

NANCY FRIEDMAN ATLAS, OF TEXAS, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF TEXAS, VICE JAMES DE ANDA, RETIRED.

JOHN GARVAN MURTHA, OF VERMONT, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF VERMONT, VICE FRANKLIN S. BILLINGS, JR., RETIRED.

GEORGE A. O'TOOLE, JR., OF MASSACHUSETTS, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF MASSACHUSETTS, VICE AN ADDITIONAL POSITION IN ACCORDANCE WITH 28 USC 133(B)(1).

LELAND M. SHURIN, OF MISSOURI, TO BE U.S. DISTRICT JUDGE FOR THE WESTERN DISTRICT OF MISSOURI, VICE SCOTT O. WRIGHT, RETIRED.

EXTENSIONS OF REMARKS

THE PLEDGE OF ALLEGIANCE

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1995

Mr. SOLOMON. Mr. Speaker, each day of session, we begin the proceedings with the Pledge of Allegiance. We recite the words by heart, as we have since we were children starting each school day with that same motto. But how often do we really consider the words contained in the pledge?

Mr. Speaker, I would like to submit to the CONGRESSIONAL RECORD an anecdote from comedian Red Skelton, who reminisces about the day his favorite teacher gave true meaning to the Pledge of Allegiance. It is a thought-provoking story, which will hopefully cause each of us to ponder what the pledge really means to us:

THE PLEDGE OF ALLEGIANCE

(By Red Skelton)

I remember this one teacher. To me, he was the greatest teacher, a real sage of my time. He has such wisdom. We were all reciting the Pledge of Allegiance, and he walked over. Mr. Lasswell was his name. He said:

''I've been listening to you boys and girls recite the Pledge of Allegiance all semester and it seems as though it is becoming monotonous to you. If I may, may I recite it and try to explain to you the meaning of each word:

I—me, an individual, a committee of one.

Pledge—dedicate all of my worldly goods to give without self-pity.

Allegiance—my love and my devotion.

To the Flag—our standard, Old Glory, a symbol of freedom. Wherever she waves, there is respect because your loyalty has given her a dignity that shouts freedom is everybody's job.

Of the United—that means that we have all come together.

States—individual communities that have united into 50 great states. 50 individual communities with pride and dignity and purpose, all divided with imaginary boundaries, yet united to a common purpose, and that's love for country.

Of America.

And to the Republic—a state in which sovereign power is invested in representatives chosen by the people to govern. And government is the people and it's from the people to the leaders, not from the leaders to the people.

For which it stands.

One Nation—meaning, so blessed by God.

Indivisible—incapable of being divided.

With liberty—which is freedom and the right of power to live one's own life without threats or fear or some sort of retaliation.

And justice—The principle or quality of dealing fairly with others.

For all—which means it's as much your country as it is mine.''

Since I was a small boy, four states have been added to our country and two words have been added to the Pledge of Allegiance—''under God.''

Wouldn't it be a pity if someone said, ''That's a prayer'' and that would be eliminated from schools, too!

A SPECIAL SALUTE TO SHANITA SHERRIE TARTT, OUTSTANDING SCHOOL STUDENT

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1995

Mr. STOKES. Mr. Speaker, I am pleased to salute Shanita Sherrie Tartt, an outstanding student from my congressional district who attends the Cleveland School of the Arts. Mr. Anthony Vitanza serves as principal for this institution. Shanita, who is an eighth grade student, was recently selected as Student of the Month. She is certainly deserving of this special honor.

Shanita has been an honor student for the past nine years. Currently, she maintains a 3.8 grade point average at the School of the Arts. In addition, Shanita was recently chosen by the Ohio Interscholastic Writing League as the recipient of the Donald Baker Memorial Award for Promising Talent in the Cleveland Public Schools. The award is presented each year to a young writer from the Greater Cleveland area. Shanita achieved the highest score of any participant from the public school system.

In addition to her academic and writing pursuits, Shanita is also an inspiring young actress. She was awarded the Actress of the year Award in 1992, 1993, and 1994. Her associations include the Cleveland Playhouse, the Dance Studio, Karamu Performance Theatre, and the Cleveland Heights Youth Theatre. Other talents include playing the violin, both tap and ballet dancing, and martial arts.

Mr. Speaker, I am proud to salute Shanita Sherrie Tartt for her academic excellence. She is an outstanding student and a bright star of tomorrow. I also take this opportunity to commend School of the arts principal, Anthony Vitanza, for his strong leadership and commitment. I ask that my colleagues join me in extending our congratulations to Shanita Tartt.

TRIBUTE TO FORMER STATE REPRESENTATIVE SIDNEY PAULY

HON. JIM RAMSTAD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1995

Mr. RAMSTAD. Mr. Speaker, I rise today to pay tribute to former State Representative Sidney Pauly of Eden Prairie, MN, in our Third Congressional District.

On Thursday, Representative Pauly will be a deserving honoree at a reception citing her highly productive decades of service to her community.

Sidney Pauly served the residents of Eden Prairie and Edina responsively and effectively in the Minnesota Legislature and before that on the Eden Prairie City Council. Extremely dedicated, Sidney's commitment to solid public policy and helping people in need has been exemplary.

Her public service to her Nation included going overseas when her husband Roger, as a member of the Armed Forces, was stationed in Germany. Roger and Sidney had their first two children there.

Despite her hectic schedule as the mother of four, Sidney plunged into her role as a community leader upon her return to the United States in the then-small community of Eden Prairie, where her family still resides. Sidney started her legendary term of public service with the local PTA as treasurer. The breadth and scope of Sidney's public leadership grew with her community, which today is a bustling community of more than 40,000.

Sidney Pauly's reputation as a leader of integrity and effectiveness grew from the confines of Eden Prairie across the Twin Cities metro area and to the borders of Minnesota and beyond. As a member of the Eden Prairie City Council from 1970 until 1982, residents always knew they could find a willing and attentive listener and get their questions and concerns answered about city services and policies.

Then as a member of the Minnesota Legislature, serving both Eden Prairie and neighboring Edina for a dozen more years, Sidney became a leader of statewide repute. Her careful scrutiny of State government, incisive questioning, and inspirational speaking style won her the respect of legislative leaders on both sides of the aisle. Her expertise in transportation policy, fiscal matters, innovative approaches to education, pioneering environmental laws, and ethics reform earned her plaudits in Minnesota and around the Nation.

But most of all, Sidney Pauly listened to her constituents and put their priorities on the top of her agenda. She would be the first to tell you she is proudest of that accomplishment.

Sidney Pauly represents the best in public service, and all our Nation's governments could use more of her kind. She established an uncompromising standard of public service, one all elected representatives of the people should do their utmost to emulate.

As she seeks new frontiers of public service in the years ahead, our area, State, and Nation offer our heartfelt gratitude and sincerest appreciation.

A BILL TO AMEND THE INTERNAL REVENUE CODE OF 1986 TO ESTABLISH FOR CERTAIN EMPLOYEES OF INTERNATIONAL ORGANIZATIONS A LIMITED ESTATE TAX CREDIT EQUIVALENT TO THE MARITAL DEDUCTION AND A PRO RATA UNIFIED CREDIT

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1995

Mr. HOUGHTON. Mr. Speaker, I am joined today by my colleague, Mr. GIBBONS, in introducing legislation to address a problem that

exists for employees of the World Bank and other international organizations. This same legislation was introduced in the 103d Congress by Congressman GIBBONS. We understand that the estate tax rules, as amended by the Technical and Miscellaneous Revenue Act of 1988 [TAMRA], are producing a serious and probably unintentional tax burden on certain employees of the World Bank and other international organizations.

The employees affected are those who are neither U.S. citizens nor permanent resident aliens, but who come to the United States temporarily for purposes of their employment at an international organization. In addition, nonresidents who are not U.S. citizens may also be affected. These individuals are normally exempt from U.S. individual income taxes.

The problem involves the restrictions on the use of a marital deduction in the estates of these individuals. These restrictions may result in an unwarranted U.S. estate tax burden because the individuals happen to die while in the United States, when their purpose for being here is employment with an international organization. This bill addresses these problems by providing for a limited marital transfer credit.

The bill would apply to a holder of a G–4 international organization employee visa on the date of death. Normally, a resident employee and the spouse would each be entitled to a unified estate and gift tax credit, which under current law is equivalent to an exemption of $600,000 or a total of $1,200,000. However, if the employee dies the spouse would normally return to the country of citizenship. In that case, the surviving spouse would not utilize his or her unified credit. The bill would provide for a limited marital transfer credit, which again would be the equivalent of $600,000. Thus, in a deceased employee's estate, there would be available the unified estate and gift tax credit for bequests to any beneficiaries selected by the deceased, as well as a maximum marital transfer credit equivalent to $600,000, the latter limited for use to marital transfers. A similar provision would apply to nonresident individuals who are not U.S. citizens; however, the unified credit equivalent of $60,000 would be substituted for the $600,000.

We believe this change would appropriately address the problem that currently exists. We welcome the support of our colleagues in enacting this important piece of legislation.

BROWARD COUNTY WOMEN'S HALL OF FAME INDUCTEES

HON. ALCEE L. HASTINGS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1995

Mr. HASTINGS of Florida. Mr. Speaker, on Sunday, March 12, 1995, eight new members were inducted into the Broward County Women's Hall of Fame.

The Women's Hall of Fame has brought deserved recognition to women who have made significant contributions towards Broward's community betterment. All of the honorees have excellent leadership skills, dedication, versatility, problem solving skills, and ''stick-to-it-tiveness.''

The honorees were: Karen Coolman Amlong, Esq.; Elizabeth Landrum Clark; Mary Cooney Crum; Helen Ferris; City Commissioner Sue Gunzburger; Representative Ann MacKenzie; and Mae Horn McMillan.

I congratulate these outstanding citizens for their achievement.

TRIBUTE TO SARA WAUGH VOICE OF DEMOCRACY WINNER

HON. SUE W. KELLY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1995

Mrs. KELLY. Mr. Speaker, I would like to share an award-winning essay by Ms. Sara Waugh, a young constituent of mine, who was recently recognized for her outstanding talent by the Veterans of Foreign Wars of the United States. Having said this, I commend this piece to my colleagues:

MY VISION FOR AMERICA

If I close my eyes and think of America, I imagine the country to be a sturdy, but still young, oak tree. The roots of our country are education, on which all else grows. The trunk of the tree and the branches represent the social environment of the people. The green leaves on my Tree of America symbolize culture.

First—the roots. In my vision for America, I see the roots, the educational system, spreading out—growing, forming a steady base. Education must be firmly entrenched in society if there is to be any progress. Already, this country has one of the best education systems in the world. But I imagine that it will get even better. The old adage that, ''it takes an entire village to raise a child'' is true. In my vision of America's future, I see increasing community involvement in reaching educational goals.

As the roots of the tree become more established and stronger, the trunk and branches will also grow. I believe that the social environment of the people can be equated to the branches of my tree. As education becomes more encompassing and complete, involving not only the children and teachers, but also parents, businessmen, and other citizens, the country's problems will be eradicated. Pollution, unemployment, crime and other social ills will dwindle with the loss of ignorance.

Finally, as the overall environment improves, the culture will flourish. In my vision for America, culture is symbolized by the green leaves of the oak tree. The culture of America is the most visible part of our country. It is what people see from a distance, across the ocean, like the full branches of an oak across a wide meadow. But not only does culture add to the beauty of the country, it also energizes the entire community, just as the leaves catch the sun's golden rays and turn them into nourishment.

Although travelers seeing the Tree of America from afar may only notice the waiving leaves, we citizens should realize how much educational effort made the vision possible—and this hard work will continue the growth of our oak in the future seasons.

The parts of a tree are in a delicate balance—the roots draw raw materials to grow a strong trunk and branches, and these in turn support the leaves. But without the vital energy from the leaves, the rest of the tree would die. Similarly, without culture, America would not be the marvelous country it is. We would be just another spot on the map. In our national tree, the educational system takes unrefined human resources and processes them into socially useful ''nutrients.'' These nutrients are what create the diverse culture that is uniquely American.

In America, the sun is a symbol of hope. Hope is the unifying force in my vision for America—it illuminates the future, and with it, all things are possible.

in the future, I predict an increase in involvement and concern for education. With that added involvement, the lives of all citizens will improve, and the Tree of America will be in full bloom.

This is my vision for America—we will be a durable and magnificent tree in the world forest.

TRIBUTE TO GAINES R. JOHNSTON

HON. SONNY CALLAHAN

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1995

Mr. CALLAHAN. Mr. Speaker, I ask my colleagues to congratulate Mr. Gaines R. Johnston, who won fifth place honors in the Voice of Democracy broadcast scriptwriting contest. Enclosed is a copy of his winning script.

The Veterans of Foreign Wars of the United States and its Ladies Auxiliary sponsor the Voice of Democracy audio-essay scholarship competition. The program is now in its 48th year and requires high school student entrants to write and record an essay on a patriotic theme. My Vision for America is this year's theme, and over 125,000 students participated in the program nationwide.

Gaines is a senior at Murphy High School in Mobile, AL and is the son of Mr. and Mrs. William Johnston. He was sponsored by VFW Post 49 and its Ladies Auxiliary in Mobile.

MY VISION FOR AMERICA

If we could have one thing for the future, what would it be? Money? Power? A good job? Healthy kids? Peace? Which is the most important? Society tries to answer this question for us. So often we hear people pleading for peace. Peace in the middle east, peace in eastern Europe, peace on the streets of America. But the peace I want for the future is peace of mind. ''Peace of Mind.'' It's knowing that you don't have to worry; you don't need to worry. Peace of mind goes beyond hope. It's knowing that it's going to be alright.

How does peace of mind go beyond hope? At first glance, they can seem very similar. They achieve almost the same goal. But, hope is defined as desire and expectation combined, whereas peace of mind is defined as mental calm. One can create hope, but you must find peace of mind. And you can have hope without peace of mind—you can hope things will get better without knowing they will. You just hope.

We don't have peace of mind in America; Americans worry a lot. We worry what the future will hold for us. We worry because our present is alway changing. This fall America votes for its new leaders. We don't know who is going to win. We don't know who our leaders are going to be. Our desire is so great that we must watch the media poll and repoll the public even down to the last minute to try to predict who will win. We want to know as soon as possible so do don't have to worry as long. Americans have been removed from delayed gratification so long we don't know what it is. We want to know about O.J., now. We want our hamburger, now. We want to know what is going on

around us, now. We want our five-day forecast so we don't worry about the erratic weather. America wants instant gratification, and when the world can't deliver that to us, we worry.

With so much to worry about, people want to find peace. They want to escape from the struggles of everyday life. They want to put life on hold, press the pause button and relax. There's peace to be found. It's everywhere. Peace is found in nature, in a sunset, in a mountain lake, in the smile of a baby; there is peace. Nothing attracts a crowd like a newborn baby. Complete strangers will come up to the new parent carrying the baby and look at the parent and smile and look at the baby and smile and smile at the parent again. The complete stranger found peace in that child—an inner peace knowing the future was in that beautiful smiling baby. There's peace in a sunset. When you watch a sunset, you don't have to worry about anything; you don't worry about who left a message on your answering machine. You don't worry about what time you have to get up tomorrow. You concentrate on the here and now. You find serenity and that's what people look for. They look for mental calm. They look for peace of mind.

In order for America to find peace of mind, we must change. When we can have faith in what is going on in the present, we begin to feel better about what will happen in the future. But it all starts from within. When we have control of our lives, we can begin to take a look at the rest of the world. We make our place in the world—we do our part to make it better. It takes work and its is not instantaneous, but the goal is a future peace. A peace that helps people sleep at night; a peace that helps parents feel safer; a peace so strong that you can look at a baby and smile and not have to worry about the future.

A TRIBUTE TO MONSIGNOR WILLIAM A. KERR

HON. WILLIAM J. COYNE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1995

Mr. COYNE. Mr. Speaker, I am pleased today to pay tribute to Monsignor William A. Kerr, Ph.D., President of La Roche College in Pittsburgh, PA, who has been selected by the Myasthenia Gravis Association of western Pennsylvania to receive its Celebration of Life and Services Award.

Monsignor Kerr will be honored in Pittsburgh on April 8, 1995, by the Myasthenia Gravis Association of western Pennsylvania for his leadership in celebrating the dignity of life and the need to bring all people together to address human needs. The Myasthenia Gravis Association of western Pennsylvania is an organization dedicated to helping those whose lives are affected by a neuromuscular disorder. It is estimated that 10,000 to 20,000 individuals are affected by Myasthenia Gravis [MG] but there are several treatment options available that can improve the quality of life and increase the ultimate life expectancy for the person with MG. This organization selects individuals each year to receive its Celebration of Life and Services Award to recognize those who have demonstrated an outstanding commitment to serving others and uplifting the human spirit.

Monsignor William A. Kerr is exceptionally well qualified to receive the 1995 Celebration of Life and Services Award. He has provided La Roche College with remarkable academic leadership while also sharing with the local community and the Nation his commitment to uniting individuals in a common campaign to improve the human condition. Monsignor Kerr has worked to establish at La Roche College the Pacem In Terris Institute, a center for alternative thinking about modern violence. Through this Institute, he has displayed his dedication to promoting conflict resolution in both American society and in the international arena. He has brought in students from war-torn Eastern Europe to study at La Roche College and he has helped to forge a partnership between La Roche College and Passivant Hospital.

Monsignor Kerr quickly emerged as a valued resident of the Pittsburgh area since becoming the sixth president of La Roche College in 1992. Under his leadership, La Roche has achieved great growth in student enrollments and this achievement has been marked by the largest first-year class and the largest number of international students in the college's 32 year history. Monsignor Kerr is also a member of the Board of Directors of the Greater Pittsburgh Chamber of Commerce, the Presidential Leadership Development Council of the American Council of Education, based in Washington, DC, and he is on the International Affairs Board of the Council of Independent Colleges and Universities. Before coming to La Roche College, Monsignor Kerr was vice president for university relations at The Catholic University of America in Washington, DC.

Mr. Speaker, it is fitting that the Members of the U.S. House of Representatives should have this opportunity to join in paying tribute to Monsignor William A. Kerr, 1995 recipient of the Celebration of Life and Services Award. I am pleased to join with the Myasthenia Gravis Association of western Pennsylvania in saluting Monsignor Kerr.

PERSONAL EXPLANATION

HON. BLANCHE LAMBERT LINCOLN

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1995

Mrs. LINCOLN. Mr. Speaker, I was unavoidably detained because of travel difficulties and unfortunately was not present for roll call vote 280, a vote on the Fishermen's Protective Act Amendments and roll call vote 281, a vote on U.S. Citizens Imprisoned in Iraq.

Had I been present, I would have voted ''aye'' on both votes.

CONGRATULATIONS TO UNIVERSITY OF CONNECTICUT'S WOMEN'S BASKETBALL TEAM

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1995

Mr. GEJDENSON. Mr. Speaker, I rise today to congratulate the University of Connecticut's women's basketball team on their victory Sunday to claim the NCAA national championship. This game capped an unforgettable season in which the Lady Huskies became only the second team in NCAA women's basketball tournament history to finish the year without a loss.

Coach of the Year, Gene Auriemma, NCAA Player of the Year Rebecca Lobo and the rest of the Huskies beat the University of Tennessee in the championship game to take home the national title. The Lady Huskies also dominated the regular season, winning their games by an average of 34 points.

Over the past few months, the people of Connecticut—sports fans and non sports fans alike—caught Husky fever. Across the State, the Huskies were the team to watch. Incredibly, in February, UConn made NCAA history by becoming the first school ever to secure simultaneous No. 1 rankings in the Associated Press poll for its men's and women's basketball teams. The women's team never gave it up.

The national media even turned its spotlight on the small town of Storrs, as the undefeated Huskies continued their dream season. In once interview, Coach Auriemma joked that at a recent game at Gampel Pavilion, there were more reporters in attendance than there were fans at his first game 10 years ago.

As a graduate of UConn, I am proud to announce that the Lady Huskies are indisputably the best women's basketball team in the country. Congratulations on a job well done. Go Huskies!

TONY MOORE, DRESDEN HERO, RISKS LIFE TO SAVE NEIGHBOR

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1995

Mr. SOLOMON. Mr. Speaker, according to Webster's Dictionary, a hero is ''a man admired for his achievements and noble qualities; one who shows great courage.'' In a time when precious few individuals qualify for this distinction, Tony Moore, a corrections officer from Dresden, NY, stands out as a true hero.

On February 1, 1995, Tony noticed smoke streaming through a heat-cracked window in his neighbor's front door. Realizing that his neighbor was most likely still inside the house, Tony ignored the potential to himself and crawled through the smoke-enveloped entrance, making his way to the bedroom. There he found his neighbor, unconscious from the suffocating smoke. Tony dragged his neighbor outside, and then proceeded to take action to extinguish the blaze. These courageous acts were all performed by Tony before any emergency personnel arrived to help. If not for Tony's heroism, his neighbor surely would have lost his life, not to mention his home.

Mr. Speaker, in a society all too often ruled by selfishness and apathy, Tony Moore's actions set him apart as an individual for whom doing the right thing and helping others in danger are not difficult choices, they are the only choices. Tony has already been commended by his town of Dresden, and I now ask that you and all Members of Congress join me in a tribute to Tony Moore, a true hometown hero.

RECOGNIZING THE WOMENS CLUB OF ALTOONA, PA, FOR 60 YEARS OF SERVICE

HON. BUD SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1995

Mr. SHUSTER. Mr. Speaker, I rise today to recognize the accomplishments of a group which has been a positive influence for 60 years in Altoona, PA. Since 1935, the Womens Club of Altoona has played a significant role in community service throughout Altoona and Blair County. This is a club in which members dedicate themselves to the betterment of the community by providing scholarship aid to students, assisting and giving to charitable organizations, and volunteering many hours to programs and events for the young and elderly throughout the region. They have provided support and assistance which government services cannot afford to sustain or otherwise would not even exist. This club provides a sense of guidance, awareness, responsibility, and caring toward the community; characteristics vital to keeping our cities and towns on the right track, especially in this period of time in which we see communities breaking down around the Nation. I want to take this opportunity to thank all of the women who have been a part of this organization, and say to them that they are an asset to our region and I hope that they will continue to play a visible role throughout the community. I wish them the best in celebrating their 60 years of service in Altoona and Blair County.

THE REPUBLICAN CONTRACT: THE CALL AND POST NEWSPAPER RESPONDS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1995

Mr. STOKES. Mr. Speaker, we are moving closer to the conclusion of the first 100 days of the Republican Contract With America. Over the past weeks, we have debated on the House floor various provisions of the contract. During this same period, newspapers across America are providing their readers with detailed analyses of this plan put forth by the Republican Party. One such newspaper is the Call and Post, a black weekly newspaper which serves residents of my congressional district.

In recent editorials, the Call and Post takes a close look at the Republican Contract With America, and its impact on the African-American community, in particular. The newspaper criticizes the Republican Party for its drastic cuts in programs including housing assistance, nutrition and child care services, low-income energy assistance and the student loan program, along with many others. The Call and Post editorial writers are also critical of Republican efforts to dismantle affirmative action programs and the Voting Rights Act. Their editorial states in part, ''Our early vote on the Republican first '50 days' is that, on balance, it has been disastrous for those in America who do not have stocks and bonds, or six-figure incomes.''

Mr. Speaker, I want to share these editorials from the Call and Post newspaper with my colleagues and the Nation. I agree with the editorial writers that the Contract With America is mean-spirited, ill-advised and particularly harmful to the African-American community, other disadvantaged populations, and the poor. I hope that Members on both sides of the aisle will take a moment to read the Call and Post analysis of the Contract With America.

[From the Call and Post, Mar. 2, 1995]

AFTER 50 DAYS

When Newt Gingrich was leading the charge against the Democrats in the last election, he promised in his ''Contract with America'' that the House of Representatives would, within the first 100 days of operation, vote on measures which would carry out a massive restructuring of government.

The ''100 days'' symbolism was significant. It hearkened back to the ''New Deal'' pronouncement of Franklin Delano Roosevelt, who, within his first 100 days of office, had put into place legislation designed to bring the nation out of the depths of the great depression—legislation and more importantly, a focus of government which was radically different than what had gone before.

Now, after 50 days of ''Newtonian'' politics, we have seen dramatic results. The first, and easiest, step the Congress took to fulfill the ''Contract with America'' was requiring Congress to abide by all the laws it imposes on others, such as civil rights statutes, wage and hour requirements, and occupational safety laws. There was little controversial about this measure: Ohio Sen. John Glenn had been fighting for the measure for years. It ended Congress' stature as America's ''last plantation.''

But the remainder of the contract has not been so easy, or so uncontroversial. It appears that the Republicans themselves—who have gained power on the push for term limits—now are debating whether, and how much, they want to impose this on themselves. The U.S. Term Limits organization, which has been the national arm for this movement, has attacked the Republicans—including specifically several Ohio Republican legislators—for hypocrisy on this issue; a measure particularly of concern to the group is sponsored by Florida Congressman Bill McCollum, which would replace all state-enacted term limits statutes with a federal one.

In the area of criminal justice, the Republican majority in the house has passed a measure which panders to the national hysteria about punishment for crime. It violates all the Republicans historic concern about the intrusion of the federal government into the rights of states by allowing federal money for prisons building to only those states in which incarcerated serious felons serve at least 85 percent of their sentences. And it also has severe constitutional questions in its willingness to allow a ''good faith'' exemption for warrantless searches. No less a constitutional authority than outgoing sixth circuit appellate court judge Nathaniel Jones has expressed serious concerns about this measure, saying that it would ''gut the fourth amendment from the Constitution.''

It is in the area of spending for human and social services that the Republicans have done the most mischief already. The House has already passed a bill cutting spending already appropriated by the House in 1994 by more than $17 billion—with $7.2 billion of that coming in one area, housing. Other human services programs have already been affected.

And the Republicans are planning even deeper cuts in the future, as the plan calls for block grants for human services spending.

If you're a young struggling mother trying to feed your children, you're probably in trouble: the rescission bill cut already-appropriated funding for Head Start and the Women's, Infants and Children's (WIC) program.

If you're a poor family struggling to survive through a cold winter, you're already in trouble: they have cut the low income housing energy assistance program.

If you're a poor child in school and needing the resources of the federal government just to get a decent meal, you're probably in trouble: massive cuts are contemplated for school feeding programs.

If you're a poor student seeking a better life through college, you're probably in trouble: the House is looking to cut grants and loans for college students.

In short, if you're one of America's poor trying to achieve a better life—or even merely survive in the one you have—you're probably going to be further impoverished by this round of budget cuts being proposed by the House Republicans in their ''Contract with America.''

It is clear that, after 50 days, the Republican legislative leadership, especially in the House, is planning a frontal assault on the New Deal's ''contract'' with the poorest of America's citizens. By the time their plans are completed, the goal is to take from them the resources to house them more adequately; feed them moderately; and educate them appropriately. None of the rhetoric they have used recently—about the need for budget tightening; about shared sacrifice from everyone; about how the private sector will step up and help—can erase that stark fact.

In fact, part of the Contract with America is designed specifically to shield some Americans from the sacrifices others must make: the Republicans are pushing a reduction in the capital gains tax which will provide windfall tax savings to some of the nation's wealthiest citizens.

President Clinton, who is threatening to veto parts of the contract, has said of the Republicans, ''what they want to do is make war on the kids of this country to pay for a capital gains tax cut.''

We believe, sadly, that this harsh language is correct. Our early vote on the Republicans first ''50 days'' is that, on balance, it has been disastrous for those in America who do not have stocks and bonds, or six-figure incomes.

We can only hope that President Clinton will demonstrate the courage of his convictions to veto some of the most destructive expressions of the GOP leadership's demonstrated desire to turn back the clock on help for America's poorest citizens.

CONTRACT ON BLACK AMERICA

The ''Republican Revolution'' and its makeshift constitution otherwise known as the ''Contract With America'' has been criticized by President Clinton and other prominent Democrats as a threat to the children of the poor, and rightfully so. However, the general tenor of the actions of Congress have the appearance of a contract ON Black America.

We have already cited the cuts in low income housing, heating bill subsidies and Head Start, that were appropriated by the last Congress and now cut retroactively to pay for a capital gains tax cut that will benefit wealthy individuals and corporations. These cuts will affect all low-income Americans, but like everything else, they will be disastrous in the Black Community.

Now, the ''contract's'' legislative agenda will turn to ''direct hits'' on Black America. For starters, Eleanor Holmes-Norton, the District of Columbia Delegate, has been striped of her right to vote on the floor of Congress. This act leaves the entire, predominately Black, taxpaying ($1.6 Billion at last count) population of the District without Congressional representation.

On affirmative action, they have already voted to end tax breaks for companies that sell broadcast licenses to minorities, a program that was created to foster minority ownership to those previously denied access to electronic media ownership. This will benefit primarily well-off self-employed persons, who will now be able to deduct a portion of the cost of their medical insurance.

Next, they have vowed to completely dismantle affirmative action, the Voting Rights Act and the welfare system, and unless we mobilize, it looks like no-one can stop them.

We urge our readers to write to The President, our Senators and Congressmen, and to let them know that we are about to start our own revolution. Our political organizations should be planning voter registration and education programs throughout the state, so that the Black community will once again become something to be feared, and not trampled over.

RADIOLOGY: 100 YEARS OF HEALTH PROGRESS

HON. FORTNEY PETE STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 5, 1995

Mr. STARK. Mr. Speaker, just 100 years ago this year, a German physicist, Wilhelm Conrad Roentgen, discovered x rays. Within weeks, American scientists, physicians, and industrialists were making new discoveries with x rays and were putting them to work in medicine and industry. No major scientific discovery ever spread so fast or found such instant acceptance in many areas of life.

At first physicians peered at dim images to perceive bullets, bones, and kidney stones. Equipment and technique were improved. Soon physicians could look for other health problems with x rays. They learned that x rays could be used to cure some diseases, particularly forms of cancer. A medical specialty, radiology, grew among the men and women who applied x rays in health care.

Over the century, radiologists added to their competence with the products of scientific breakthroughs. From the atomic bomb research came radioisotopes, so vital for diagnosing body organ function and treating cancers. From radar and sonar came medical applications of ultrasound. From the space efforts came the ability to analyze images electronically, bounce them off of satellites, and store them for instant recall. From computers came computed tomography and magnetic resonance imaging. The million-volt energies of linear accelerators allow radiation oncologists to deliver pinpoint treatment of cancers.

This year, two-thirds of all Americans will receive a medical diagnostic imaging procedure. Two-thirds of those with cancers will receive radiation as part of their treatment. In a hundred years, radiology has become a vital part of our health care pattern.

During this year, more than 100 professional societies and companies which supply the family of radiology have organized Radiology Centennial, Inc. to conduct a year-long series of celebratory events. Among these events is a special convocation on April 30 here in Washington.

Mr. Speaker, I ask that the record show that this House joins other Americans in recognizing the value of radiology to all of us in this, its 100th year.

TERM LIMITS CONSTITUTIONAL AMENDMENT

SPEECH OF

HON. HERBERT H. BATEMAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 29, 1995

The House in Committee of the Whole House on the State of the Union had under consideration the joint resolution (H.J. Res. 73) proposing an amendment to the Constitution of the United States with respect to the number of terms of office of Members of the Senate and the House of Representatives:

Mr. BATEMAN. Mr. Chairman, I wish to outline my thoughts on the subject of congressional term limits—a matter included in the Contract With America and debated at length by the House. Unfortunately, the demands of my committee schedule did not allow me to participate in the debate. Belatedly, I offer these comments so that my constituents will be fully informed as to my position and vote. This provision of the contract should have been and was honored by the debate on the issue and the votes on it that were cast. As I have for years consistently opposed term limits, I signed the contract because this was all it required.

I continue to oppose congressional term limits. At best, they are an ill-conceived quick-fix response to a set of real and perceived problems with Congress as an institution. At worst, they represent a fundamental change in our representative democracy that abandons more than 200 years of American history and threatens to undermine the basic right of suffrage. In my view, term limits are a bad idea that were properly rejected.

Mr. Chairman, throughout our history Congress, as an institution, has been an object of criticism and some derision. I do not deny the legitimacy of much of that criticism and share some of the frustration the American people have directed toward this House and the other body. The new Republican majority has made sweeping changes in the internal operations of this House and I am confident we will continue to make steady progress in reforming the Federal Government. Among the ills the medicine of term limits purport to cure are incumbent advantage in elections, undue influence of lobbyists and big contributors, shoddy lawmaking and the ubiquitous professional politician. I submit that term limits will do nothing to address these real and perceived problems and will, in fact, create a series of headaches that are far worse than the disease they are intended to eradicate.

I would like to briefly touch on each of the items I have just mentioned. With regard to incumbent advantage and the influence of lobbyists and contributors, let me say plainly that I believe any inequity in the status quo is better addressed directly, through campaign finance, lobbying and congressional franking reforms, rather than the indirect route of congressional term limits. These are the real issues and they should be debated.

The other malady that term limits proponents claim their legislation will cure is the so-called professional politician. The argument, as I understand it, advances the simplistic notion that much of regulatory burdens and social dilemmas we face in the United States today are the direct result of the actions of an arrogant, isolated political class that exists inside the Capital beltway, selling out the people to the special interests in order to perpetuate themselves in public office. This is a simply ridiculous proposition. We certainly have too much Federal involvement in the everyday life and a great many societal problems that have been nurtured by it. But to claim that there is a direct causal link between these realities and the absence of a limitation on the length of service of Members of Congress presents a logical disconnect, and is insupportable on sound public policy grounds.

Mr. Chairman, I agree with our esteemed Judiciary Committee chairman, the gentleman from Illinois [Mr. HYDE], and his assessment of this argument. We live in the most advanced and complex country in history and our public institutions reflect that. Clearly, we can streamline and simplify those institutions. We have and should be zealous in assuring that the Members of this body are accountable to the people. But this does not mean that we must reduce serving as a legislator on the national level to the only job in the country that is reserved for the inexperienced. Maturity, judgment and experience are attributes prized in every profession and should be as well in the Congress. Ironically, to deny these assets would greatly diminish the role of elected representatives and enhance the power of professional staffs, the bureaucracy, and special interest groups.

There is a larger issue at stake here, the basic right of suffrage that is afforded all citizens over the age of 18. Again, I cite the distinguished chairman from Illinois in stating that I see little difference between being denied the ability to vote for a candidate and being told how to cast my vote. Both instances are clear abridgments of the right to vote. Term limits are nothing more than a stalking horse for a minority attempting to overturn the decision of a majority of the voters in a free and fair election.

Many term limits advocates infer that we are entering a period in our life as a nation requiring this dramatic change in our democracy. Let me say that I worry about their grasp of history. We face problems, but I cannot believe that a system that brought us through the Civil War, the Great Depression and two World Wars is suddenly a historical anomaly. Now that we stand at some distance from those great cataclysms it is easy to forget how hard it was to walk the line between success and failure. Were term limits in effect, the Nation would have been denied the likes of Henry Clay, Daniel Webster, John C. Calhoun, Jeannette Rankin, Robert LaFollette, Sam Rayburn, Robert Taft, Everett Dirksen, Richard Russell, Arthur Vandenberg, John Stennis, Bob Michel, and countless others, each of them towering giants in the annals of Congress. To imagine facing the crises of the past without these individuals and their colleagues is simply beyond my comprehension.

Most upsetting to me is the implicit assumption of term-limits advocates that a career in public service is not only unacceptable but unworthy and therefore should be constrained by a constitutional prohibition. In 15 years of service in the Senate of Virginia and in the 13th year of service in this House, I have devoted myself to public service. It has not been a sacrifice, it has been a joy because of the satisfaction public service has brought me. There surely are those who, knowing my record, may not believe it distinguished or significant and that is for them to judge. But no one can fairly say it has not been honorable public service or that it was based on crass and self-serving motives. Sincere, constructive public service is not a curse. It is a blessing.

Mr. Chairman, I would like to conclude by reaffirming my support for and my belief in the present system of congressional election. I hope that term limits are at the zenith of their 15 minutes of fame and will soon be seen for what they are, an attempt at a quick fix for complex national problems that discards a key pillar of our representative democracy. Term limits are a bad idea whose time has come and gone.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, April 6, 1995, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 7

9:30 a.m.
Joint Economic
To hold hearings to examine the employment-unemployment situation for March.
SD–562

10:00 a.m.
Commission on Security and Cooperation in Europe
To hold a closed briefing on the United Nation High Commission for Refugees (UNHCR) activities and concerns in the former Yugoslavia and several of the newly independent states of the former Soviet Union. 2255 Rayburn Building

APRIL 26

9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for energy conservation.
SD–116

9:45 a.m.
Energy and Natural Resources
Forests and Public Land Management Subcommittee
To resume oversight hearings on the U.S. Forest Service land management planning process.
SD–366

10:00 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Food and Consumer Service, Department of Agriculture.
SD–138

Appropriations
Commerce, Justice, State, and the Judiciary Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Legal Services Corporation.
S–146, Capitol

11:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for fossil energy, clean coal technology, Strategic Petroleum Reserve, and the Naval Petroleum Reserve.
SD–116

APRIL 27

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Federal Transit Administration, Department of Transportation.
SD–192

APRIL 28

9:30 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on issues of waste, fraud and abuse in the Medicaid program.
SD–138

MAY 2

9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Forest Service of the Department of Agriculture.
SD–138

Labor and Human Resources
To hold hearings on the nomination of Henry W. Foster Jr., of Tennessee, to be Medical Director in the Regular Corps of the Public Health Service, Department of Health and Human Services.
SH–216

MAY 3

9:30 a.m.
Appropriations
VA, HUD, and Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Environmental Protection Agency, the Council on Environmental Quality, and the Agency for Toxic Substances and Disease Registry.
SD–192

10:00 a.m.
Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Agriculture.
SD–138

MAY 4

10:00 a.m.
Appropriations
Transportation Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the United States Coast Guard, Department of Transportation.
SD–192

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the National Institutes of Health, Department of Health and Human Services.
SD–192

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of the Treasury and the Office of Management and Budget.
SD–138

MAY 11

10:00 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Bureau of Indian Affairs, Department of the Interior.
SD–116

1:00 p.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Indian Health Service, Department of Health and Human Services.
SD–116

2:00 p.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
To hold hearings to examine access to abortion clinics.
SD–192

MAY 17

9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the National Park Service, Department of the Interior.
SD–192

MAY 24

9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the United States Fish and Wildlife Service, Department of the Interior.
SD–192

JUNE 6

9:30 a.m.
Appropriations
Interior Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1996 for the Department of the Interior.
SD–138

POSTPONEMENTS

APRIL 6

10:00 a.m.
Foreign Relations
Near Eastern and South Asian Affairs Subcommittee
To hold hearings to examine the Arab boycott of Israel.
SD–419

Wednesday, April 5, 1995

Daily Digest

HIGHLIGHTS

House passed the tax fairness and deficit reduction bill.

Senate

Chamber Action

Routine Proceedings, pages S5161–S5272

Measures Introduced: Nine bills and three resolutions were introduced, as follows: S. 675–683, and S. Res. 103–105. **Pages S5217–18**

Measures Reported: Reports were made as follows:

S. 510, to extend the authorization for certain programs under the Native American Programs Act of 1974, with an amendment in the nature of a substitute. (S. Rept. No. 104–28) **Page S5217**

Measures Passed:

National 4-H Day: Committee on the Judiciary was discharged from further consideration of S. Res. 100, to proclaim April 5, 1995, as National 4-H Day, and the resolution was then agreed to. **Pages S5212–13**

FEMA Supplemental Appropriations/Rescissions: Senate continued consideration of H.R. 1158, making emergency supplemental appropriations for additional disaster assistance and making rescissions for the fiscal year ending September 30, 1995, taking action on amendments proposed thereto, as follows: **Page S5216**

Adopted:

Wellstone Amendment No. 450, to express the sense of the Senate that before the Senate votes on block granting WIC to States the Senate Committee on Agriculture, Nutrition, and Forestry should investigate whether there is any improper food industry lobbyists' involvement in the transfer of WIC into State-controlled block grants. **Page S5216**

Dole/McConnell Modified Amendment No. 451 (to Amendment No. 450), to establish debt restructuring and debt relief for Jordan. **Page S5216**

Pending:

Hatfield Amendment No. 420, in the nature of a substitute. **Page S5216**

D'Amato Amendment No. 427 (to Amendment No. 420), to require Congressional approval of aggregate annual assistance to any foreign entity using the exchange stabilization fund established under section 5302 of title 31, United States Code, in an amount that exceeds $5 billion. **Page S5216**

Murkowski/D'Amato Amendment No. 441 (to Amendment No. 427), of a perfecting nature. **Page S5216**

Daschle Amendment No. 445 (to Amendment No. 420), in the nature of a substitute. **Page S5216**

Dole (for Ashcroft) Amendment No. 446 (to Amendment No. 445), in the nature of a substitute. **Page S5216**

Senate will resume consideration of the bill on Thursday, April 6, 1995, with a vote on a motion to close further debate on Hatfield Amendment No. 420 to occur thereon at 2 p.m.

Messages From the House: **Page S5217**

Measures Referred: **Page S5217**

Measures Placed on Calendar: **Pages S5175–76, S5217**

Statements on Introduced Bills: **Pages S5218–31**

Additional Cosponsors: **Page S5231**

Amendments Submitted: **Pages S5236–67**

Authority for Committees: **Pages S5267–68**

Additional Statements: **Pages S5268–72**

Recess: Senate convened at 9:30 a.m., and recessed at 9:11 p.m., until 9:30 a.m., on Thursday, April 6, 1995. (For Senate's program, see the remarks of the Majority Leader in today's RECORD on page S5272.)

Committee Meetings

(Committees not listed did not meet)

APPROPRIATIONS—NASA

Committee on Appropriations: Subcommittee on VA, HUD, and Independent Agencies held hearings on proposed budget estimates for fiscal year 1996 for the National Aeronautics and Space Administration,

receiving testimony from Daniel S. Goldin, Administrator, National Aeronautics and Space Administration.

Subcommittee will meet again on Wednesday, May 3.

APPROPRIATIONS—AGRICULTURE

Committee on Appropriations: Subcommittee on Agriculture, Rural Development, and Related Agencies held hearings on proposed budget estimates for fiscal year 1996 for the Department of Agriculture, receiving testimony in behalf of funds for their respective activities from Floyd P. Horn, Acting Under Secretary, Research, Education, and Economics; R. D. Plowman, Administrator, Agricultural Research Service; William Carlson, Acting Administrator, Cooperative State Research, Education, and Extension Service, John C. Dunmore, Acting Administrator, Economic Research Service; Donald Bay, Administrator, National Agricultural Statistics Service; and Michael L. Young, Director, Budget Control and Analysis Division, all of the Department of Agriculture.

Subcommittee will meet again on Wednesday, April 26.

APPROPRIATIONS—INS/BUREAU OF PRISONS

Committee on Appropriations: Subcommittee on Commerce, Justice, State, and the Judiciary held hearing on proposed budget estimates for the Department of Justice, receiving testimony in behalf of funds for their respective activities from Doris Meissner, Commissioner, Immigration and Naturalization Service, and Kathleen Hawk, Director, Federal Bureau of Prisons, both of the Department of Justice.

Subcommittee will meet again tomorrow.

APPROPRIATIONS—FAA

Committee on Appropriations: Subcommittee on Transportation held hearings on proposed budget estimates for fiscal year 1996 for the Federal Aviation Administration, receiving testimony from David Russell Hinson, Administrator, Federal Aviation Administration, Department of Transportation.

Subcommittee will meet again on Thursday, April 27.

AUTHORIZATION—DEFENSE

Committee on Armed Services: Subcommittee on Personnel resumed hearings on proposed legislation authorizing funds for fiscal year 1996 for the Department of Defense and the future years defense program, focusing on the Department of Defense Quality of Life Programs, receiving testimony from Frederick F.Y. Pang, Assistant Secretary of Defense for Force Management Policy; Gen. John H. Tilelli, Jr., USA, Vice Chief of Army Staff; Adm. Stanley R. Arthur, USN, Vice Chief of Naval Operations; Lt. Gen. Billy J. Boles, USAF, Vice Commander, Air Education and Training Command, U.S. Air Force; Gen. Richard D. Hearney, USMC, Assistant Commandant, U.S. Marine Corps; and Col. Paul W. Aracari, USAF (Ret.), and Lt. Commander Virginia M. Torsch, USNR, both of The Retired Officers Association, Sgt. Maj. Michael F. Quellette, USA (Ret.), The Non-Commissioned Officers Association, and Sydney T. Hickey, National Military Family Association, all of Alexandria, Virginia.

Subcommittee recessed subject to call.

NATO

Committee on Armed Services: Subcommittee on Airland Forces held hearings on the future of the North Atlantic Treaty Organization (NATO), receiving testimony from Walter B. Slocombe, Under Secretary of Defense for Policy; Lt. Gen. Wesley K. Clark, USA, Director for Strategic Plans and Policy (J–5), Office of the Joint Chiefs of Staff; and Richard Holbrooke, Assistant Secretary of State for European and Canadian Affairs.

Subcommittee recessed subject to call.

FEDERAL FOREST MANAGEMENT

Committee on Energy and Natural Resources: Subcommittee on Forest and Public Land Management resumed oversight hearings to review Federal forest management issues, focusing on the status of national forest plan revisions and the Administration's development of ecoregion-based biological assessments, receiving testimony from Jack Ward Thomas, Chief, Gray Reynolds, Deputy Chief, National Forest System; Jim Perry, Office of General Counsel; Chris Risbrudt, Acting Director, Ecosystem Management; Jeff Blackwood and Steven Mealey, Directors, Interior Columbia Basin Ecosystem Management Project; Forrest Carpenter, Director, Southern Appalachian Assessment; and James Space, Director, Sierra Nevada Assessment, all of the Forest Service, Department of Agriculture; Mark Rasmussen, Timber Data Company, Eugene, Oregon; Michael Anderson, Seattle, Washington, and Louis Blumberg, San Francisco, California, both of The Wilderness Society; Jeff Kessler, Biodiversity Associates, Laramie, Wyoming; James C. Geisinger, Northwest Forestry Association, and Rick Brown, National Wildlife Federation, both of Portland, Oregon; Bill Snyder, Fibreboard Corporation, Standard, California; Dave Van De Graaff, Boise Cascade Corporation, Emmett, Idaho; Jack Swanner, T & S Hardwoods, Sylva, North Carolina; and James E. Loesel, Southern Appalachia Forest Coalition, Roanoke, Virginia.

Hearings will continue on Wednesday, April 26.

SUPERFUND REFORM

Committee on Environment and Public Works: Subcommittee on Superfund, Waste Control, and Risk Assessment resumed oversight hearings on the implementation of the Comprehensive Environmental Response, Compensation, and Liability Act (P.L. 102–426), focusing on Superfund cleanup standards, receiving testimony from Elliott P. Laws, Assistant Administrator, Office of Solid Waste and Emergency Response, Environmental Protection Agency; Curtis C. Travis, Oak Ridge National Laboratory, Oak Ridge, Tennessee; Steven J. Milloy, National Environmental Policy Institute, and Linda E. Greer, Natural Resources Defense Council, both of Washington, D.C.; Philip J. O'Brien, New Hampshire Department of Environmental Services, Concord; Milton Russell, University of Tennessee, Knoxville; Michael S. Parr, DuPont Company, Wilmington, Delaware, on behalf of the Chemical Manufacturers Association; Richard A. Brown, Groundwater Technology, Inc., Trenton, New Jersey, on behalf of the Biotechnology Industry Organization and Groundwater Technology, Inc.; Robert W. Frantz, General Electric Company, Fairfield, Connecticut; Paul A. Miskimin, Jacobs Engineering Group Inc., Pasadena, California; and Marcia E. Williams, Williams and Vanino, Inc., Los Angeles, California.

Hearings were recessed subject to call.

TAX REFORM: FLAT TAX

Committee on Finance: Committee held hearings to discuss issues relating to flat tax rate proposals, receiving testimony from Senators Mack and Shelby; Alan J. Auerbach, University of California, Berkeley; Bruce Bartlett, National Center for Policy Analysis, Alexandria, Virginia; and Joel B. Slemrod, University of Michigan, Ann Arbor.

Hearings were recessed subject to call.

EARNED INCOME TAX CREDIT

Committee on Governmental Affairs: Committee continued hearings to examine tax refund fraud, focusing on the earned income tax credit and the Internal Revenue Service's efforts to detect and prevent erroneous claims, receiving testimony from Senator Nickles; Leslie B. Samuels, Assistant Secretary of the Treasury for Tax Policy; Ismael Gonzalez, New York, New York, former Special Assistant United States Attorney; Deborah Walker, American Institute of Certified Public Accountants, Marvin H. Kosters, American Enterprise Institute, and Robert Greenstein, Center on Budget and Policy Priorities, all of Washington, D.C.; George K. Yin, University of Virginia School of Law, Charlottesville; John Karl Scholz, University of Wisconsin, Madison; and Donald R. Huston, Dover, Delaware.

Hearings were recessed subject to call.

BUSINESS MEETING

Committee on the Judiciary: Committee ordered favorably reported the nominations of Maxine M. Chesney, to be United States District Judge for the Northern District of California; Curtis L. Collier, to be United States District Judge for the Eastern District of Tennessee; Eldon E. Fallon, to be United States District Judge for the Eastern District of Louisiana; Joseph Robert Goodwin, to be United States District Judge for the Southern District of West Virginia; and Joe Bradley Pigott, to be United States Attorney for the Southern District of Mississippi.

Also, committee began markup of S. 343, to reform the Federal regulatory process, but did not complete action thereon, and will continue tomorrow.

BASEBALL ANTITRUST REFORM

Committee on the Judiciary: Subcommittee on Antitrust, Business Rights, and Competition approved for full committee consideration S. 627, to require the general application of the antitrust laws to major league baseball.

FDA

Committee on Labor and Human Resources: Committee held hearings to examine activities of the Food and Drug Administration, focusing on the challenges and opportunities facing the pharmaceutical, biotech, medical device, and food industries, and FDA's regulation of these industries, receiving testimony from Charles C. Edwards, Scripps Research Institute, La Jolla, California, former Commissioner, Food and Drug Administration; Mark Novitch, George Washington University Medical Center, Washington, D.C., former Acting Commissioner, Food and Drug Administration; Edward M. Scolnick, Merck and Company, Inc., West Point, Pennsylvania; George B. Rathmann, ICOS Corporation, Bothell, Washington; David M. Steinhaus, Mid America Heart Institute, Kansas City, Missouri; and Michael W. Pariza, University of Wisconsin, Madison.

Hearings continue tomorrow.

INDIAN WELFARE

Committee on Indian Affairs: Committee concluded oversight hearings to discuss Federal funding to Indian tribal governments for welfare and social service programs, after receiving testimony from Mary Jo Bane, Assistant Secretary for Children and Families, and George F. Grob, Deputy Inspector General for Evaluation and Inspections, both of the Department of Health and Human Services; New Mexico State Representative Nick Salazar, Santa Fe; Bobby Whitefeather, Red Lake Band of Chippewa Indians,

Red Lake, Minnesota; Beltrami County Commissioner Richard P. Florhaug, Bemidji, Minnesota; Harry D. Early, All Indian Pueblo Council, Inc., Albuquerque, New Mexico; Mark Mercier, Confederated Tribes of the Grand Ronde, Grand Ronde, Oregon; Joan Rebar, Sac and Fox Nation of Missouri, Reserve, Kansas, on behalf of the United Tribes of Kansas and Southeast Nebraska and the Native American Family Services; Thomas E. Atcitty, Navajo Nation, Window Rock, Arizona; and Merle Boyd, Sac and Fox Nation, Stroud, Oklahoma.

GUATEMALA

Select Committee on Intelligence: Committee held hearings to examine United States policy in Guatemala, focusing on allegations of United States involvement in the murders of two individuals in Guatemala, receiving testimony from Alexander F. Watson, Assistant Secretary of State for Inter-American Affairs; Adm. William O. Studeman, Acting Director of Central Intelligence; Col. Allen C. Cornell, USA (Ret.), former United States Defense Attache in Guatemala; and Carole DeVine and Jennifer Harbury, widows of slain individuals.

Hearings were recessed subject to call.

House of Representatives

Chamber Action

Bills Introduced: 23 public bills, H.R. 1397–1419; 1 private bill, H.R. 1420; and 2 resolutions, H. Con. Res. 57, and H. Res. 131 were introduced.

Pages H4335–36

Reports Filed: Reports were filed as follows:

H. Res. 129, waiving points of order against the conference report to accompany H.R. 889, making emergency supplemental appropriations and rescissions to preserve and enhance the military readiness of the Department of Defense for the fiscal year ending September 30, 1995 (H. Rept. 104–102); and

H. Res. 130, providing for the consideration of H.R. 483, to amend title XVIII of the Social Security Act to permit Medicare Select policies to be offered in the States (H. Rept. 104–103). **Pages H4329, H4334**

Speaker Pro Tempore: Read a letter from the Speaker wherein he designates Representative Camp to act as Speaker pro tempore for today. **Page H4179**

Journal: By a yea-and-nay vote of 384 yeas to 27 nays with 2 voting ''present'', Roll No. 288, the House approved the Journal of Tuesday, April 4.

Pages H4179–80

Tax Fairness and Deficit Reduction: By a recorded vote of 246 ayes to 188 noes, Roll No. 295, the House passed H.R. 1215, to amend the Internal Revenue Code of 1986 to strengthen the American family and create jobs. **Pages H4213–H4319**

Agreed to the Archer motion to table an appeal of a ruling of the chair (agreed to by a recorded vote of 228 ayes to 204 noes, Roll No. 294). **Page H4317**

Rejected the Gephardt motion to recommit the bill to the Committee on Ways and Means with instructions to report it back forthwith containing amendments providing that the retirement system be changed only for Members of Congress; delete tax benefits other than a middle class family tax credit; and that family tax credits be contingent upon successful deficit reduction (rejected by a recorded vote of 168 ayes to 265 noes, Roll No. 293).

Pages H4311–15

Agreed to the amendment in the nature of a substitute (text of H.R. 1327) made in order by the rule. **Page H4311**

Rejected the Gephardt amendment in the nature of a substitute that sought to provide tax deductions for low-income families to support costs of higher education; create a new type of savings bonds called ''Guaranteed Education Plan Bonds''; provide for penalty-free withdrawal of current IRAs to pay for higher education costs, raise the eligibility limit to $85,000 for couples filing a joint return and to $60,000 for single taxpayers and phase in an additional $2,000 deduction contribution for spouses; establish a new nondeductible tax-free IRA subject to current law income eligibility requirements; delay the effective dates of these tax provisions until the Office of Management and Budget certified the Federal budget will be balanced by fiscal year 2002 and suspends them if the Federal budget deficit does not meet specific reduction targets; extend the PAYGO provision through fiscal year 2000 and reduce mandatory caps on discretionary spending for fiscal years 1996–1998 and extend them through fiscal year 2000; permit the Internal Revenue Service to tax estates of expatriates who renounce their citizenship; and establish new reporting requirements for residents and citizens who move assets into or receive

income from foreign trusts (rejected by a recorded vote of 119 ayes to 313 noes, Roll No. 292).

Pages H4290–H4311

H. Res. 128, the rule under which the bill was being considered, was agreed to earlier by a recorded vote of 228 ayes to 204 noes, Roll No. 290. Agreed to order the previous question on the resolution by a yea-and-nay vote of 230 yeas to 203 nays, Roll No. 289. **Pages H4192–H4212**

Committees to Sit: The following committees and their subcommittees received permission to sit on Thursday, April 6, during the proceedings of the House under the 5-minute rule: Committees on Agriculture, Banking and Financial Services, Government Reform and Oversight, International Relations, Judiciary, National Security, Small Business, Transportation and Infrastructure, and Veterans' Affairs.

Page H4329

Senate Messages: Messages received from the Senate today appear on page H4180.

Quorum Calls—Votes: One quorum call (Roll No. 291), two yea-and-nay votes and five recorded votes developed during the proceedings of the House today and appear on pages H4179–80, H4211–12, H4212, H4308, H4311, H4314–15, H4317, and H4318–19.

Adjournment: Met at 11:00 a.m. and adjourned at 12:00 a.m. on Thursday, April 6.

Committee Meetings

AGRICULTURE, RURAL DEVELOPMENT, FDA, AND RELATED AGENCIES APPROPRIATIONS

Committee on Appropriations: Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies concluded appropriation hearings. Testimony was heard from Dan Glickman, Secretary of Agriculture.

COMMERCE, JUSTICE, STATE, AND JUDICIARY APPROPRIATIONS

Committee on Appropriations: Subcommittee on Commerce, Justice, State, and Judiciary (and Related Agencies) held a hearing on Overview of International Trade Promotion and Enforcement Programs. Testimony was heard from Ambassador Michael Kantor, U.S. Trade Representative; the following officials of the Department of Commerce: Jeffrey E. Garten, Under Secretary, International Trade; Greg Farmer, Under Secretary, Travel and Tourism; William S. Reinsch, Under Secretary, Export Administration; and Susan Esserman, Assistant Secretary, Import Administration, International Trade Administration; Mary Jean Ryan, Associate Deputy Administrator, Economic Development, SBA; and Peter S. Watson, Chairman, U.S. International Trade Commission.

INTERIOR APPROPRIATIONS

Committee on Appropriations: Subcommittee on Interior (and Related Agencies) held a hearing on the National Endowment for the Arts. Testimony was heard from Jane Alexander, Chairman, National Endowment for the Arts, National Foundation for the Arts and the Humanities.

LABOR, HHS, AND EDUCATION

Committee on Appropriations: Subcommittee on Labor, Health and Human Services, and Education (and Related Agencies) held a hearing on National Mediation Board and Railroad Retirement Board, Occupational Safety and Health Review Commission, Physician Payment Review Commission, and on the Prospective Payment Assessment Commission. Testimony was heard from Ernest W. DuBester, Chairman, National Mediation Board; Glen L. Bower, Chairman, Railroad Retirement Board; Stuart E. Weisberg, Chairman, Occupational Safety and Health Review Commission; John M. Gisenberg, M.D., Chairman, Physician Payment Review Commission; and Stuart A. Altman, Chairman, Prospective Payment Assessment Commission.

NATIONAL SECURITY APPROPRIATIONS

Committee on Appropriations: Subcommittee on National Security met in executive session to hold a hearing on Russian and other Submarine Threats and Navy Submarine Programs. Testimony was heard from Ken Knight, Deputy, National Intelligence Officer, General Purpose Forces, National Intelligence Council; and the following officials of the Department of the Navy: Nora Slatkin, Assistant Secretary (Research, Development and Acquisition); Adm. Bruce LeMars, USN, Director, Naval Nuclear Propulsion; and Vice Adm. T. Joseph Lopez, USN, Deputy Chief of Naval Operations (Resources, Warfare Requirements and Assessment).

The Subcommittee also held a hearing on Submarine Industry Perspectives. Testimony was heard from public witnesses.

VA, HUD AND INDEPENDENT AGENCIES APPROPRIATIONS

Committee on Appropriations: Subcommittee on Veterans' Affairs, Housing and Urban Development and Independent Agencies continued appropriation hearings. Testimony was heard from Members of Congress and public witnesses.

FINANCIAL SERVICES COMPETITIVENESS ACT

Committee on Banking and Financial Services: Concluded hearings on the following: H.R. 1062, Financial Services Competitiveness Act of 1995; Glass-Steagall Reform; and related issues. Testimony was heard from Paul A. Volcker, former Chairman, Board of Governors, Federal Reserve System; and public witnesses.

RYAN WHITE CARE ACT REAUTHORIZATION

Committee on Commerce: Subcommittee on Health and Environment held a hearing on the reauthorization of the Ryan White CARE Act. Testimony was heard from Representatives Gunderson and Barrett of Wisconsin; Philip R. Lee, M.D., Assistant Secretary, Health, Department of Health and Human Services; William Scanlon, Associate Director, Medicaid and Intergovernmental Relations, Health, Education and Human Services Division, GAO; Diana Jones-Ritter, Deputy Director, Office of Public Health, Department of Health, State of New York; and public witnesses.

NULLIFY EXECUTIVE ORDER PROHIBITING FEDERAL CONTRACTS WITH COMPANIES HIRING PERMANENT REPLACEMENTS FOR STRIKING EMPLOYEES

Committee on Economic and Educational Opportunities: Held a hearing on Executive Order 12954, and H.R. 1176, to nullify an Executive order that prohibits Federal contracts with companies that hire permanent replacements for striking employees. Testimony was heard from public witnesses.

CONTRACTING OUT

Committee on Government Reform and Oversight: Subcommittee on Civil Service continued hearings on Contracting Out: Part 2. Testimony was heard from Delegate Norton; and public witnesses.

FRANKING REFORM

Committee on House Oversight: Held a hearing on Franking Reform. Testimony was heard from Representatives Upton, Davis, Hutchinson, Goss, Castle, Greenwood, LaHood, and Portman; and public witnesses.

SENSE OF CONGRESS RESOLUTION—VISIT BY PRESIDENT OF CHINA; ADMINISTRATION'S INTERNATIONAL AFFAIRS BUDGET REQUEST

Committee on International Relations: Ordered reported amended H. Con. Res. 53, expressing the sense of the Congress regarding a private visit by President Lee Teng-hui of the Republic of China on Taiwan to the United States.

The Committee also continued hearings on the Administration's International Affairs Budget Request. Testimony was heard from public witnesses.

SENSE OF CONGRESS RESOLUTION—VISIT BY PRESIDENT OF THE REPUBLIC OF CHINA

Committee on International Relations: Subcommittee on Asia and the Pacific approved for full Committee action amended the following measures: H. Con. Res. 53, expressing the sense of the Congress regarding a private visit by President Lee Teng-hui of the Republic of China on Taiwan to the United States; and H.J. Res. 83, relating to the United States—North Korea Agreed Framework and the obligations of North Korea under that and previous agreements with respect to the denuclearization of the Korean Peninsula and dialog with the Republic of Korea.

CASES CHALLENGING CONSTITUTIONALITY OF MEASURES PASSED BY STATE REFERENDUM BE HEARD BY THREE-JUDGE COURT

Committee on the Judiciary: Subcommittee on Courts and Intellectual Property held a hearing on H.R. 1170, to provide that cases challenging the constitutionality of measures passed by State referendum be heard by a three-judge court. Testimony was heard from Harry T. Edwards, Chief Judge, U.S. Court of Appeals, District of Columbia Circuit; and public witnesses.

GOVERNMENT POLICIES ASSOCIATED WITH THE SECOND AMENDMENT

Committee on the Judiciary: Subcommittee on Crime continued hearings on Gun Laws, Part 2, the Right to Keep and Bear Arms. Testimony was heard from public witnesses.

OVERSIGHT

Committee on the Judiciary: Subcommittee on Immigration and Claims held an oversight hearing on the impact of illegal immigration on public benefit programs and the American labor force. Testimony was heard from public witnesses.

MISCELLANEOUS MEASURES

Committee on Resources: Ordered reported amended the following bills: H.R. 541, Atlantic Tunas Convention Act of 1995; H.R. 1139, to amend the Atlantic Striped Bass Conservation Act; H.R. 1141, Sikes Act Improvement Amendments of 1995; H.R. 1175, Marine Resources Revitalization Act of 1995; and H.R. 1266, Greens Creek Land Exchange Act of 1995.

RONGELAP RECOVERY AND COMMUNITY SELF-RELIANCE ACT

Committee on Resources: Subcommittee on Native American and Insular Affairs approved for full Committee action amended H.R. 1332, Rogelap Recovery and Community Self-Reliance Act.

DEFENSE SUPPLEMENTAL; RESCISSIONS

Committee on Rules: Granted a rule waiving all points of order against the conference report on H.R. 889, making emergency supplemental appropriations and rescissions to preserve and enhance the military readiness of the Department of Defense for the fiscal year ending September 30, 1995; and against its consideration. Testimony was heard from Chairman Livingston and Representative Young of Florida.

MEDICARE SELECT POLICIES OFFERED IN STATES

Committee on Rules: By a recorded vote of 7 to 4, granted a modified closed rule providing for one hour of general debate on H.R. 483, to amend title XVIII of the Social Security Act to permit Medicare Select policies to be offered in all States. The rule waives clause 2(l)(6) of rule XI (requiring three-day availability of committee reports) against consideration of the bill. The rule makes in order the text of H.R. 1391 as an original bill for amendment purposes. The rule provides for one amendment in the nature of a substitute by Representative Dingell of Michigan or a designee, which is not amendable and subject to one hour of debate. The rule provides one motion to recommit, with or without instructions. The rule permits the filing of the report by the Committee on Commerce on H.R. 483 at any time. Testimony was heard from Chairman Bliley and Representatives Johnson of Connecticut, Dingell, Waxman, and Furse.

SBA'S SURETY BOND PROGRAM

Committee on Small Business: Subcommittee on Procurement, Exports, and Business Opportunities held a hearing on the SBA's Surety Bond Program. Testimony was heard from Jim Wells, Associate Director, Housing and Community Development Issues, GAO; Dorothy D. Kleeschulte, Associate Director, Surety Guarantees, SBA; and public witnesses.

COMMITTEE BUSINESS

Committee on Standards of Official Conduct: Met in executive session to consider pending business.

COAST GUARD AUTHORIZATION ACT; PIPELINE SAFETY ACT; CLEAN WATER AMENDMENTS

Committee on Transportation and Infrastructure: Ordered reported amended the following bills: H.R. 1361, Coast Guard Authorization Act for Fiscal Year 1996; and H.R. 1323, Pipeline Safety Act of 1995.

The Committee also continued markup of H.R. 961, Clean Water Amendments of 1995.

Will continue tomorrow.

Joint Meetings

MINIMUM WAGE

Joint Economic Committee: Committee resumed hearings to examine issues relating to a proposed increase in the minimum wage, receiving testimony from Richard Berman, Employment Policies Institute, and Gary Burtless, Brookings Institution, both of Washington, D.C.; David Neumark, Michigan State University, East Lansing; Daniel S. Hamermesh, University of Texas, Austin; and Bruce Blakeman, The Wirthlin Group, McLean, Virginia.

Hearings were recessed subject to call.

CRISIS IN RWANDA AND BURUNDI

Joint Hearing: Senate Committee on Foreign Relations' Subcommittee on African Affairs concluded joint hearings with the House Committee on International Relations' Subcommittee on African Affairs to examine the current crisis situation in Rwanda and Burundi, after receiving testimony from Senator Simon; Townsend B. Friedman, Jr., Special Coordinator for Rwanda, and Arlene Ronder, Director, Office of Central African Affairs, both of the Department of State; Herman J. Cohen, Global Coalition for Africa, and Julia Taft, American Council for Voluntary International Action, both of Washington, D.C.; and Alison Des Forges, Human Rights Watch/Africa, New York, New York.

EMERGENCY SUPPLEMENTAL APPROPRIATIONS

Conferees agreed to file a conference report on the differences between the Senate- and House-passed versions of H.R. 889, making emergency supplemental appropriations and rescissions to preserve and enhance the military readiness of the Department of Defense for the fiscal year ending September 30, 1995.

COMMITTEE MEETINGS FOR THURSDAY, APRIL 6, 1995

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Appropriations, Subcommittee on Defense, to hold hearings on proposed budget estimates for fiscal year 1996 for the Department of Defense, focusing on Navy and Marine Corps programs, 9:30 a.m., SD–106.

Subcommittee on Commerce, Justice, State, and Judiciary, to hold hearings on proposed budget estimates for

fiscal year 1996 for the National Oceanic and Atmospheric Administration, and the National Institute of Standards and Technology, both of the Department of Commerce, 10:30 a.m., S–146, Capitol.

Committee on Armed Services, Subcommittee on Acquisition and Technology, to resume hearings on proposed legislation authorizing funds for fiscal year 1996 for the Department of Defense and the future years defense program, focusing on the implementation of acquisition management reform, 2 p.m., SR–232A.

Committee on Banking, Housing, and Urban Affairs, Subcommittee on Securities, to hold hearings to examine securities litigation reform proposals, 3 p.m., SD–538.

Committee on Commerce, Science, and Transportation, business meeting, to mark up S. 565, to regulate interstate commerce by providing for a uniform product liability law, 9 a.m., SR–253.

Committee on Environment and Public Works, Subcommittee on Transportation and Infrastructure, to resume hearings on S. 440, to provide for the designation of the National Highway System, focusing on issues related to the Woodrow Wilson Bridge and the innovative financing of transportation facilities, 10 a.m., SD–406.

Committee on Finance, to hold hearings to examine issues related to the Consumer Price Index, 9:30 a.m., SD–215.

Committee on the Judiciary, business meeting, to continue markup of S. 343, to reform the Federal regulatory process, 8 a.m., SD–226.

Full Committee, to hold hearings to examine the right to own property, 10 a.m., SH–216.

Committee on Labor and Human Resources, business meeting, to mark up S. 454, to reform the health care liability system and improve health care quality through the establishment of quality assurance programs; to be followed by hearings to continue to examine activities of the Department of Health and Human Services' Food and Drug Administration, focusing on the future of American biomedical and food industries, 9 a.m., SD–430.

NOTICE

For a Listing of Senate Committee Meetings Scheduled ahead, see page E793 in today's RECORD.

House

Committee on Agriculture, Subcommittee on Resource Conservation, Research, and Forestry, hearing on Agricultural Wetlands and Wetland Issues in the 1995 Farm Bill, 9:30 a.m., 1300 Longworth.

Committee on Appropriations, Subcommittee on Commerce, Justice, State, and Judiciary (and Related Agencies), on Staffing and Operation of Overseas Missions, 10 a.m., and on Department of Justice Prisons and Related Issues, 2 p.m., H–309 Capitol.

Subcommittee on Interior (and Related Agencies), on Holocaust Memorial Council and Bureau of Land Management, 10 a.m. and 1:30 p.m., B–308 Rayburn.

Subcommittee on Labor, Health and Human Services, and Education (and Related Agencies), on Members of Congress, 10 a.m. and 2 p.m., and on Armed Forces Retirement Home, 2 p.m., 2358 Rayburn.

Subcommittee on National Security, on Readiness Issues, 10 a.m., H–140 Capitol.

Subcommittee on Veterans' Affairs and Housing, Urban Development and Independent Agencies, on Congressional and Public Witnesses, 9:30 a.m. and 2 p.m., H–143 Capitol.

Committee on Banking and Financial Services, Subcommittee on General Oversight and Investigations, hearing on the Administration's Response to the Mexican Financial Crisis, 10 a.m., 2222 Rayburn.

Subcommittee on Housing and Community Opportunity, hearing on HUD Reinvention: From Blueprint, 10 a.m., 2128 Rayburn.

Committee on Government Reform and Oversight, Subcommittee on Human Resources and Intergovernmental Relations, oversight hearing on the Department of Education: Opportunities for Cost Savings, 10 a.m., 2247 Rayburn.

Subcommittee on National Security, International Affairs, and Criminal Justice, hearing on the Effectiveness of the National Drug Control Strategy and the Status of the Current Drug War, 8 a.m., 2154 Rayburn.

Committee on International Relations, hearings on Middle East Overview and United States Assistance to the Palestinians, 2:30 p.m., 2172 Rayburn.

Subcommittee on Africa, hearing on the Threat of Islamic Extremism in Africa, 10 a.m., 2200 Rayburn.

Committee on the Judiciary, hearing on International Terrorism: Threats and Responses, 10 a.m., 2141 Rayburn.

Committee on National Security, Subcommittee on Military Personnel, executive, to receive a briefing on the Ranger training deaths, 1 p.m., 2212 Rayburn.

Subcommittee on Military Procurement, to continue hearings on the fiscal year 1996 national defense authorization request, 10 a.m., 2118 Rayburn.

Special Oversight Panel on the Merchant Marine, hearing on Maritime Security Program, 2 p.m., 2216 Rayburn.

Special Oversight Panel on Morale, Welfare and Recreation, to continue hearings on the fiscal year 1996 national defense authorization request, 10 a.m., 2212 Rayburn.

Committee on Small Business, Subcommittee on Government Programs, hearing on the Small Business Innovative Research (SBIR) Program 10 a.m., 2359 Rayburn.

Committee on Transportation, to continue markup of H.R. 961, Clean Water Amendments of 1995, 10 a.m., 2167 Rayburn.

Committee on Veterans' Affairs, Subcommittee on Hospitals and Health Care, hearing on reorganization of the Veterans Health Administration, 9 a.m., 334 Cannon.

Joint Meetings

Joint Economic Committee, to hold hearings to examine the economic effects of a proposed $500-per-child expanded family tax credit, 10 a.m., SD–562.

Commission on Security and Cooperation in Europe, to hold hearings to examine United Nations and NATO activities in the former Yugoslavia, focusing on the development of a new mandate for United Nations peacekeepers in Croatia and efforts to restore peace and stability in Bosnia and Herzegovina, 10 a.m., 2261 Rayburn Building.

Next Meeting of the SENATE

9:30 a.m., Thursday, April 6

Senate Chamber

Program for Thursday: Senate will resume consideration of H.R. 1158, FEMA Supplemental Appropriations, with a vote on a motion to close further debate on Hatfield Amendment No. 420, in the nature of a substitute, to occur thereon at 2 p.m.

Senate may also consider H.R. 1345, D.C. Financial Board, Conference Report on H.R. 889, Emergency Supplemental Appropriations/Defense; H.R. 1240, Sexual Crimes Against Children Protection Act; and any cleared executive calendar business.

Next Meeting of the HOUSE OF REPRESENTATIVES

10 a.m., Thursday, April 6

House Chamber

Program for Thursday: Consideration of H.R. 660, Housing for Older Persons Act of 1995 (open rule, 1 hour of general debate);

Consideration of conference report of H.R. 889, Department of Defense emergency supplemental appropriations and rescissions (rule waiving points of order);

Consideration of the rule only on H.R. 483, Medicare Selected Policy Act (modified closed rule, 1 hour of general debate).

Extensions of Remarks, as inserted in this issue

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