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House of Representatives

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. UPTON].

DESIGNATION OF THE SPEAKER PRO TEMPORE

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

WASHINGTON, DC,
May 17, 1995.

I hereby designate the Honorable FRED UPTON 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:

As we look at the myriad decisions of the day and the options that are before us and all people, we pray, almighty God, for the assurance that Your Word does give. We know of the uncertainty of every life and we are aware of how our plans go awry, and yet we know too of the confidence we can have in Your love that sustains into every day ahead. May Your strong Word, O God, that brought the world into being and breathed into us the very breath of life, give each person the faith and hope and love to live each day with fullness and with grace. 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. HOKE. 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. HOKE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 1, rule I, further proceedings on this motion will be postponed until later this afternoon.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Ohio [Mr. CHABOT] come forward and lead the House in the Pledge of Allegiance.

Mr. CHABOT 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.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE CONCURRENT RESOLUTION 32

Mr. MCNULTY. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of House Concurrent Resolution 32.

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

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would announce that he will entertain 15 1-minutes on each side.

STILL NO PLAN FROM THE PRESIDENT TO BALANCE THE BUDGET

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

(Mr. WELLER. Mr. Speaker, Thomas Jefferson said, ''We should consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves.'' And yet as of yesterday, the national debt stood at $4,881,377,281,278.42, an increase of $22.2 billion.

At this rate, the national debt will have increased by another $15,448,819 in the time it takes me to finish this short 1-minute speech.

The debt burden for each individual American, including those babies born yesterday, now stands at $18,626.02, an $89 increase—again that is per person.

It has been 76 days since we challenged the President to present his plan to balance the budget and 20 days since we asked him to help us help fix Medicare.

In the absence of leadership from the White House, Republicans have offered a plan to balance the budget by 2002 so that our children will have a future free from debt and a standard of living better than our own.

Mr. Speaker, where is the President's plan? We are still waiting.

SAVING MEDICARE?

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

Ms. RIVERS. Mr. Speaker, I rise today to point out some inconsistencies in many of the arguments that we are hearing today. In the Republican budget, the line item that guts Medicare is called saving Medicare.

Make no mistake, Mr. Speaker, this is not about saving Medicare. This is

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about saving the Republican's political behind. They have made promises to the most financially secure people in this country, and they choose to pay for them by taking from our most vulnerable.

If this were about reform, we would have seen more action from the Republicans. Where were they in February 1994 when this issue came up? They did not have anything to say. Where were they when fundamental health care reform was being debated in this country? They were obstructionists. Where were they when the Danforth-Kerrey proposal came out? They had nothing to say. Where was this issue when they were writing their Contract With America? It was a nonstarter. And where were they in February of this year when the trustees' report came out again? Nowhere to be seen.

Mr. Speaker, it is only when they have to make good on the promises to the wealthy that they have turned to the services to our elderly to get the money. Shame, shame, shame.

SAVING MEDICARE

(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, for the first time in 25 years Congress is actually offering a budget that will bring it into balance and deal with the Medicare crisis. As every Member in this Chamber knows, the Medicare trust fund begins to go bankrupt next year and will be completely insolvent in 7 years. As President Clinton's Medicare trustees said in their annual report, the trust fund: "* * * will be able to pay benefits for only about 7 years and is severely out of financial balance in the long range."

The report also says: "The trustees believe that prompt, effective, and decisive action is necessary."

Yesterday's Invester's Business Daily pointed out President Clinton's recent flip-flop on Medicare. And I quote the President:

> We propose to let it go up at two times the rate of inflation. That is not a Medicare or Medicaid cut. So when you hear all this business about cuts, let me caution you that that is not what is going on. We are going to have increases in Medicare and Medicaid, and a reduction in the rate of growth.

Mr. Speaker, where is the President now?

VOTE FOR A BALANCED BUDGET NOW

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

Mr. PETE GEREN of Texas. Mr. Speaker, a balanced budget is good for America. The status quo is bad. Bad for children, bad for seniors, bad for the middle class, and bad for the present and bad for the future.

The status quo means Medicare goes broke in 6 years, not cut by 5 percent, not cut by 7 percent, but goes broke. The status quo means financial ruin. That destroys our ability to defend ourselves, feed our children or meet our health care needs.

Folks, the status quo means we go broke. Tomorrow we have a choice between four balanced budgets. I urge my colleagues to pick one. A balanced budget is good for America, good for all Americans, young and old. The time is now.

WORK TOGETHER TO SAVE MEDICARE

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

Mr. CHABOT. Mr. Speaker, let us go over it one more time. According to the President's own advisors, the Medicare Trust Fund will be bankrupt by the year 2002. Republicans have crafted a bill which will save Medicare.

Let me refer to this chart. In doing so, we have proposed that Federal spending on Medicare increase from $178 to $258 billion. Let me repeat that. Medicare will go up under the Republican plan. And what is the Democrat Medicare plan? Are they working tirelessly to save a system that their own leaders maintain is going bankrupt? Not a chance.

What they are doing is running, one after another, to the camera, the nearest camera, to proclaim that Republicans are cutting Medicare. It is not true.

Mr. Speaker, I would say to my Democrat friends that the American people are not going to fall for their distortions. But they might help. I think the American people are going to wonder why the Democrats are not helping to save Medicare. Let us work together to save Medicare.

THREE CHEERS FOR THE WHITE HOUSE

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

Mr. TRAFICANT. Hear, hear, Mr. Speaker. Three cheers for the White House, who has finally slapped Japan with a big time 100-percent tariff on luxury vehicles.

And guess what? Acura is a crying, Infiniti is now finite, Toyota is toasted, Nissan is nixed, Mazda is maxed, Mitsubishi is busted, and Lexus is nauseous. But in the words of Bob Dylan, how does it feel, Japan? Because you see, we here in America know that Lincoln had been shrinking, Cadillac had been lacking, and Chrysler was almost mort.

So think about it, Members. It is about time we used a 2 by 4 and open those markets. Open those markets in Japan if you want to straighten out the budget in America.

And one thing, Japan, think of this: When you hold your own trade program to your nosey, it doesn't smell too rosy, does it? In the words of Bob Dylan, how does it feel? Big time tariffs. I yield back the balance of these huge tariffs.

SOLUTION TO SAVE MEDICARE

(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, here is the problem. The fund is projected to be exhausted in 2001. Signed by the Secretary of the Treasury, Secretary of Labor, Secretary of Health and Human Services. Medicare is going broke. Projected to be exhausted, 2001. Here is our solution.

We increase spending from $4,700 to $6,300 per capita, at the same time slowing the rate of growth from about 10.5 to 5.5 percent. We save Medicare, we balance the budget, and we preserve the blessings of liberty to ourselves and our posterity.

Here is the President's plan.

Let me go over this one more time. Here is the problem. The fund is going to be exhausted in 2001. Here is the solution. We are increasing spending while reducing the rate of growth. And here is the President's plan.

Yes, that is an ostrich.

PROPOSED CUTS TO MEDICARE AND MEDICAID TITLE

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

Mr. BALDACCI. Mr. Speaker, some of our colleagues have proposed drastic cuts to the Medicare and Medicaid programs. Over the next 7 years, their budget would cut them by over $465 billion. At the same time, their budget proposes a tax break for the people that are earning over $250,000 and will cost more than $340 billion over the same period.

I have spoken to several people in my district who would be affected by these changes. The comment of one older gentleman struck me as particularly on target. He told me that he understood that the Medicare system is broken and needs to be fixed. All seniors ask of the Congress, he said, is that we make changes in a considered and rational way that will actually help to save the system.

Yes, we must slow the growth in Medicare and Medicaid spending. And yes, we must absolutely ensure the solvency of the Medicare Part A Trust Fund. America's seniors are willing to contribute their fair share to this effort.

However, we must not balance the budget on the backs of senior Americans. Nor should we ask our senior citizens to endure these cuts while we use the savings to pay for proposed tax

breaks. As we repair the Medicare program, and attempt to slow its growth, we must do so in the broader context of health care reform to ensure that older Americans—and indeed all Americans—have access to quality, affordable health care.

TOP TEN

(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, from the home office in Scottsdale, AZ, the President's top 10 excuses for not offering a credible balanced budget alternative: Ten, pollsters told me not to; nine, don't worry, be happy; eight, the flowers are blooming, the sun is shining—who can think about budgets in the spring; seven, what's a couple trillion dollars between friends?; six, distracted by the start of the baseball season; five, I've fallen and I can't get up; four, contract-fatigue; three, those darn Republicans have taken all the good ideas; two, when the going gets tough, stick your head in the sand.

And the President's No. 1 excuse for not offering his own credible balanced budget alternative: The dog ate my budget.

CALL A CUT A CUT

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

Mr. BROWN of California. Mr. Speaker, I am not sure whether to call this room the Hall of the House or the Casino of the Capitol because right now, the Republicans are playing a billion dollar shell game with Medicare.

The Republicans say they are increasing funding for Medicare over the next 7 years. What they really do is cut the amount needed to maintain the current level of services by $282 billion. That does not sound like much of an increase to me.

What this really means for the average senior citizen is that they will have to pay more out of their own pocket for health care. In fact, they will have to pay over $3,500 more out of their own pockets over the next 7 years.

Mr. Speaker, it is time for the Republicans to come clean. They have prided themselves on opening up government and being honest with the American people. If that is true, then they should be honest enough to call a cut a cut.

The American people, especially our senior citizens, will remember this act of dishonesty on November 5, 1996—election day.

□ 1015

WE MUST ACT NOW ON MEDICARE AND THE BUDGET

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

Mr. JONES. Mr. Speaker, in the coming months we face two extraordinary battles—the battle to protect the future of our Nation's seniors and the battle to preserve the future of America's children.

We cannot fail in either of these battles. Our opponents will do everything they can to distort what we are trying to do. They will use fear tactics to scare innocent Americans into a false sense of security about the status quo.

The status quo is the enemy. If we do nothing Medicare will be bankrupt in 7 years. What would the Democrats have our seniors do then? By acting now we can save the Medicare system and offer security to our seniors.

If we do nothing about the budget, our children will pay more than $187,000 over the course of their lives just to pay for interest on the national debt. We must balance the budget now if we want to protect the American dream for our children.

Mr. Speaker, we must stand firm and deliver. The stakes are too high to do nothing.

REPUBLICANS AND MEDICARE

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

Mr. DURBIN. Mr. Speaker, to say that the Republicans are saving Medicare is like saying Colonel Sanders is saving the lives of chickens. Republicans are cutting Medicare with their budget today. They are lowering the amount of money available. They know there will not be enough as the population grows of seniors needing Medicare and health care costs go up.

So as they talk about more money for Medicare, sure, they are tossing a 25-foot rope to someone 30-feet offshore drowning. They say that is compassion.

So why are the Republicans cutting Medicare and Social Security in their budget? It is simple. To give tax breaks to wealthy Americans. It is a tax break plan that even 100 Republicans wrote their leadership and said, please do not do this; it is unfair. But Speaker GINGRICH pushed it through, and now with this ironclad discipline, the Republicans will be voting for it today.

I hope America tunes into this debate. What is at stake is not only health care for seniors and their out-of-pocket costs, but for a lot of working families with senior parents and grandparents this debate gets right to your pocketbook.

A HISTORIC DAY

(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, here we are. This is it. We are on the brink. For the first time since 1969, the U.S. House of Representatives will be passing a balanced budget amendment. This is a historic moment. This is significant. This is real.

We spend almost $20 billion each month on the interest alone on the national debt. It is the third largest item, third largest expenditure in our annual budget. In 2 years it will exceed all of military spending. This has got to be brought under control.

As my Democrat friend, the gentleman from Texas, Mr. PETE GEREN, said, who benefits from balancing the budget? Senior citizens, children, students, the disabled. If you want to do something for them, you have got to give them a tomorrow. If you are going to give them a tomorrow, you have to spend your money properly today.

This is not time for partisan rhetoric. This is not time for grandstanding. There are a lot of things you can criticize in this balanced budget amendment, but offer your own. This is the time to do it. This is a crucial crossroads for the United States of America.

THE REPUBLICAN BUDGET

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

Mr. BROWN of Ohio. Mr. Speaker, country and western singer Jerry Reed must have had the Republican budget in mind when he sang, ''She got the gold mine and I got the shaft.''

The proposed budget which the Congress will vote on today will give the gold mine to wealthy special interests while America's elderly who depend upon Medicare and depend upon Social Security get the shaft.

The Republican budget cuts Medicare by $283 billion over 7 years, slashing Medicare spending by 25 percent. Out-of-pocket costs for seniors will increase by over $1,000 in 2002 and $3,500 over 7 years.

My constituents have not been asking me to raise the cost of their health care to provide tax breaks for the wealthy and to escalate cold war spending. The budget also cuts Medicaid by $180 billion over 7 years and cuts Social Security benefits by $24 billion between 1999 and 2002, all to pay for tax cuts for the rich.

Mr. Speaker, why are Republicans cutting Medicare to pay for tax cuts for the privileged few?

FISCAL YEAR 1996 BUDGET

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

Mr. LAZIO of New York. Mr. Speaker, we are at a point where we are about to make history. We will soon vote on the budget resolution that contains a strong moral message. That message is that the status quo is unacceptable. A $4.7 trillion debt is unacceptable. Annual deficits close to $200

billion are unacceptable. And continuing to saddle our children with a mountain of debt they cannot afford to pay is unacceptable.

This budget proposal represents a historic change in the direction of our country. It moves us from a government that is too intrusive, wasteful and debt ridden to a smaller, more efficient government that costs less and is responsive to State and local needs. This budget is a gateway to the future presenting a new vision of government. It moves authority out of Washington and helps empower every individual American.

It cuts taxes for America's families, seniors, and small businesses. It restores hope. It promises opportunity for the next generation. It protects Social Security. It increases spending on Medicare by over $80 billion. And it saves it from bankruptcy. It will result in a higher net rate of savings and a higher standard of living for everyone. And should not everybody celebrate that?

Mr. Speaker, it is in the best interest that I strongly urge my House colleagues to support this resolution. It is for the children.

SAYING ''NO'' TO THE SOUND BITES AND PHOTO OPS

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

Mr. GUTIERREZ. Mr. Speaker, as you well know, posing for photo ops, listening to sound bites, and giving easy answers can be kind of addictive.

Sometimes, the sound-bite addict needs a little help in kicking the habit.

In this House, that Republican habit is to stand before the cameras and pretend that they are getting our budget in line without hurting working Americans.

That is why this House passed a rescission package that went easy on closing tax loopholes for the rich and eliminating Government bureaucracy and boondoggles.

But those rescission got tough on something.

They got tough on summer jobs and worker training, and they got tough on student loans and day care.

Well, these sound bite addicts are about to get some tough love.

It is called a veto pen.

I applaud President Clinton and his tough choice to say no to the sound bites, photo ops and easy answers that hurt our kids, hurt our students and punish working Americans.

And I encourage my friends on the other side of the aisle to kick their easy answer habit before it is too late for the American people.

THE REPUBLICANS WILL BALANCE THE BUDGET

(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, the Democrats, scare-the-people campaign about draconian cuts by Republicans is just ridiculous. The Republican budget actually increases spending by 3 percent every year for the next 7 years, spending nearly $12 trillion more in the next 7 years than in the past.

When I was back in Dallas, my constituents put together three notebooks full of comments about ideas for reductions in Government spending. Do you know what they say? Balance the budget. So do not try to fool the American people into thinking that balancing the budget will hurt them. They know better. They know Government spends too much, and, most importantly, they know the consequences if we continue down the path that we are going on now.

They will also know, after tomorrow, that it is the Republicans who have taken the first major step toward balancing our budget.

THIS IS PUNISHMENT, NOT A BUDGET

(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 wrong with the truth? It seems that many people are running in the opposite direction when we simply want to tell you the truth. This is not a budget, it is simply pure punishment.

Mr. Speaker, I rise this morning to report to you on the growing sentiments of my constituents in Houston, TX. Like other Texans and Americans nationwide, they are beginning to understand what the Republican budget proposals could really mean to their lives. I have no problem with telling them the truth, and they do not like it.

To pay for the huge tax cuts for the well-to-do, leaders of the other side of the aisle want to enact a $283 billion cut in Medicare, three times the size of the largest previous cut in history, and Medicaid will be cut approximately $182 million.

The lives of more than 2,000,000 Medicare seniors in Texas would be dramatically impacted, and by the year 2002 each Medicare senior in Texas would be asked to pay an additional $1,122 out-of-pocket expenses. Each would be forced to pay $4,000 more for fiscal years 1996 through 2002 to make up for these cuts. We want the future to be free for future generations but not on the backs of seniors and those most vulnerable.

Look at this, Mr. Speaker. Here the Republicans are cutting the dollars that the Association for Retired Citizens are about to use to help seniors find jobs. We need to do something better, Mr. Speaker.

Mr. Speaker, what's wrong with the truth? This is not a budget; this is punishment.

Mr. Speaker, I rise this morning to report to you on the growing sentiments of my constituents in Houston.

Like other Texans and Americans nationwide, they're beginning to understand what the Republican budget proposals could really mean to their lives, and they don't like it.

To pay for huge tax cuts for the well-to-do, leaders on the other side of the aisle want to enact a $283 billion cut in Medicare three times the size of the largest previous cut in history. Medicaid would be cut approximately $182 million.

The lives of more than 2-million Medicare seniors in Texas would be dramatically impacted.

By the year 2002, each Medicare senior in Texas would be asked to pay an additional $1,222 out-of-pocket dollars per year for their health coverage.

Each would be forced to pay nearly $4,000 dollars more, from fiscal years 1996 through 2002, to make up for GOP cuts.

Mr. Speaker, my colleagues on this side believe that a balanced budget is the correct goal, we want to free future generations from the burden of today's debt. We want to shrink the size of government in a responsible manner that will not pull the rug out from under a steady, strong economy.

And we want to make government more efficient and fair without breaking long-standing promises to the Nation's seniors or vulnerable children.

Mr. Speaker, we must and can do better.

VOTE TO BALANCE THE BUDGET

(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, let me remind my friend on the left that just spoke that punishment is saddling the future generation with the debt, if we fail to act, if we fail to pass a budget that balances over the next 5 to 7 years.

Punishment is failing to do something in the next few days that will get this country in the right direction fiscally. If we fail to act, the children of this country face $187,000 in interest alone if they were born tomorrow. A child born tomorrow would pay $187,000 in interest alone on this Nation's debt.

Tomorrow we have the opportunity to vote on a budget that will balance over the next 5 to 7 years. Tomorrow we have an opportunity to send this country in the right direction, to take it out of its financial abyss where the left-leaning liberals have taken it over the last 40 years.

Tomorrow we have an opportunity to take this country in the right direction. I ask my colleagues to consider very strongly where they want this country to go, a budget that is balanced or where it has been over the last 40 years.

REPUBLICAN BUSINESS AS USUAL

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

Mr. WARD. Mr. Speaker, I am a freshman. I voted for all of the reforms that we proposed, that were proposed on the 1st day of this session, especially the reform that required a three-fifths supermajority of this House to raise taxes. But now what do we see? We see the Republicans reverting to business as usual.

Since our income tax brackets are adjusted each year to reflect inflation, to keep people from being pushed into higher tax brackets simply due to that inflation, the arbitrary reduction in the Consumer Price Index by the Republicans will, in effect, increase taxes for millions of Americans. And it will do that without a three-fifths vote of this body, in direct violation of that rule that I supported.

I am deeply disappointed that we are seeing business as usual by the Republican majority.

□ 1030

HAVE THE CLINTON DEMOCRATS NO SHAME?

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

Mr. HERGER. Mr. Speaker, after watching the Clinton Democrats for the past few weeks, I have finally figured out what their strategy is. Since they have no solid ideas of their own, they have started on a fear campaign filled with illegitimate scare tactics designed to try derail any legislation Republicans offer. Have they no shame.

First it was the children. The Clinton Democrats said school lunch programs were being cut, when in fact funding was increasing. Now they are saying children will suffer if we try to balance the budget. I say what kind of future will our children have if we do not balance the budget. Have they no shame!

Next it is the college students. Clinton Democrats are scaring college students by playing fast and loose with the facts about school loans, when in reality a balanced budget will bring down interest rates by at least 2 percent, ultimately saving students money. Have they no shame.

And finally, the Clinton Democrats, in their eagerness to score political points, are using their distorted fear tactics to scare senior citizens. Republicans are working to save Medicare—Republicans repealed Clinton's tax increase on seniors. Republicans are protecting Social Security. Have the Clinton Democrats no shame.

THE CONTRACT'S CROWN JEWEL—TAX CUTS FOR THE RICH, BROKEN PROMISES TO SENIORS

(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, today the bill comes due for the Republican's tax giveaway to the privileged few, and the primary bill payers are senior citizens who will be hit with $288 billion in cuts to Medicare.

The Speaker has called the Republican tax plan the crown jewel of the Contract With America.

It is a crown jewel all right—if you are a large corporation that may not have to pay any taxes at all—if you are a billionaire expatriate who gives up your citizenship to avoid paying taxes—if you are making more than $350,000 and you are going to walk away with a $20,000 tax break.

But if you are a senior citizen, get ready to pay up for that crown jewel. Your Medicare premiums and copayments are going up, and your benefits are being cut. Altogether the average senior should expect to pay $1,060 more in out-of-pocket expenses by the year 2002.

Make no mistake about it, the Republican budget plan robs Medicare to pay for tax cuts for the wealthiest Americans. To keep their promise to the rich, the Republicans must break our most sacred promise to America's seniors.

REPUBLICAN BUDGET PUTS GOVERNMENT ON A DIET AND RESTORES THE AMERICAN DREAM

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

Mr. HOBSON. Mr. Speaker, the Federal Government has not run up a $4.7 trillion debt because the American people pay too little taxes. The huge debt and deficits have exploded because the Federal Government is too big, spends too much of your money, and tells too many people what to do. It is big government, stupid!

Our balanced budget, for the first time in 25 years, solves this problem of oversized Government by reducing Government's size: It puts the bloated Federal Government on a diet. It eliminates the Federal deficit by trimming the size, power, intrusiveness, of the Federal Government.

Past attempts to reduce the deficit, like the Clinton tax increases, have failed because they have not addressed the deficit's root cause: oversized Government. Every dime they have collected in increased revenues has been spent on government gimmicks, spending schemes, and partisan pork. Every dollar saved in reductions in defense since 1985 has gone to feed the Government, not reduce the deficit.

Our balanced budget plan is different. Not only does our plan just say no to Clinton-style hikes. Our balanced budget actually includes tax relief for our families, small businesses, students, and seniors.

Our balanced budget finally solves the problem of too much Washington. It puts the Government on a diet, returns power to families, neighborhoods, and communities, and restores the American dream. I urge all my colleagues to support this plan for the future of our children.

WHY ARE REPUBLICANS GOUGING MEDICARE TO PAY FOR TAX CUTS FOR THE PRIVILEGED FEW?

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

Mr. WISE. Mr. Speaker, why are Republicans gouging Medicare to pay for tax breaks for the privileged few? Why do they cut almost $300 billion in Medicare to senior citizens for tax breaks, of which only 1½ percent of those tax breaks go to families under $20,000? Incidentally, 50 percent goes to families over $100,000. Yet the Medicare cuts go to 100 percent of all senior citizens.

Why are Republicans cutting the student loan program to pay for tax breaks for the privileged few? Here are petitions signed by thousands of West Virginia high school and college students and parents asking Congress not to cut the student loan program, not to cut their future. We do not have to be Phi Beta Kappas to know that giving already wealthy Americans a tax break while denying students a chance just to be middle income simply is not fair.

Mr. Speaker, budgets reflect values. Slashing Medicare, cutting student loans, Americans want the budget balanced, but not on the backs of American values.

AMERICANS HAVE ENTERED A NEW ERA: THE AGE OF RESPONSIBILITY

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

Mr. LINDER. Mr. Speaker, I have discovered the difference between the Democrat and Republican Parties. The Democrat Party lives in constant fear that America is going to discover the truth. The Republican Party lives in constant fear that they will not.

The fact is, it is true that in 2 years, according to the Clinton budget, interest on the debt will exceed all defense spending. It is also true that in 7 years, according to Clinton's trust fund advisers, Medicare will be bankrupt and they will not be able to pay any bills for hospitals, any home health care.

Mr. Speaker, I think we have entered a new era. It is the age of responsibility. Americans are willing to take responsibility for their actions. They are asking us to take responsibility for our actions. It is true that we have put our children and grandchildren into 5 trillion dollars' worth of debt. The responsible thing is to try and pay that down and balance the budget. It is true that education is an abject failure. The responsible thing is to reform it, not to throw more money at it. It is true that Medicare must be reformed to be saved

for future generations, not put more money into it.

A DARK COMEDY: CUTTING MEDICARE

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

Mr. DOGGETT. Mr. Speaker, why are the Republicans cutting Medicare in order to provide a tax break for the privileged few? Here is a quick preview of today's debate on the Republican budget of broken promises. If you like horror movies, stay tuned, because what the Republicans do to Medicare recipients is horrible. If you like mysteries, stay tuned, as we try to unravel the many ways that secret Republican task forces propose to hike the cost of Medicare.

Best of all, if you like comedy, do not tune into the comedy channel, tune in right here. Watch the Republicans try to explain how a cut is not a cut, how, if they propose to double the Medicare deductible, raise the premiums every month, even charge people $20 a month extra just to be able to see their own doctor, that that is not a cut. They do that with a straight face and call it reform. Horror, mystery, comedy; very dark comedy we will see today as the Republicans cut Medicare in order to provide a tax break for the privileged few.

A HISTORIC VOTE TO BALANCE THE FEDERAL DEFICIT

(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, I yield to the distinguished gentleman from Lakewood, OH [Mr. HOKE].

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

Mr. Speaker, tomorrow we are going to do something that is so historic, that is so extraordinary, that is so unique, that has not been done in 26 years. Tomorrow we are going to take a vote, and in fact, we will balance the Federal budget for the first time in 26 years.

What does it mean? What does it mean back in Cleveland? It means safer streets. It means more hope. It means greater opportunity. It means better education. It means more prosperity for our children, for our grandchildren. It means preserving this Nation for the next generation.

Mr. Speaker, we are going to hear so much bitterness from the other side, and it is a great tragedy of this period in American history that there is so much talent and there is so much intelligence and there is so much good feeling and belief, and yet all that can be offered is so much bitterness and defense of the status quo.

Tomorrow will be the most historic vote of this 104th Congress.

A BUDGET-BUSTING TAX GIVEAWAY PAID FOR BY OUR GRANDMOTHERS

(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 budget has it backward. They propose cutting Social Security and Medicare benefits by over $2,500 per recipient through the year 2002 to pay for tax breaks to the privileged few. This means your grandmother's Social Security and Medicare benefits will shrink substantially. Her nursing home expenses will rise if she can even get in.

However, the money saved from these harsh cuts will not go to balance the budget. The money will go to pay for tax breaks to the wealthiest among us: The American billionaires who move to the Caribbean and take their money with them to escape paying taxes here; or the families earning $200,000 a year, who will be bestowed a $500 tax credit; or the foreign corporations who do business in this country and earn millions but do not pay a dime in taxes.

If the Republicans were serious, they would not balance the budget on the backs of our seniors to pander to the rich and powerful who can pay for lobbyists in this town. If the Republicans were serious, they would not have a budget-busting $360 billion tax giveaway paid for by our grandmothers.

REPUBLICANS USE MEDICARE TRUST FUND TO BANKROLL TAX CUTS FOR THE WEALTHY

(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, the Republicans say they want to save the Medicare Program, and they promised not to cut Social Security. What they are doing is using the Medicare trust fund to bankroll tax cuts for the wealthy.

Make no mistake about it, cuts in Medicare amount to cuts in Social Security. The typical Medicare beneficiary will spend 40 percent to 50 percent of the cost of living increases in Social Security for increases in the Medicare costs they will incur. Cuts in Medicare amount to cuts in Social Security. Social Security accounts for half or more of the annual incomes for a majority of elderly.

More than 30 percent of older Americans rely on Social Security for 80 percent or more of their income. The typical Medicare beneficiary by 2002 will see 40 to 50 percent of their Social Security COLA eaten up by increases in Medicare cost-sharing and premium.

They are not keeping their promises. Numbers do not lie. Listen to these numbers when you see these relatively well-off young Republican Members of the House tell us that seniors are going to be better off.

PLAYING WITH REALITY WILL CATCH UP WITH THE DEMOCRATS

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

Mr. EMERSON. Mr. Speaker, I have listened to the 1-minutes this morning, and I do not usually make 1-minute speeches. However, I am perplexed by what I have heard. The Democrats have no budget plan of their own, none. They do not have one. They will not cooperate with any attempt to reform Medicare on a bipartisan basis. They stand here and rail about Republican cuts, cuts, cuts. There are not any cuts. To Democrats, restraining the rate of growth is a cut. The American public ought to know that. Such playing with reality will, indeed, catch up with them.

THE SEPARATE ENROLLMENT AND LINE-ITEM VETO ACT OF 1995

Mr. CLINGER. Mr. Speaker, I ask unanimous consent that: First, it be in order to consider in the House a motion to take from the Speaker's table the bill (S. 4) to grant the power to the President to reduce budget authority, and for other purposes, to strike all after the enacting clause of the Senate bill, and to insert the text of H.R. 2 as passed by this House; second, that the motion be debatable for not to exceed 1 hour, to be equally divided and controlled among the chairman and ranking minority members of the Committee on Government Reform and Oversight and the Committee on Rules, and third, that the previous question be ordered on the motion to final adoption without intervening motion except for one motion to recommit.

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

Mr. WISE. Reserving the right to object, Mr. Speaker, I just want to know whether the distinguished chairman needed any more time to explain his request, for which purpose I would happily yield, although I think the gentleman got it all in.

Mr. Speaker, this is a normal process of the House. While I personally oppose the line-item veto bill, the gentleman's request is in order. I will withdraw my reservation of objection and will not object.

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

There was no objection.

Mr. CLINGER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CLINGER moves that the House take from the Speaker's table the bill (S. 4) to grant the power to the President to reduce budget authority, and for other purposes, strike all after the enacting clause of the Senate bill, and insert the text of H.R. 2, as passed by the House.

The SPEAKER pro tempore. The gentleman from Pennsylvania [Mr.

CLINGER] will be recognized for 15 minutes; the gentleman from West Virginia [Mr. WISE] will be recognized for 15 minutes; the gentleman from Florida [Mr. GOSS] will be recognized for 15 minutes, and the gentleman from Ohio [Mr. HALL] will be recognized for 15 minutes.

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

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

Mr. Speaker, on February 6 of this year, this House passed H.R. 2, the Line-Item Veto Act, to give the President the power to restrain irresponsible Federal spending through a true line-item veto. On March 23, the Senate followed suit in passing S. 4, which I think we would all agree is a weaker bill, which nonetheless moves toward greater Federal spending control, so both of our bodies have gone on record as saying we encourage and desire to enact something that will act as a restraint on further Federal spending control.

□ 1045

Since that time, however, Mr. Speaker, both bills have been stalled really in parliamentary limbo awaiting further action in preparation for conference. That has been some several months now.

Because of the Senate's unusual handling of the House-passed bill, unfortunately neither body is currently in a position to request the needed conference and the legislation has been at a standstill, just literally in limbo.

My motion, Mr. Speaker, to take from the desk the Senate bill and insert in its place the House-passed language will break that legislative logjam and move us at least one step closer toward conference and the long-awaited enactment of the line-item veto. I say long-awaited by the President of the United States as well.

As we begin to debate the most sweeping budget reforms today that this body has ever considered and as we confront the reality of strict spending restraints in important Federal programs—and I think we all recognize that that is going to be the outcome—the need for an item veto assumes an even greater urgency. The President needs to be a partner in this effort. The enactment of strong item veto legislation will permit the President to eliminate wasteful pork and unjustified tax breaks, thus saving more important spending from unnecessary cuts.

Because H.R. 2, which we enacted here by an overwhelmingly bipartisan vote, provides the President with a bill he has really requested, he asked for the strongest possible line-item veto, and because this bill is an integral part of ongoing efforts to achieve greater fiscal responsibility, I would urge my colleagues' support for this motion to advance the legislative process and to once again make clear the House's very deep desire to move forward in giving the President what he has requested, the long-awaited line-veto item, the strongest one that we have, which is clearly the House version.

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

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

Mr. Speaker, on behalf of the gentlewoman from Illinois [Mrs. COLLINS], the ranking member of the Committee on Government Reform and Oversight, I do not intend nor would she oppose this effort to attach the House-passed line-item veto bill to the Senate bill. The House passed the bill at the end of January and the Senate passed its version of the line-item veto on March 23.

If the Chair would indulge me, I have a question for the gentleman who is making this motion. Would the chairman be able to explain why there has been no effort to proceed to conference for the past 2 months and why the Senate did not attach their bill to H.R. 2 and request a conference?

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

Mr. WISE. I yield to the gentleman from Pennsylvania.

Mr. CLINGER. As the gentleman knows, the other body works in mysterious ways its wonders to perform. I am not able to really divine their reasoning and the way they approach things. What we have known is that they have refused to really take action, the very action that you have requested. What we are trying to do with this motion is to force action on their part and move us that step closer.

Mr. WISE. I appreciate the gentleman's observation, and I think that you could have a whole Chamber of soothsayers trying to divine what the other body sometimes has in its mind.

I would note, Mr. Speaker, that it appears there may be an interest, or some might think that possibly the lack of action by the other body would indicate an interest in preventing the President from exercising line-item veto authority in the upcoming months, either on appropriation of tax bills.

I would expect that this is going to be a difficult conference. These are significantly different versions of the bills. One bill has a potential constitutional challenge, the bill that left the House. The Senate bill would require the enrollment of thousands of bills to pass appropriations in discrete line items requiring thousands of signatures and guaranteeing future Presidents an amazing case of writer's cramp as they deal with this as well as creating some significant amount of paperwork.

All that notwithstanding, Mr. Speaker, I have no objections to the gentleman's request.

Mr. GENE GREEN of Texas. Mr. Speaker, will the gentleman yield?

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

Mr. GENE GREEN of Texas. I thank the gentleman for yielding.

Mr. Speaker, I voted for line-item veto both in the committee and on this floor of the House this year. After serving 20 years as a legislator in Texas and living under the line-item veto, I have no fear about it. I think it has been oversold to an extent because in my 20 years as a legislator, I found out that it did not do as much for reducing the budget as it did for getting the attention of members of the legislative body, whether it be Members of Congress or the individual State legislature by the executive branch. Nevertheless, I support it because I think we can live with it and in the few times that we will actually see budget efforts impacted by it, it is good ammunition or a weapon in the arsenal to try to control spending.

I heard my colleague, the gentleman from West Virginia [Mr. WISE], mention the concern about why we did not make this motion on March 23 instead of 2 months later. Again as a supporter of the line-item veto, we might have been much further along with the conference committee and maybe even having the bill to the President's desk, although knowing the opposition to it and the product that came out of our body and the Senate and the problems that we may have in this conference. I am concerned that again this motion is a little over 2 months late in having an impact particularly on this year's appropriations.

But again I support the line-item veto and I would hope the conference committee would move as quickly as we can to again give the President the ability to do that.

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

The SPEAKER pro tempore. The Chair recognizes the gentleman from Florida [Mr. GOSS].

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

I rise to join my friend, the distinguished chairman of the Committee on Government Reform and Oversight, in his motion to help us move forward on the important issue of granting the President an effective, workable, and tough line-item veto. It is fitting that we come to the floor to take the next step in this process on the day we begin consideration of a landmark budget resolution to bring our finances into balance by the year 2002. It should be clear to the American people by now that this 104th Congress—and the new Republican majority, with moderate Democrats—are absolutely committed to ending the fiscal insanity of rising deficits and ever-mounting national debt. A real line-item veto for the President is a powerful tool for fiscal accountability that will help ensure Congress stays on the right spending track, even beyond this current budget crisis. Although I commend our friends in the other body for their creative efforts in producing S. 4—I remain committed to the House-passed line-item veto as embodied in H.R. 2. H.R. 2 is

the product of years of study and analysis. Modeled after the type of authority wielded by 43 of our Nation's Governors, it provides a workable framework for ensuring that low-priority, wasteful, and unnecessary spending can be lined out of big appropriations bills and conference reports. It places the onus on the Congress—requiring a two-thirds vote to spend money a President has identified for veto—and it establishes specific procedures to ensure that Members have recourse in the event a President abuses his power. The taxpayers are the winners in this Scenario—H.R. 2 shifts the bias in the process away from spending and toward saving. With all due respect to our friends in the other body, I am leery of the novel and untested approach they have adopted in S. 4. That measure, which introduces a completely new and different process of separate enrollment, will be both cumbersome and difficult to administer. Although it does preserve the crucial requirement that Congress come up with a two-thirds override to spend money the President wants to save, the subjective nature of deciding what constitutes an 'item' will likely be a major stumbling block to effective implementation of line-item veto authority. I urge my colleagues to support this motion.

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

Mr. HALL of Ohio. Mr. Speaker, I yield myself such time as I may consume.

(Mr. HALL of Ohio asked and was given permission to revise and extend his remarks.)

Mr. HALL of Ohio. Mr. Speaker, while I do not oppose this motion, I rise to express my opposition to both the House and Senate versions of the line-item veto legislation. I remain extremely concerned over the provisions contained in both bills which will cause a major shift in responsibility and power from the legislative to the executive branch. We should be very cautious about bestowing the potential power of this legislation on the executive branch. The authors of our Constitution purposely preserved this delicate balance of power which has served the interests of our Nation quite well and we see no compelling reason to tamper with it at this time.

Under both enhanced rescission bills, the President's proposed rescissions or targeted tax benefit repeals would automatically take effect unless the Congress specifically passes a resolution disapproving this special message. Even if such a measure overturning the President's request is enacted, the President can then veto the disapproval which, in turn, would have to be overridden by two-thirds of both Houses. Effectively, the President could cancel any spending or tax benefits if he or she has the support of only one-third plus one Members of either House.

I also am suspicious on why we are pursuing this motion at this time. The bill passed the Senate on March 23 and has been held at the House desk since March 28—nearly 6 weeks. Why did we not pursue this matter at an earlier date? If the majority is anxious to have a line-item veto in place for the President, why was there not more of an effort made to put this mechanism in place for the Fiscal Year 95 appropriations bills?

Again, I oppose both the House and Senate line-item veto bills and will vote against them in their present form.

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

Mr. CLINGER. Mr. Speaker, I yield 2 minutes to the gentleman from Delaware [Mr. CASTLE], a very distinguished Member of this body and former Governor of Delaware.

Mr. CASTLE. Mr. Speaker, I think the gentleman for yielding me the time.

Mr. Speaker, I strongly support the motion to take S. 4 from the Speaker's desk and insert the text of H.R. 2, the Line-Item Veto Act passed by the House earlier this year.

The line-item veto should be enacted as soon as possible, and I believe that the line-item veto legislation approved by the House is stronger and more straightforward than the Senate's version.

H.R. 2 would give the President the power to eliminate all or any part of spending in an appropriations bill or any targeted tax provision in a tax bill. Congress would have to disapprove the President's cuts by passing a resolution of disapproval and then override a Presidential veto of that measure with two-thirds of the House and Senate.

The American people are tired of their tax dollars funding screw worm research, commemorating the Lawrence Welk birthplace, and many other questionable projects that benefit only a select few districts or States.

By themselves, these projects may not add up to much of the Federal budget, but they are a slap in the face to the American people who want their tax dollars spent wisely and in the best interests of the entire Nation.

They have asked the new Republican majority to stop needless pork barrel spending. The line-item veto will help do just that.

I am concerned that the Senate line-item veto bill, which would require the separate enrollment of each individual spending item as a separate bill, may be too cumbersome. We should indeed support Chairman CLINGER's effort to advance the process.

The line-item veto is not a magic solution to the budget deficit, but it is an effective tool which should be given to the President.

House Republicans believe reducing unneeded spending is so important that we are willing to give a Democratic President the authority to stop spending on special interest projects and end tax breaks for a select few.

My experience as governor of Delaware is that the line-item veto helps bring all parties—Republicans, Democrats, the Executive and legislators to the table to negotiate fiscally responsible spending bills that are in the best interest of the taxpayers.

The line-item veto will bring more openness and sunshine to the spending process. Believe me, the mere existence of line-item veto authority will make every Member of Congress take a harder look at every project and program. The red-face test will prevent many unnecessary projects from being added to spending bills in the first place.

I strongly support every effort to ensure that the House and Senate complete action on line-item veto legislation. President Clinton says he wants to cut spending. Let us give him the line-item veto and let him prove it.

Mr. WISE. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. BARRETT].

Mr. BARRETT of Wisconsin. Mr. Speaker, I rise in support of this motion to send this issue to committee as fast as we can. I think it is important to have a conference committee to resolve the differences between the two Houses. I am a long-time supporter of the line-item veto. I am standing here today, though, because I am concerned with the process that is going on.

When I go to my home in Milwaukee and talk to my constituents, I proudly note that I am in support of the line-item veto, but then I caution my constituents. I tell them, Now you just wait and see what happens.

What is going to happen is that the Republicans in the Senate and the Republicans in the House will trip over each other not being able to reach an agreement in conference committee to give President Clinton the ability to line-item pork-barrel projects and special tax breaks for special interests. The reason they are going to do that is because even though for years they have been saying they want a line-item veto, they do not want to give President Clinton the line-item veto in the mistaken belief that he is not going to be President in 1996.

□ 1100

I further go on to predict this conference committee will reach a resolution sometime shortly before the 1996 election. So make no mistake about what is going on here, we have Republican gridlock because the Republican leadership in the Senate does not want to give President Clinton the ability to get rid of pork-barrel spending and special interest tax breaks for the wealthy. It is clear and simple.

Majorities in both Houses have supported measures. The purpose of a conference is to mesh the two Houses together and get rid of the differences.

What we have right now is a downright refusal to even go to conference committee, and I think that that is wrong. It is gridlock that is created by the leadership in this House and in the Senate, who do not want President Clinton to have this important tool.

I think it is important for the American people to know what is going on here. I think we should give this tool to President Clinton as soon as we can, and that is why I am supporting the efforts of the gentleman from Pennsylvania [Mr. CLINGER].

Mr. GOSS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Massachusetts [Mr. BLUTE], the primary sponsor of this legislation, who I think will retort a little to one of the problems we just heard about.

Mr. BLUTE. Mr. Speaker, I want to thank my colleague for yielding me this time on this very important issue.

Just briefly to respond to my good friend from Wisconsin, there can be no doubt that this leadership on this side has pushed at every turn to give President Clinton the line-item veto and to give him the strongest possible line-item veto, and that is why we are here today, to move this process because we think it is important regardless of who is in power.

And, frankly, it contrasts sharply with what some of your Democratic colleagues in the Senate did when they voted against the balanced budget amendment because it was being proposed by a Republican majority, when the year before, when it had no chance to pass, six Members of that body voted for the balanced budget.

So I think we are being consistent. We want to give President Clinton a line-item veto, and today the House is taking action to provide the President a valuable tool necessary to curb wasteful Government spending.

As we enter the appropriations season, we are reminded of the wasteful pork projects that have been buried in public laws without the benefit of public scrutiny over the years. This Congress has the opportunity to end that practice.

On February 6, the House passed H.R. 2 by an overwhelming and bipartisan vote of 294 to 134. The other body, unfortunately, then disregarded that version and went on to pass probably the most cumbersome line-item veto legislation anyone could have created. The version of S. 4 that emerged from the other body would make unraveling the Gordian knot seem simple. Separate enrollment, as the other body calls its version, would create a litany of problems, not the least of which would be giving the President writers' cramp from signing thousands of bills Congress would be forced to send him. The House, on the other hand, produced a strong, workable bill which preserves the balance of power between the legislative and executive branches while providing the President with more flexibility by allowing a reduction of items.

By the end of this fiscal year, the Federal debt is estimated to be almost $5 trillion. That is why this week we will be working on a balanced budget amendment, and it is why we should give the President a line-item veto.

A child born today is immediately saddled with an expense of more than $187,000 over their lifetime just to pay interest on debt. My 21-month-old son has already been responsible, and will be made responsible, for more than $4,000 in interest payments, and he has not even reached his second birthday.

While the line item will not in and of itself balance the budget, the line-item veto will be an important tool the President can use as the country moves forward and toward a balanced budget in the year 2002. We cannot afford to lose a year in our fight against wasteful Federal spending and remove the Sword of Damocles from above our children's future.

Mr. Speaker, I urge my colleagues to give the President the line-item veto. Give him the strongest line-item veto possible. Do it this year. I urge my colleagues to support the chairman, the gentleman from Pennsylvania [Mr. CLINGER], and support this motion.

Mr. CLINGER. Mr. Speaker, I yield myself 30 seconds only to respond to the gentleman from Wisconsin to say that it is this gentleman's intention to go to conference and to negotiate in good faith to come up with the strongest possible line-item veto we can achieve. There are going to be no dilatory practices on my part, certainly, and I think I can speak for the Republican Members in this body. They are going to be very diligent in trying to reach a compromise.

Mr. BARRETT of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. CLINGER. I yield to the gentleman from Wisconsin.

Mr. BARRETT of Wisconsin. Mr. Speaker, perhaps the gentleman can help me. Where is the problem? Is the Senate majority refusing to go to conference? Why is there even a refusal to come to the table to talk?

Mr. CLINGER. Reclaiming my time, I think there may be a combination of things; one of the things may well be the possibility of a filibuster to be waged on your side of the aisle. I think there are probably problems on both sides.

Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. SOLOMON], the distinguished chairman of the Committee on Rules.

Mr. SOLOMON. Mr. Speaker, I will not even take a minute. But just continuing this colloquy, there is no question that there are Members in the other body who are unalterably opposed to any real and meaningful line-item veto legislation. They are both Democrat and Republican over there, and this Member happens to resent it very much.

I hope this body stands by its version. It is the only true line-item veto, and if and when we ever do go to conference, I want us to stick to our guns. We should not be enacting any kind of watered-down version, because that means we will never get around to really enacting a line-item veto. We will be deterred from that.

So I commend both the gentlemen for their reference.

Mr. WISE. Mr. Speaker, I yield 1 minute to the gentleman from Wisconsin [Mr. BARRETT].

Mr. BARRETT of Wisconsin. Mr. Speaker, again I am a relatively junior Member of the House. The chairman indicated there are problems with Democrats who do not like this bill. But to go to conference committee, is that not something that the leadership can do, the Republican leadership can do, from the Senate? And again I fail to see why the Republican leadership in the Senate is even refusing to come to the conference committee. Is that something that the Democrats in the Senate can stop?

Mr. SOLOMON. If the gentleman will yield, it is because of what is happening over there. There are some interpolitics being played. That is exactly why we are taking this action today. We are going to send our bill back over there. Then we will start negotiations both in public and out of public, if necessary, but we want to move this legislation, the real thing.

Mr. BARRETT of Wisconsin. I think the public should be aware the problem is in the Senate with the leadership, I think, because now we are at the stage where the Republican leadership in the Senate should come to the conference committee to resolve the differences, and it is the Republican leadership in the Senate that is refusing to do so.

Mr. SOLOMON. In collusion with the Democrat leadership in the Senate, as well.

Mr. WISE. Mr. Speaker, I yield myself 15 seconds just to note that perhaps part of the problem is that the line-item veto would not apply to Presidential candidates, only to Presidents, and that might be part of the problem in the other body as well.

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

Mr. CLINGER. Mr. Speaker, I yield 1 minute to the distinguished gentleman from New York [Mr. QUINN].

Mr. QUINN. Mr. Speaker, I appreciate the gentleman yielding only because I came down here to talk about the line-item veto, an issue that is so near and dear to many of our hearts who have worked on this for so long.

As an original cosponsor of H.R. 2, the Line-Item Veto Act, I believe it offers a true, true line-item veto. It would allow, of course, the President to rescind all or any part of appropriated funds, require a majority of both Chambers to disapprove the President's rescissions, and, finally, require a two-thirds' vote of both Chambers to override that Presidential veto of the disapproval bill.

I think while we will talk about some politics almost each and every day in these Chambers, this is one issue where I think Republicans and Democrats alike can get behind to give the President of the United States, whichever party it happens to be, the line-item veto, and I think it is time this year.

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

I would like to just comment that it seems to be that one of the concerns that we have got here is we have heard about this threat of a filibuster by Members of the other party, members of the minority in the Senate, and what we are trying to do here is to propel this whole issue forward into conference. So the purposes of the gentleman from Wisconsin, I hope, are going to be resolved by the actions we are taking here today. I hope he is comforted by that.

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

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

Mr. Speaker, I should have mentioned the gentleman from New York [Mr. QUINN] has been a very active participant in the shaping of this legislation, and we really appreciate his major contributions, and I would just add that I think there has been a concern expressed on the other side that if an attempt was made to go to conference, that it would be subject to a filibuster, so I would repeat, I think there are problems over there that we need to deal with.

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

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

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

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

The SPEAKER pro tempore (Mr. EMERSON). Pursuant to the order of the House, the previous question is ordered.

The question is on the motion offered by the gentleman from Pennsylvania [Mr. CLINGER].

The motion was agreed to.

The text of the Senate bill, S. 4, is as follows:

S. 4

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 ''The Separate Enrollment and Line Item Veto Act of 1995''.

SEC. 2. STRUCTURE OF LEGISLATION.

(a) APPROPRIATIONS LEGISLATION.—

(1) The Committee on Appropriations of either the House or the Senate shall not report an appropriation measure that fails to contain such level of detail on the allocation of an item of appropriation proposed by that House as is set forth in the committee report accompanying such bill.

(2) If an appropriation measure is reported to the House or Senate that fails to contain the level of detail on the allocation of an item of appropriation as required in paragraph (1), it shall not be in order in that House to consider such measure. If a point of order under this paragraph is sustained, the measure shall be recommitted to the Committee on Appropriations of that House.

(b) AUTHORIZATION LEGISLATION.—

(1) A committee of either the House or the Senate shall not report an authorization measure that contains new direct spending or new targeted tax benefits unless such measure presents each new direct spending or new targeted tax benefit as a separate item and the accompanying committee report for that measure shall contain such level of detail as is necessary to clearly identify the allocation of new direct spending or new targeted tax benefits.

(2) If an authorization measure is reported to the House or Senate that fails to comply with paragraph (1), it shall not be in order in that House to consider such measure. If a point of order under this paragraph is sustained, the measure shall be recommitted to the committee of jurisdiction of that House.

(c) CONFERENCE REPORTS.—

(1) A committee of conference to which is committed an appropriations measure shall not file a conference report in either House that fails to contain the level of detail on the allocation of an item of appropriation as is set forth in the statement of managers accompanying that report.

(2) A committee of conference to which is committed an authorization measure shall not file a conference report in either House unless such measure presents each direct spending or targeted tax benefit as a separate item and the statement of managers accompanying that report clearly identifies each such item.

(3) If a conference report is presented to the House or Senate that fails to comply with either paragraph (1) or (2), it shall not be in order in that House to consider such conference report. If a point of order under this paragraph is sustained in the House to first consider the conference report, the measure shall be deemed recommitted to the committee of conference.

SEC. 3. WAIVERS AND APPEALS.

Any provision of section 2 may be waived or suspended in the House or Senate only by an affirmative vote of three-fifths of the Members of that House duly chosen and sworn. An affirmative vote of three-fifths of the Members duly chosen and sworn shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under that section.

SEC. 4. SEPARATE ENROLLMENT.

(a)(1) Notwithstanding any other provision of law, when any appropriation or authorization measure first passes both Houses of Congress in the same form, the Secretary of the Senate (in the case of a measure originating in the Senate) or the Clerk of the House of Representatives (in the case of a measure originating in the House of Representatives) shall disaggregate the items as referenced in section 5(4) and assign each item a new bill number. Henceforth each item shall be treated as a separate bill to be considered under the following subsections. The remainder of the bill not so disaggregated shall constitute a separate bill and shall be considered with the other disaggregated bills pursuant to subsection (b).

(2) A bill that is required to be disaggregated into separate bills pursuant to subsection (a)—

(A) shall be disaggregated without substantive revision, and

(B) shall bear the designation of the measure of which it was an item prior to such disaggregation, together with such other designation as may be necessary to distinguish such measure from other measures disaggregated pursuant to paragraph (1) with respect to the same measure.

(b) The new bills resulting from the disaggregation described in paragraph (1) of subsection (a) shall be immediately placed on the appropriate calendar in the House of origination, and upon passage, placed on the appropriate calendar in the other House. They shall be the next order of business in each House and they shall be considered and voted on en bloc and shall not be subject to amendment. A motion to proceed to the bills shall be nondebatable. Debate in the House of Representatives or the Senate on the bills shall be limited to not more than 1 hour, which shall be divided equally between the majority leader and the minority leader. A motion further to limit debate is not debatable. A motion to recommit the bills is not in order, and it is not in order to move to reconsider the vote by which the bills are agreed to or disagreed to.

SEC. 5. DEFINITIONS.

For purposes of this Act:

(1) The term ''appropriation measure'' means any general or special appropriation bill or any bill or joint resolution making supplemental, deficiency, or continuing appropriations.

(2) The term ''authorization measure'' means any measure other than an appropriations measure that contains a provision providing direct spending or targeted tax benefits.

(3) The term ''direct spending'' shall have the same meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(4) The term ''item'' means—

(A) with respect to an appropriations measure—

(i) any numbered section,

(ii) any unnumbered paragraph, or

(iii) any allocation or suballocation of an appropriation, made in compliance with section 2(a), contained in a numbered section or an unnumbered paragraph but shall not include a provision which does not appropriate funds, direct the President to expend funds for any specific project, or create an express or implied obligation to expend funds and—

(i) rescinds or cancels existing budget authority;

(ii) only limits, conditions, or otherwise restricts the President's authority to spend otherwise appropriated funds; or

(iii) conditions on an item of appropriation not involving a positive allocation of funds by explicitly prohibiting the use of any funds; and

(B) with respect to an authorization measure—

(i) any numbered section, or

(ii) any unnumbered paragraph,

that contains new direct spending or a new targeted tax benefit presented and identified in conformance with section 2(b).

(5) The term ''targeted tax benefit'' means any provision:

(A) estimated by the Joint Committee on Taxation as losing revenue for any one of the three following periods—

(1) the first fiscal year covered by the most recently adopted concurrent resolution on the budget;

(2) the period of the 5 fiscal years covered by the most recently adopted concurrent resolution on the budget; or

(3) the period of the 5 fiscal years following the first 5 years covered by the most recently adopted concurrent resolution on the budget; and

(B) having the practical effect of providing more favorable tax treatment to a particular taxpayer or limited group of taxpayers when compared with other similarly situated taxpayers.

SEC. 6. JUDICIAL REVIEW.

(a) EXPEDITED REVIEW.—

(1) Any Member of Congress may bring an action, in the United States District Court for the District of Columbia, for declaratory judgment and injunctive relief on the ground that a provision of this Act violates the Constitution.

(2) A copy of any complaint in an action brought under paragraph (1) shall be promptly delivered to the Secretary of the Senate and the Clerk of the House of Representatives, and each House of Congress shall have the right to intervene in such action.

(3) Any action brought under paragraph (1) shall be heard and determined by a three-judge court in accordance with section 2284 of title 28, United States Code.

Nothing in this section or in any other law shall infringe upon the right of the House of Representatives or the Senate to intervene in an action brought under paragraph (1) without the necessity of adopting a resolution to authorize such intervention.

(b) APPEAL TO SUPREME COURT.—Notwithstanding any other provisions of law, any order of the United States District Court for the District of Columbia which is issued pursuant to an action brought under paragraph (1) of subsection (a) shall be reviewable by appeal directly to the Supreme Court of the United States. Any such appeal shall be taken by a notice of appeal filed within 10 days after such order is entered; and the jurisdictional statement shall be filed within 30 days after such order is entered. No stay of an order issued pursuant to an action brought under paragraph (1) of subsection (a) shall be issued by a single Justice of the Supreme Court.

(c) EXPEDITED CONSIDERATION.—It shall be the duty of the District Court for the District of Columbia and the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter brought under subsection (a).

(d) SEVERABILITY.—If any provision of this Act, or the application of such provision to any person or circumstance is held unconstitutional, the remainder of this Act and the application of the provisions of such Act to any person or circumstance shall not be affected thereby.

SEC. 7. TREATMENT OF EMERGENCY SPENDING.

(a) EMERGENCY APPROPRIATIONS.—Section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new sentence: ''However, OMB shall not adjust any discretionary spending limit under this clause for any statute that designates appropriations as emergency requirements if that statute contains an appropriation for any other matter, event, or occurrence, but that statute may contain rescissions of budget authority.''.

(b) EMERGENCY LEGISLATION.—Section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by adding at the end the following new sentence: ''However, OMB shall not designate any such amounts of new budget authority, outlays, or receipts as emergency requirements in the report required under subsection (d) if that statute contains any other provisions that are not so designated, but that statute may contain provisions that reduce direct spending.''.

(c) NEW POINT OF ORDER.—Title IV of the Congressional Budget Act of 1974 is amended by adding at the end the following new section:

''POINT OF ORDER REGARDING EMERGENCIES

''SEC. 408. It shall not be in order in the House of Representatives or the Senate to consider any bill or joint resolution, or amendment thereto or conference report thereon, containing an emergency designation for purposes of section 251(b)(2)(D) or 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 if it also provides an appropriation or direct spending for any other item or contains any other matter, but that bill or joint resolution, amendment, or conference report may contain rescissions of budget authority or reductions of direct spending, or that amendment may reduce amounts for that emergency.''.

(d) CONFORMING AMENDMENT.—The table of contents set forth in section 1(b) of the Congressional Budget and Impoundment Control Act of 1974 is amended by inserting after the item relating to section 407 the following new item:

''Sec. 408. Point of order regarding emergencies.''.

SEC. 8. SAVINGS FROM RESCISSION BILLS USED FOR DEFICIT REDUCTION.

(a) Not later than 45 days of continuous session after the President vetoes an appropriations measure or an authorization measure, the President shall—

(1) with respect to appropriations measures, reduce the discretionary spending limits under section 601 of the Congressional Budget Act of 1974 for the budget year and each outyear by the amount by which the measure would have increased the deficit in each respective year;

(2) with respect to a repeal of direct spending, or a targeted tax benefit, reduce the balances for the budget year and each outyear under section 252(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 by the amount by which the measure would have increased the deficit in each respective year.

(b) EXCEPTIONS.—

(1) This section shall not apply if the vetoed appropriations measure or authorization measure becomes law, over the objections of the President, before the President orders the reduction required by subsections (a)(1) or (a)(2).

(2) If the vetoed appropriations measure or authorization measure becomes law, over the objections of the President, after the President has ordered the reductions required by subsections (a)(1) or (a)(2), then the President shall restore the discretionary spending limits under section 601 of the Congressional Budget Act of 1974 or the balances under section 252(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 to reflect the positions existing before the reduction ordered by the President in compliance with subsection (a).

SEC. 9. EVALUATION AND SUNSET OF TAX EXPENDITURES

(a) LEGISLATION FOR SUNSETTING TAX EXPENDITURES.—The President shall submit legislation for the periodic review, reauthorization, and sunset of tax expenditures with his fiscal year 1997 budget.

(b) BUDGET CONTENTS AND SUBMISSION TO CONGRESS.—Section 1105(a) of title 31, United States Code, is amended by adding at the end the following paragraph:

''(30) beginning with fiscal year 1999, a Federal Government performance plan for measuring the overall effectiveness of tax expenditures, including a schedule for periodically assessing the effects of specific tax expenditures in achieving performance goals.''.

(c) PILOT PROJECTS.—Section 1118(c) of title 31, United States Code, is amended by—

(1) striking ''and'' after the semicolon in paragraph (2);

(2) redesignating paragraph (3) as paragraph (4); and

(3) adding after paragraph (2) the following:

''(3) describe the framework to be utilized by the Director of the Office of Management and Budget, after consultation with the Secretary of the Treasury, the Comptroller General of the United States, and the Joint Committee on Taxation, for undertaking periodic analyses of the effects of tax expenditures in achieving performance goals and the relationship between tax expenditures and spending programs; and''.

(d) CONGRESSIONAL BUDGET ACT.—Title IV of the Congressional Budget Act of 1974 is amended by adding at the end thereof the following:

''TAX EXPENDITURES

''SEC. 409. It shall not be in order in the House of Representatives or the Senate to consider any bill, joint resolution, amendment, motion, or conference report that contains a tax expenditure unless the bill, joint resolution, amendment, motion, or conference report provides that the tax expenditure will terminate not later than 10 years after the date of enactment of the tax expenditure.''.

SEC. 10. EFFECTIVE DATE.

The provisions of this Act shall apply to measures passed by the Congress beginning with the date of the enactment of this Act and ending on September 30, 2000.

The text of the bill, H.R. 2, which is inserted in lieu of S. 4, pursuant to the foregoing motion, is as follows:

H.R. 2

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 ''Line Item Veto Act''.

SEC. 2. LINE ITEM VETO AUTHORITY.

(a) IN GENERAL.—Notwithstanding the provisions of part B of title X of The Congressional Budget and Impoundment Control Act of 1974, and subject to the provisions of this section, the President may rescind all or part of the dollar amount of any discretionary budget authority specified in an appropriation Act or conference report or joint explanatory statement accompanying a conference report on the Act, or veto any targeted tax benefit which is subject to the terms of this Act if the President—

(1) determines that—

(A) such rescission or veto would help reduce the Federal budget deficit;

(B) such rescission or veto will not impair any essential Government functions; and

(C) such rescission or veto will not harm the national interest; and

(2) notifies the Congress of such rescission or veto by a special message not later than ten calendar days (not including Sundays) after the date of enactment of an appropriation Act providing such budget authority or a revenue or reconciliation Act containing a targeted tax benefit.

(b) DEFICIT REDUCTION.—In each special message, the President may also propose to reduce the appropriate discretionary spending limit set forth in section 601(a)(2) of the Congressional Budget Act of 1974 by an amount that does not exceed the total amount of discretionary budget authority rescinded by that message.

(c) SEPARATE MESSAGES.—The President shall submit a separate special message for each appropriation Act and for each revenue or reconciliation Act under this section.

(d) LIMITATION.—No special message submitted by the President under this section may change any prohibition or limitation of discretionary budget authority set forth in any appropriation Act.

(e) SPECIAL RULE FOR FISCAL YEAR 1995 APPROPRIATION MEASURES.—Notwithstanding subsection (a)(2), in the case of any unobligated discretionary budget authority provided by any appropriation Act for fiscal year 1995, the President may rescind all or part of that discretionary budget authority under the terms of this Act if the President notifies the Congress of such rescission by a special message not later than ten calendar days (not including Sundays) after the date of enactment of this Act.

SEC. 3. LINE ITEM VETO EFFECTIVE UNLESS DISAPPROVED.

(a)(1) Any amount of budget authority rescinded under this Act as set forth in a special message by the President shall be deemed canceled unless, during the period described in subsection (b), a rescission/receipts disapproval bill making available all of the amount rescinded is enacted into law.

(2) Any provision of law vetoed under this Act as set forth in a special message by the President shall be deemed repealed unless, during the period described in subsection (b), a rescission/receipts disapproval bill restoring that provision is enacted into law.

(b) The period referred to in subsection (a) is—

(1) a congressional review period of twenty calendar days of session, beginning on the first calendar day of session after the date of submission of the special message, during which Congress must complete action on the rescission/receipts disapproval bill and present such bill to the President for approval or disapproval;

(2) after the period provided in paragraph (1), an additional ten days (not including Sundays) during which the President may exercise his authority to sign or veto the rescission/receipts disapproval bill; and

(3) if the President vetoes the rescission/receipts disapproval bill during the period provided in paragraph (2), an additional five calendar days of session after the date of the veto.

(c) If a special message is transmitted by the President under this Act and the last session of the Congress adjourns sine die before the expiration of the period described in subsection (b), the rescission or veto, as the case may be, shall not take effect. The message shall be deemed to have been retransmitted on the first Monday in February of the succeeding Congress and the review period referred to in subsection (b) (with respect to such message) shall run beginning after such first day.

SEC. 4. DEFINITIONS.

As used in this Act:

(1) The term ''rescission/receipts disapproval bill'' means a bill or joint resolution which only disapproves, in whole, rescissions of discretionary budget authority or only disapproves vetoes of targeted tax benefits in a special message transmitted by the President under this Act and—

(A) which does not have a preamble;

(B)(i) in the case of a special message regarding rescissions, the matter after the enacting clause of which is as follows: ''That Congress disapproves each rescission of discretionary budget authority of the President as submitted by the President in a special message on _____'', the blank space being filled in with the appropriate date and the public law to which the message relates; and

(ii) in the case of a special message regarding vetoes of targeted tax benefits, the matter after the enacting clause of which is as follows: ''That Congress disapproves each veto of targeted tax benefits of the President as submitted by the President in a special message on _____'', the blank space being filled in with the appropriate date and the public law to which the message relates; and

(C) the title of which is as follows: ''A bill disapproving the recommendations submitted by the President on _____'', the blank space being filled in with the date of submission of the relevant special message and the public law to which the message relates.

(2) The term ''calendar days of session'' shall mean only those days on which both Houses of Congress are in session.

(3) The term ''targeted tax benefit'' means any provision of a revenue or reconciliation Act determined by the President to provide a Federal tax deduction, credit, exclusion, preference, or other concession to 100 or fewer beneficiaries. Any partnership, limited partnership, trust, or S corporation, and any subsidiary or affiliate of the same parent corporation, shall be deemed and counted as a single beneficiary regardless of the number of partners, limited partners, beneficiaries, shareholders, or affiliated corporate entities.

(4) The term ''appropriation Act'' means any general or special appropriation Act, and any Act or joint resolution making supplemental, deficiency, or continuing appropriations.

SEC. 5. CONGRESSIONAL CONSIDERATION OF LINE ITEM VETOES.

(a) PRESIDENTIAL SPECIAL MESSAGE.—Whenever the President rescinds any budget authority as provided in this Act or vetoes any provision of law as provided in this Act, the President shall transmit to both Houses of Congress a special message specifying—

(1) the amount of budget authority rescinded or the provision vetoed;

(2) any account, department, or establishment of the Government to which such budget authority is available for obligation, and the specific project or governmental functions involved;

(3) the reasons and justifications for the determination to rescind budget authority or veto any provision pursuant to this Act;

(4) to the maximum extent practicable, the estimated fiscal, economic, and budgetary effect of the rescission or veto; and

(5) all actions, circumstances, and considerations relating to or bearing upon the rescission or veto and the decision to effect the rescission or veto, and to the maximum extent practicable, the estimated effect of the rescission upon the objects, purposes, and programs for which the budget authority is provided.

(b) TRANSMISSION OF MESSAGES TO HOUSE AND SENATE.—

(1) Each special message transmitted under this Act shall be transmitted to the House of Representatives and the Senate on the same day, and shall be delivered to the Clerk of the House of Representatives if the House is not in session, and to the Secretary of the Senate if the Senate is not in session. Each special message so transmitted shall be referred to the appropriate committees of the House of Representatives and the Senate. Each such message shall be printed as a document of each House.

(2) Any special message transmitted under this Act shall be printed in the first issue of the Federal Register published after such transmittal.

(c) INTRODUCTION OF RESCISSION/RECEIPTS DISAPPROVAL BILLS.—The procedures set forth in subsection (d) shall apply to any rescission/receipts disapproval bill introduced in the House of Representatives not later than the third calendar day of session beginning on the day after the date of submission of a special message by the President under section 2.

(d) CONSIDERATION IN THE HOUSE OF REPRESENTATIVES.—(1) The committee of the House of Representatives to which a rescission/receipts disapproval bill is referred shall report it without amendment, and with or without recommendation, not later than the eighth calendar day of session after the date of its introduction. If the committee fails to report the bill within that period, it is in order to move that the House discharge the committee from further consideration of the bill. A motion to discharge may be made only by an individual favoring the bill (but only after the legislative day on which a Member announces to the House the Member's intention to do so). The motion is highly privileged. Debate thereon shall be limited to not more than one hour, the time to be divided in the House equally between a proponent and an opponent. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order.

(2) After a rescission/receipts disapproval bill is reported or the committee has been discharged from further consideration, it is in order to move that the House resolve into the Committee of the Whole House on the State of the Union for consideration of the bill. All points of order against the bill and against consideration of the bill are waived. The motion is highly privileged. The previous question shall be considered as ordered on that motion to its adoption without intervening motion. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. During consideration of the bill in the Committee of the Whole, the first reading of the bill shall be dispensed with. General debate shall proceed without intervening motion, shall be confined to the bill, and shall not exceed two hours equally divided and controlled by a proponent and an opponent of the bill. No amendment to the bill is in order, except any Member may move to strike the disapproval of any rescission or rescissions of budget authority or any proposed repeal of a targeted tax benefit, as applicable, if supported by 49 other Members. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion. A motion to reconsider the vote on passage of the bill shall not be in order.

(3) Appeals from the decisions of the Chair relating to the application of the rules of the House of Representatives to the procedure relating to a bill described in subsection (a) shall be decided without debate.

(4) It shall not be in order to consider more than one bill described in subsection (c) or more than one motion to discharge described in paragraph (1) with respect to a particular special message.

(5) Consideration of any rescission/receipts disapproval bill under this subsection is governed by the rules of the House of Representatives except to the extent specifically provided by the provisions of this Act.

(e) CONSIDERATION IN THE SENATE.—

(1) Any rescission/receipts disapproval bill received in the Senate from the House shall be considered in the Senate pursuant to the provisions of this Act.

(2) Debate in the Senate on any rescission/receipts disapproval bill and debatable motions and appeals in connection therewith, shall be limited to not more than ten hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(3) Debate in the Senate on any debatable motions or appeal in connection with such bill shall be limited to one hour, to be equally divided between, and controlled by the mover and the manager of the bill, except that in the event the manager of the bill is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from the time under their control on the passage of the bill, allot additional time to any Senator during the consideration of any debatable motion or appeal.

(4) A motion to further limit debate is not debatable. A motion to recommit (except a motion to recommit with instructions to report back within a specified number of days not to exceed one, not counting any day on

which the Senate is not in session) is not in order.

(f) POINTS OF ORDER.—

(1) It shall not be in order in the Senate to consider any rescission/receipts disapproval bill that relates to any matter other than the rescission of budget authority or veto of the provision of law transmitted by the President under this Act.

(2) It shall not be in order in the Senate to consider any amendment to a rescission/receipts disapproval bill.

(3) Paragraphs (1) and (2) may be waived or suspended in the Senate only by a vote of three-fifths of the members duly chosen and sworn.

SEC. 6. REPORTS OF THE GENERAL ACCOUNTING OFFICE.

Beginning on January 6, 1996, and at one-year intervals thereafter, the Comptroller General shall submit a report to each House of Congress which provides the following information:

(1) A list of each proposed Presidential rescission of discretionary budget authority and veto of a targeted tax benefit submitted through special messages for the fiscal year ending during the preceding calendar year, together with their dollar value, and an indication of whether each rescission of discretionary budget authority or veto of a targeted tax benefit was accepted or rejected by Congress.

(2) The total number of proposed Presidential rescissions of discretionary budget authority and vetoes of a targeted tax benefit submitted through special messages for the fiscal year ending during the preceding calendar year, together with their total dollar value.

(3) The total number of Presidential rescissions of discretionary budget authority or vetoes of a targeted tax benefit submitted through special messages for the fiscal year ending during the preceding calendar year and approved by Congress, together with their total dollar value.

(4) A list of rescissions of discretionary budget authority initiated by Congress for the fiscal year ending during the preceding calendar year, together with their dollar value, and an indication of whether each such rescission was accepted or rejected by Congress.

(5) The total number of rescissions of discretionary budget authority initiated and accepted by Congress for the fiscal year ending during the preceding calendar year, together with their total dollar value.

(6) A summary of the information provided by paragraphs (2), (3) and (5) for each of the ten fiscal years ending before the fiscal year during this calendar year.

SEC. 7. JUDICIAL REVIEW.

(a) EXPEDITED REVIEW.—

(1) Any Member of Congress may bring an action, in the United States District Court for the District of Columbia, for declaratory judgment and injunctive relief on the ground that any provision of this Act violates the Constitution.

(2) A copy of any complaint in an action brought under paragraph (1) shall be promptly delivered to the Secretary of the Senate and the Clerk of the House of Representatives, and each House of Congress shall have the right to intervene in such action.

(3) Any action brought under paragraph (1) shall be heard and determined by a three-judge court in accordance with section 2284 of title 28, United States Code.

Nothing in this section or in any other law shall infringe upon the right of the House of Representatives to intervene in an action brought under paragraph (1) without the necessity of adopting a resolution to authorize such intervention.

(b) APPEAL TO SUPREME COURT.—Notwithstanding any other provision of law, any order of the United States District Court for the District of Columbia which is issued pursuant to an action brought under paragraph (1) of subsection (a) shall be reviewable by appeal directly to the Supreme Court of the United States. Any such appeal shall be taken by a notice of appeal filed within 10 days after such order is entered; and the jurisdictional statement shall be filed within 30 days after such order is entered. No stay of an order issued pursuant to an action brought under paragraph (1) of subsection (a) shall be issued by a single Justice of the Supreme Court.

(c) EXPEDITED CONSIDERATION.—It shall be the duty of the District Court for the District of Columbia and the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter brought under subsection (a).

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: ''An Act to give the President item veto authority over appropriation Acts and targeted tax benefits in revenue Acts.''

A motion to reconsider was laid on the table.

House Resolution 147 was laid on the table.

REGULATORY TRANSITION ACT OF 1995

Mr. CLINGER. Mr. Speaker, I ask unanimous consent that: First, it be in order to consider in the House a motion to take from the Speaker's table the Senate bill (S. 219) to ensure economy and efficiency of Federal Government operations by establishing a moratorium on regulatory rulemaking actions, and for other purposes, to strike all after the enacting clause of S. 219 and to insert in lieu the text of H.R. 450 as passed by the House;

Second, that the motion be debatable for not to exceed 1 hour, to be equally divided and controlled among chairmen and ranking minority members of the Committees on Government Reform and Oversight and the Judiciary; and

Third, that the previous question be ordered on the motion to final adoption without intervening motion except one motion to commit.

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

Mr. PETERSON of Minnesota. Mr. Speaker, reserving the right to object, I do so in order that the gentleman may explain his unanimous consent request.

I yield to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. Mr. Speaker, I have a motion at the desk at this point, if we may proceed.

The SPEAKER pro tempore. The gentleman has asked unanimous consent, the gentleman from Minnesota has reserved the right to object and has yielded to the gentleman from Pennsylvania.

Mr. PETERSON of Minnesota. Mr. Speaker, I would just like a further explanation.

Mr. CLINGER. Mr. Speaker, as part of the Contract With America, the House passed overwhelmingly, in a bipartisan fashion, H.R. 450, the Regulatory Transition Act of 1995, which imposes a temporary moratorium on the issuance of regulations. It provides a very necessary timeout on promulgation and implementation of regulations while Congress is in the process of deliberating long-overdue regulatory reforms.

So I think it would be helpful to review the bidding for just a moment. After 2 full days of debate on the House floor and numerous amendments, the final vote was 276 to 146. The House passed this bill February 24, 1995, and sent it to the Senate 2 days later. One month later, the Senate passed their version of the moratorium, which is, frankly, hard to characterize as a regulatory moratorium.

Mr. PETERSON of Minnesota. Mr. Speaker, I was just trying to figure it out, but apparently this is the normal procedure in the House, to link these two bills together.

So, Mr. Speaker, I withdraw my reservation of objection.

Mr. CLINGER. The objective is the same as what we just did in the last bill.

Mr. PETERSON of Minnesota. Mr. Speaker, I withdraw my reservation of objection and support the request of the gentleman from Pennsylvania.

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

There was no objection.

MOTION OFFERED BY MR. CLINGER

Mr. CLINGER. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CLINGER moves to take from the Speaker's table the bill (S. 219) to grant the power to the President to reduce budget authority, and for other purposes, strike all after the enacting clause of the Senate bill, and insert the text of H.R. 450 as passed by the House.

□ 1115

The SPEAKER pro tempore (Mr. EMERSON]. Pursuant to order of the House, the gentleman from Pennsylvania [Mr. CLINGER] will be recognized for 15 minutes, the gentleman from Minnesota [Mr. PETERSON] will be recognized for 15 minutes, the gentleman from Pennsylvania [Mr. GEKAS] will be recognized for 15 minutes, and the gentleman from Michigan [Mr. CONYERS] will be recognized for 15 minutes.

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

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

Mr. Speaker, since I have already delivered part of my remarks on the motion, I would just reiterate, the version that we are sending back to the Senate is a very different version than was enacted in the Senate. It is our position

that the House bill is a very good piece of legislation that was crafted to ensure that the health and safety of our citizens is protected, while at the same time providing a necessary timeout from the burdens of regulation.

I think every Member of this body over time has heard from their constituents, small businessmen, individuals, communities, of the incredibly intolerable burden that is being imposed upon them by regulation. So there is a need for time for review and reflection while we pass and enact major regulatory reform which is in the process of moving its way forward.

Both the gentleman from Texas, Mr. DELAY, the distinguished majority whip, and the gentleman from Indiana, Chairman MCINTOSH, the chairman of the subcommittee of jurisdiction, authored H.R. 450 to provide this short-term moratorium to allow Congress and the administration to review regulations on the books and to determine whether they meet cost-benefit criteria, and, more importantly, whether they just plain make sense.

During hearings and debate on this bill we've heard story after story about regulatory overkill. Many regulations are unnecessary, duplicative, or conflicting. How many small businesses do we want to put out of business before pass reforms?

Just yesterday, we heard from a group of small businessmen that again underscored this point. Regulations promulgated under the Clean Air Act require that this industry obtain a permit from the EPA or State EPA for each piece of new equipment that they buy or install for their plant, rather than being allowed to have a single permit for that plant. This is like inspecting a car and rather than requiring a single inspection you have to get a separate inspection for the doors, the windshield, the brakes, the trunk, and the list goes on and on. These businessmen want to protect the environment, but find themselves using enough paper to plant a new forest—with little or not environmental benefits gained. For each facility, 300 to 400 pages of paper have to be generated to meet both the EPA and State requirements—which are often duplicative and conflicting. I am told that it took a 150-page manual just to explain the regulation.

Mr. Speaker, H.R. 450 is a good bill. We cannot afford as a society to continue down the road we are marching. This bill provides us an opportunity for a timeout to review regulations. It is my sincere hope that after all this effort we would be able to craft a reasonable compromise with the Senate. Some assumed that we would pass the Senate version of the bill. That simply is not going to happen.

I urge my colleagues to support this motion and hope that the Senate will see fit to move this bill forward to conference in an expedited fashion. It is a bill that does not belong in Congress—it belongs on the President's desk.

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

Mr. PETERSON of Minnesota. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to support the gentleman's motion. Earlier this year the House passed a bill to provide for a moratorium on new regulations pending the enactment of other regulatory reform bills that provide for cost-benefit analysis and risk assessment. I worked closely with the gentleman from Pennsylvania [Mr. CLINGER] and the gentleman from Indiana [Mr. MCINTOSH], the chairman of our subcommittee, and I supported this bill. I became convinced that we needed a time out on regulations and we needed a change in the way we deal with the regulatory process in this Government.

Subsequently, Mr. Speaker, the Senate passed its version of the moratorium legislation providing for a different approach, which is not all bad, which asks for a congressional review period for new regulations. In passing the bill, the Senate did not take its version and attach it to the House bill. Therefore, today's action is required as a first step towards trying to reach a compromise between the two versions.

As I reviewed regulations during the committee consideration of the bill, I found that in fact there are many regulations which Congress should look at more closely, and I think the moratorium bill would, in my opinion, force agencies to think twice before writing new regulations and to begin to do the cost-benefit analysis and risk assessment that the House has already passed and is pending in the Senate.

I do not think there is really a whole lot of need to repeat the debate in the House over this bill, since the motion of the gentleman today merely takes the House position and attaches it to the Senate bill. This is a standard procedure in the House for linking these two bills after the final passage in the House.

I support the gentleman's motion and hope that we are successful in bringing some sense to the other body and getting some consideration of our position.

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

Mr. DOGGETT. Mr. Speaker, I have no objection to the motion either. I do have a couple of questions, if I might address them to the distinguished chairman.

Am I correct that the piece of legislation that we are talking about here is the one that puts a total moratorium on any kind of Federal regulation, from any Federal agency, except for some of those key areas, like duck hunting, that were exempted here on the floor of the House by amendment?

Mr. CLINGER. There are a number of exceptions, as the gentleman knows, that are exempted from the provisions of the moratorium.

Mr. DOGGETT. Well, all of us are certainly opposed to unnecessary Federal regulations, and there are some silly ones out there. This particular proposal as it passed the House went so far, so extreme, so fast, that it was essentially rejected 100 to zip by the U.S. Senate, was it not, for an alternative approach?

Mr. CLINGER. I believe the gentleman is incorrect on that. This version was not considered by the other body.

Mr. DOGGETT. The Senate did not even bother to consider this approach. They took an alternative approach to trying to weed out regulations. Really the whole idea of a total moratorium is deader than a doornail in the Senate. You might as well put an RIP sign over it. It is gone. It is not going to happen.

Mr. CLINGER. If the gentleman would further yield, I would reject that concept. What we are trying to do, obviously, the Senate took a different approach from us. That is the whole purpose of a conference, is to sit down and negotiate those out. We think that our version is better, and we would hope to see the Senate version improved as a result of our conference.

Mr. DOGGETT. But 100 Members of the Senate, including all the Republicans, disagreed with the gentleman.

Mr. CLINGER. The matter has never come to a vote.

Mr. PETERSON of Minnesota. Mr. Speaker, reclaiming my time, I would agree with the gentleman from Pennsylvania, the chairman, that I do not think the Senate took a position on this.

I just want to say, some of us on this side of the aisle worked with the gentleman. I think as the bill was originally put together, these claims may have been valid. But I do not think it is valid with the bill as it passed the House.

We clearly gave the President the opportunity to deal with regulations that he felt were important to the imminent threat to the health and safety that might happen. We exempted routine administrative regulations. The claim cannot be made about this bill that it is going to stop all regulations for this moratorium period. That is not true. This does provide a mechanism that we think is reasonable to allow for regulations to go ahead that are necessary.

What we are trying to do with this moratorium is put a time out on regulations until we can get the other things in place so we can start bringing some commonsense, some cost-benefits and risk assessment to the regulatory process. We think that it is a reasonable approach.

As I say, I support what the chairman is doing, and I hope that we can get some of the elements of the moratorium bill into the final version when we finally do get to conference with the Senate.

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

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

Mr. Speaker, the American people, through the election process, made

sure in 1994 that this Congress would take a hard look at the impact of regulations on itself, the American people. We have known for a long time, and so have the American people, that the Congress passes a statute with good intentions, and then all of a sudden it is put into the hands of the agencies to implement that statute. And what happens? They issue regulations that seem absolutely foreign and almost contrary many times to the intent of the Congress.

So for decade after decade, these regulations impacted against the American people, and they had no recourse, not did the Members of Congress, except to repeal or try to do something on the floor to deal with that problem by itself. That did not work. So now with the Contract With America, where we promised regulatory reform, we brought about a House vehicle which declared a moratorium which said let us stop, look and listen and see what has happened over the years with this regulatory process. Let us put a moratorium on it and now determine which way we should approach the new dawn, the new era, of how the Congress will make statutes and the regulators will react to that.

Well, that is a pretty good idea, we felt. But the Senate now goes the other way. The Senate in its proposal, the one which we hope to reject here today, says once we pass a statute we ought to be involved on every single regulation that the bureaucrats promulgate, which is almost an impossible task, because they build into their proposal a kind of legislative veto which requires the Congress to look at every single regulation as if it were a separate statute.

That is going to the extreme from the original position where the Congress had no control at all. Now it has to micromanage every single regulation. What we offer here in rejecting the Senate proposal and adopting our own language is an overview of the regulatory process, with the ability to some day be able to command the bureaus to look at it very closely, give us an analysis, try to determine the cost effectiveness, see what impact it will have on the American people, and then promulgate that regulation. That is what we are trying to do.

The Senate bill puts us all as micromanagers. The House bill is a reasonable approach to give the American people some safety valve from the oppressive hand of the regulators by allowing this stop, look and listen gap that we are proposing, and then a cost and effectiveness type of analysis oversight on regulations, which is sure to make life more comfortable for all Americans.

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

Mr. CLINGER. Mr. Speaker, I am very pleased to yield 5 minutes to the gentleman from Indiana [Mr. MCINTOSH], a principal author of the House version of the moratorium.

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

Mr. MCINTOSH. Mr. Speaker, as the gentlemen from Pennsylvania, Mr. GEKAS and Mr. CLINGER, have pointed out, there are some fundamental differences between the House and the Senate version of this bill, and there are meritorious arguments in terms of actually putting a 45-day delay on regulations. But I think, unfortunately, the original text of S. 219 neglects some very serious problems that have come up in our regulatory process. When I go home to my district in Muncie and Anderson, IN, people talk to me and say, David, we need to make sure that what you all have done in the House of Representatives continues to go forward and do not cave in to the forces back in Washington who are trying to derail your efforts to cut back on unnecessary regulations.

Our subcommittee held a field hearing in which we had dozens of people talk to us about regulatory problems that were crippling their businesses, causing the loss of jobs, and forcing our economy to be less competitive.

Specifically, since last November the Clinton administration has issued several hundred regulations, and there are 30 of them that our subcommittee has identified that create serious problems for our economy. I think it is important that we move from the abstract and look at what these real problems are and why we need to put a moratorium so that these regulations can be reviewed under the new cost-benefit and risk assessment standards.

□ 1130

One of them is the OSHA ergonomics rule, which has not been promulgated, but the Department of Labor has indicated that in spite of what this House may do, they intend to move forward with it. This could cost us $3.1 billion each year in unnecessary regulatory costs. There is the California Federal implementation plan, which would shut down many sectors of the California economy, would affect everything from flights going into Los Angeles Airport to lawnmowers, to people's jobs, will cost between $4 and $6 billion, with a possible job loss of 165,000 jobs in the State of California alone.

There is the Great Lakes clean water quality guidelines. I want to say, as somebody from a Great Lakes State, we all want to see clean water and we want to see the Great Lakes cleaned up. But this regulation will cost us jobs once again, approximately 33,000 jobs in the Midwest alone and another 2 billion in economic cost to the economy. There is the clean air permitting rule, which will cost billions of dollars in unnecessary red tape and get you exactly zero benefits in terms of additional clean air.

This regulation we do not need in the economy. It has been promulgated by the administration. It needs to be subject to the moratorium so it can go through the review process and be changed so that we do not tie our own hands behind our backs.

The list goes on and on. There are the endangered species listing where the Interior Department indicates that they have 4,000 new species they want to add to the list of endangered species, including the eastern wood rat, the Lake Huron locust and the pee clam. The problem with this is that it will cost us, once again, jobs. It will cause us to be impeded in our economy, and we need to have some common sense applied to these regulations.

Mr. Speaker, I have an entire list here that I would like to put into the RECORD of important serious rule makings that need to be put into the moratorium. Just yesterday Governor Larry Lindsey of the Federal Reserve Board conducted a seminar with people who are working in the inner city to try to rebuild dilapidated housing so that poor people and middle income families can have a hope to own their own home. We asked them, what is your major problem with going forward in these efforts in the inner city? They said, Federal regulations.

They pointed to dozens of rules that make it harder, more costly for them to actually make these differences for people. And they asked us in Congress to move forward in cutting back on that unnecessary red tape.

Let us step back and look at the larger picture. I think what we have accomplished in the House of Representatives was a bipartisan vote, strong support on both sides of the aisle, definitely sent a message to the bureaucracies, it is not business as usual. We have to end the endless red tape and regulation that have been strangling our economy. And when I go home people tell me, we want to see this Congress go forward. We are worried that the other body is going to drag its feet and that you are not going to get these reforms through.

What we are doing today is sending a message. We cannot accept the status quo. We have to move these reforms forward. It is imperative that we implement them for the American people.

They are counting on this House of Representatives to change the way Washington operates, cut back on unnecessary red tape, and move forward with this moratorium, with the cost-benefit and risk assessment legislation, with protection for property rights, that fundamentally do change the way we do business here, making the Government, once again, responsive to the American people.

Mr. Speaker, I commend the gentleman's efforts in leading this forward and look forward to the efforts in moving it toward a conference so that we can go back home and report to the American people we have done what you sent us here to do.

Mr. PETERSON of Minnesota. Mr. Speaker, I yield 3 minutes and 30 seconds to the gentleman from Wisconsin [Mr. BARRETT].

Mr. BARRETT of Wisconsin. Mr. Speaker, my grandfather used to say common sense is not all that common. I think the previous speaker has shown why common sense is not always that common.

As I look at the regulatory reform issue, there are really three different camps in Congress. There is the camp that does not want to see any regulatory reform at all. That is a minority. I do not think there are many people here who believe that.

Then there is the camp that is basically along with the Senate and says, let us have true regulatory reform and let us allow Congress to look at those regulations that are too burdensome, that go too far, that contradict the intent of Congress.

The gentleman who spoke before went through a litany of regulations that he thinks go too far. I think we in Congress should address those issues. We should look at them right now and decide whether they have gone too far and, if they have, we should reverse the agency action.

Then there is the third camp. The third camp is interested in playing politics, and that is the version that has gone from the House of Representatives.

Picture yourself as the President of the United States. You are handed a bill that says for the next 11 months, your agencies, your executive agencies, the people that you have hired can no longer issue any regulations. I do not care if you are a Democrat, I do not care if you are Republican, I do not care if you are Ross Perot, you are going to say no. I am not going to tie the hands of my agencies. I am going to veto that bill.

And you would be crazy if you did not. If you are Republican or Democrat or Ross Perot, you would be crazy if you did not veto that bill. So let us just assume in the fantasy world, the Alice in Wonderland world that this bill got to President Clinton. He would veto it tomorrow.

So the previous speaker who talked about all these burdensome regulations that he is concerned about is not going to get anywhere. He will be able to play politics by saying all bureaucrats are bad, but he is not going to move forward with the goal of getting rid of regulations that are too burdensome to the American people.

I want to get rid of regulations that are too burdensome to the American people. The Senate has come up with a perfect vehicle for us to do that.

I come from the State of Wisconsin where we have legislative review of administrative rules. It works very, very well. If an agency goes too far, the legislature then will review those regulations, not all regulations, just the ones that it thinks are too burdensome and it will reverse the agency action. If we want to deal with this problem, that is how we deal with the problem. We do not take an absurd bill that is being passed only for political purposes, that every single person in this Chamber knows that the President would veto and try to move it forward. That does not accomplish anything. All it does is it scores political points.

What can we do? We can do what the Senate did. We can say that agencies pass rules, they come back here. That way the different concerns that were raised by burdensome regulation we can look at. At the same time, very good regulations, like the ones dealing Cryptosporidium from my area, if we did it that way, at the same time we would be able to have agencies move forward with Cryptosporidium research, E. coli bacteria research, rules on those and save people's lives, help American people and still stop the regulations that need to be stopped. Let us do the right thing and go along with the Senate.

Mr. GEKAS. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. DELAY], the deputy majority leader, alias the whip.

Mr. DELAY. Mr. Speaker, I thank the gentleman for yielding time to me and elevating me and promoting me. I appreciate bringing this bill to the floor.

Mr. Speaker, H.R. 450 has developed a very long history. In December 1994, the Republican leadership sent a letter to the President asking him to issue a moratorium on Federal regulations in order for the new Congress to institute these long-needed regulatory reforms. The President refused.

In January, I introduced H.R. 450, instituting that moratorium that the President refused to issue on his own. And in February, the House passed H.R. 450 with a very strong majority vote and sent it to the Senate for its consideration.

The Senate has chosen to take a different approach, passing a bill which allows Congress to review and disapprove regulations under an expedited procedure.

In light of the differences between those two bills, we are now sending H.R. 450 back to the Senate and encourage the Senate to work with us to come to an acceptable compromise.

H.R. 450 had very broad support from both Members and from the public at large. It responds to the serious cry from the American people to reduce the burden of government. This bill puts a hold on the incredible flow of regulation since November 20 so that the regulatory reforms passed by the Congress will apply to those regulations.

I might say to the previous speaker, most of the horror stories that he spoke about, Mr. Speaker, are taken care of with the health and safety exemption in our bill. Anything that has to do with health and safety, the President himself can exempt from the moratorium.

Actually, the bill itself puts the President in charge, even though he does not choose to be in charge. We give it all to the President, and there is a procedure set up whereby the President on his own initiative under certain conditions can exempt these, any regulations he deems necessary that affects the health and safety of the American people from the moratorium called for in this bill.

All the scare tactics, all the fear mongering that is going on about regulations and how we are going to kill children and throw the senior citizens out in the street are totally false, particularly if you have any confidence at all in this President, in his ability to use the bill to exempt certain regulations from the moratorium.

So I ask the Members to support striking the language of S. 219 and sending H.R. 450 to the Senate today so that we can get a bill to the President's desk soon.

Mr. CLINGER. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. GUTKNECHT], a very valued member of the committee.

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

I rise in support of this motion this morning on H.R. 450. I think that I should respond just briefly to some of the comments made a few moments ago by the gentleman from Wisconsin.

I would remind him and other Members that this bill passed out of the House by almost a two-to-one margin, after 10 hours of open debate. There were lots of amendments offered. Some of those amendments were accepted. And I think to say that this is purely a political ploy, I think is a disservice to this entire House, because I think the gentleman from Pennsylvania [Mr. CLINGER] and the other members who worked so hard on this, particularly the gentleman from Indiana [Mr. MCINTOSH] of the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs did an excellent job under open rules, allowing everyone to participate. and I think to say that this was not fair is really a disservice to all of us.

I think the message that should be going out from this Congress is that the status quo does not live here anymore. In fact, I am happy to be a member of the Committee on Government Reform and Oversight and the McIntosh subcommittee because one of the most troubling things that I heard coming to the Congress this year was that in the past this Congress has not lived up to its oversight responsibilities. I think this is one way of saying that we are not going to permit the agencies out there to just go off on their own and pass these rules ad infinitum.

We have had a number of field hearings. We have had a number of town meetings, I have. And at virtually every one of the town meetings I have had I have heard about the needless regulation that is coming out of Washington.

We had a hearing and the gentleman from Minnesota [Mr. PETERSON] joined

us in Indianapolis about a month ago. And it was interesting because at that meeting we heard from the publisher of the largest newspaper in the State of Indiana and we heard from the president of the University of Indiana. And they were both saying, please do something about this regulatory burden that we have to live under.

I made the comment then and I would share it today that I think we finally have reached the critical mass because we have both the media and academia saying uncle. At all of our town meetings we hear from small business people and particularly farmers who are saying, we need a time out. And that is what really this bill is all about.

Let me just finally say that I think the message we are trying to send from this House today to our colleagues at the other end of the building, that you have dropped the ball and we are going to give you a chance to recovery your fumble.

Mr. PETERSON of Minnesota. Mr. Speaker, I yield myself such time as I may consume.

As I said, I did not think we needed to debate this bill, but I think we need to clear up a couple of things.

The coalition and many other Democrats were proud to support this piece of legislation. I think that some of the claims that were made by some of my colleagues on this side of the aisle may have been valid as we looked at the original bill. But in our judgment it is not valid, and I really want to associate myself with the remarks of the previous two speakers, the gentleman from Minnesota [Mr. GUTKNECHT] and the gentleman from Texas [Mr. DELAY], in the final bill.

□ 1145

We have taken care of the concerns that people had about this bill. The President has the ability to exempt regulations that he feels need to go ahead. This claim that the agencies are going to be stopped dead from doing any regulatory process is not true. I think the gentleman from Texas [Mr. DELAY] said it very clearly. Unless we do not believe that the President of the United States is going to do the right thing, this bill is not the kind of extreme bill that some people have laid out.

I just want to make the point that many of us on this side of the aisle support this piece of legislation, and we ask people to look at the final product, because it is very different than the bill that was originally introduced.

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

Mr. CLINGER. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Arizona [Mr. SHADEGG], a very valuable and hardworking member of the committee.

Mr. SHADEGG. Mr. Speaker, I rise in support of the motion to substitute the language of H.R. 50 for S. 219.

H.R. 450, the Regulatory Reform Transition Act, passed this body overwhelmingly. It is not an extreme measure.

In the debate in the other body on this measure, one of our colleagues said, and I quote, ''Our system of government is working.'' With respect to the regulatory system in America, my colleague's claim could not be further from the truth. He is simply wrong. The regulatory burden we are imposing willy-nilly on American businesses and American citizens is in excess. It is doing severe damage to our economy, and it is time to stop it. We need to subject, Mr. Speaker, all regulations to a risk assessment and to a cost-benefit analysis. That is the substantive review we are seeking. That is what this legislation will do.

The time to begin subjecting new regulations to that type of analysis, cost-benefit and risk assessment, is now. That is what H.R. 450 will do. The moratorium simply says there will be a time out, and that we will have that time period during which to pass substantive regulatory review, reform, and then to subject those regulations now going through that process to that substantive review.

Mr. Speaker, I would like to respond to several remarks on the other side. Some of my colleagues have risen to say that this is an extreme measure, and that the Senate measure is a good alternative. That is simply incorrect, because the Senate measure is different. It does not achieve the same goal. I myself support the notion of legislative review of regulatory matters. If, indeed, a regulatory proceeding is extreme and the regulation should be suspended, that is fine. However, that is not what this legislation accomplishes. This legislation says it is known and indisputable in America that the regulatory system is out of control. That is not necessarily true only 90 or 100 or 120 days from now. The regulatory system is out of control now.

When we enact substantive review, which requires cost-benefit and risk assessment analysis, we ought to apply that to all of the regulations that are currently going through.

My colleague, the gentleman from Indiana [Mr. MCINTOSH], recognized there are thousands of regulations going through at this time. They should be subjected to this review. I urge support of the motion.

Mr. CLINGER. Mr. Speaker, I am very pleased to yield 2 minutes to the gentleman from Maryland [Mr. EHRLICH], a very thoughtful freshman member of our committee.

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

Mr. EHRLICH. Mr. Speaker, I also want to congratulate the chairman of the full committee, the chairman of the subcommittee, and the gentleman from Minnesota [Mr. PETERSON], for his great leadership on this issue.

Mr. Speaker, a new generation arrived in Congress this year. That generation promised to deliver with respect to the Contract With America. A critical part of that contract is regulatory reform. Mr. Speaker, we hear so much out there during election years that people are for the family and they are against crime and for the small business person in this country, but the fact is, Mr. Speaker, this is where the rubber meets the road on the floor of the House. Reg reform and H.R. 450 are truly where the rubber emets the road.

Mr. Speaker, when I was campaigning I would actually stop into strip shopping malls to talk to small business owners. I thought I would hear problems and concerns about the legal environment in the State of Maryland, or the unavailability of capital, or employee problems, but time and time again, by far the predominant concern I heard from the small business community was the burden of Federal regulation on small business.

Mr. Speaker, it is not radical in this day and age to say stop, which is what this bill does. It is not radical to look at what we have done, to inventory what we have done, to stop promulgating Federal regulations before we use good science, before we use cost-benefit analysis, and before we use risk assessment.

Mr. Speaker, it has already been said time and time again on this floor that exceptions apply within the context of this bill for emergency, health, and safety regulations. Mr. Speaker, the bottom line of H.R. 450, the bottom line to regulatory reform in this Congress, is returning a sense of common sense to the way we promulgate regulations in this country today. That is what H.R. 450 is all about. That is what the Contract With America is all about.

To my friend, the gentleman from Wisconsin, who characterized this bill as politics, to the extent that this majority, this majority, this nonpartisan majority is responding to consumers and the small business community in this country, that truly is politics in the best tradition of this House.

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

Mr. Speaker, the point needs to be made very strongly that this is a bipartisan bill. This is not a partisan measure. This measure passed the House on February 24 by a vote of 276 to 146. There was a strong bipartisan support for that measure, as there has been for all of the measures dealing with regulatory reform.

It is very clear, I think, that the American people want regulatory reform. This is part of an overall piece, an overall package we are putting together to accomplish what the American people want. We need to go to conference. We need to get this bill enacted into law, and we need to send it to the President.

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

Mr. GEKAS. Mr. Speaker, I yield myself such time as I may consume, simply to echo the sentiments of my colleague, the gentleman from Pennsylvania. What we are talking about here is dealing with regulations, not allowing regulations to deal with us. The House version allows us to deal with those regulations. The Senate version permits the regulatory process to overwhelm us, which it now does, and which we are trying to rectify.

Mr. Speaker, I yield such time as he may consume to the gentleman from Washington [Mr. TATE].

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

Mr. TATE. Mr. Speaker, I, too, want to lend my support to this proposal as it passed the House, and I commend the chairman of the Committee on Government Reform and Oversight and the subcommittee chairman, the gentleman from Indiana [Mr. MCINTOSH].

Recently a survey from the National Federation of Independent Businesses went out and surveyed their membership as to what was their concern. Taxes and health care were a concern, but the No. 1 concern and threat to small business in this country is regulations.

I had my local Chamber of Commerce from Takoma here recently. They were talking about the issues that concern them, but the one that came up the most, whether they were in banking or they had a local grocery store or whatever, was regulations. One aspect of this particular bill that was added on in the amendatory process when we were on the floor, was the Tate amendment, which extended the moratorium for businesses that have 100 or less employees an additional 6 months, because those are the people that are the most affected when new regulations are passed. Those are the people that are on the margin, that may be in business or may not be in business based on a new regulation.

This is a sound bill, Mr. Speaker. It is really common sense. It is time that we pass some real regulatory relief. Once again, I commend this to the House, and look forward to a strong bipartisan support for this when it passes.

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

Mr. PETERSON of Minnesota. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I again want to commend the gentlemen for their good work, and hope that we can get this to conference, and talk some sense into the other body. Unfortunately, they appear to be somewhat in the capture of the bureaucracy and the status quo. Hopefully, if we cannot get the entire moratorium through, maybe we can get some specific items in the moratorium through on the Senate side. Again, I commend everyone and urge support of this motion.

Mr. Speaker, I have no further Members wishing to speak, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. GOODLATTE). No one from the minority of the House Committee on the Judiciary having presented themselves to claim the time of that committee, the Chair assumes that time is also yielded back. All time has expired.

Pursuant to the order of the House, the previous question is ordered.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania [Mr. CLINGER].

The motion was agreed to.

The text of the Senate bill, S. 219, is as follows:

S. 219

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

TITLE I—REGULATORY TRANSITION

SEC. 101. SHORT TITLE.

This title may be cited as the ''Regulatory Transition Act of 1995''.

SEC. 102. FINDING.

The Congress finds that effective steps for improving the efficiency and proper management of Government operations will be promoted if a moratorium on the effectiveness of certain significant final rules is imposed in order to provide Congress an opportunity for review.

SEC. 103. MORATORIUM ON REGULATIONS; CONGRESSIONAL REVIEW.

(a) REPORTING AND REVIEW OF REGULATIONS.—

(1) REPORTING TO CONGRESS AND THE COMPTROLLER GENERAL.—

(A) Before a rule can take effect as a final rule, the Federal agency promulgating such rule shall submit to each House of the Congress and to the Comptroller General a report containing—

(i) a copy of the rule;

(ii) a concise general statement relating to the rule; and

(iii) the proposed effective date of the rule.

(B) The Federal agency promulgating the rule shall make available to each House of Congress and the Comptroller General, upon request—

(i) a complete copy of the cost-benefit analysis of the rule, if any;

(ii) the agency's actions relevant to section 603, section 604, section 605, section 607, and section 609 of Public Law 96–354;

(iii) the agency's actions relevant to title II, section 202, section 203, section 204, and section 205 of Public Law 104–4; and

(iv) any other relevant information or requirements under any other Act and any relevant Executive Orders, such as Executive Order 12866.

(C) Upon receipt, each House shall provide copies to the Chairman and Ranking Member of each committee with jurisdiction.

(2) REPORTING BY THE COMPTROLLER GENERAL.—

(A) The Comptroller General shall provide a report on each significant rule to the committees of jurisdiction to each House of the Congress by the end of 12 calendar days after the submission or publication date as provided in section 104(b)(2). The report of the Comptroller General shall include an assessment of the agency's compliance with procedural steps required by subparagraph (B) (i) through (iv).

(B) Federal agencies shall cooperate with the Comptroller General by providing information relevant to the Comptroller General's report under paragraph (2)(A) of this section.

(3) EFFECTIVE DATE OF SIGNIFICANT RULES.—A significant rule relating to a report submitted under paragraph (1) shall take effect as a final rule, the latest of—

(A) the later of the date occurring 45 days after the date on which—

(i) the Congress receives the report submitted under paragraph (1); or

(ii) the rule is published in the Federal Register;

(B) if the Congress passes a joint resolution of disapproval described under section 104 relating to the rule, and the President signs a veto of such resolution, the earlier date—

(i) on which either House of Congress votes and fails to override the veto of the President; or

(ii) occurring 30 session days after the date on which the Congress received the veto and objections of the President; or

(C) the date the rule would have otherwise taken effect, if not for this section (unless a joint resolution of disapproval under section 104 is enacted).

(4) EFFECTIVE DATE FOR OTHER RULES.—Except for a significant rule, a rule shall take effect as otherwise provided by law after submission to Congress under paragraph (1).

(5) FAILURE OF JOINT RESOLUTION OF DISAPPROVAL.—Notwithstanding the provisions of paragraph (3), the effective date of a rule shall not be delayed by operation of this title beyond the date on which either House of Congress votes to reject a joint resolution of disapproval under section 104.

(b) TERMINATION OF DISAPPROVED RULEMAKING.—A rule shall not take effect (or continue) as a final rule, if the Congress passes a joint resolution of disapproval described under section 104.

(c) PRESIDENTIAL WAIVER AUTHORITY.—

(1) PRESIDENTIAL DETERMINATIONS.—Notwithstanding any other provision of this section (except subject to paragraph (3)), a rule that would not take effect by reason of this title may take effect, if the President makes a determination under paragraph (2) and submits written notice of such determination to the Congress.

(2) GROUNDS FOR DETERMINATIONS.—Paragraph (1) applies to a determination made by the President by Executive order that the rule should take effect because such rule is—

(A) necessary because of an imminent threat to health or safety or other emergency;

(B) necessary for the enforcement of criminal laws; or

(C) necessary for national security.

(3) WAIVER NOT TO AFFECT CONGRESSIONAL DISAPPROVALS.—An exercise by the President of the authority under this subsection shall have no effect on the procedures under section 104 or the effect of a joint resolution of disapproval under this section.

(d) TREATMENT OF RULES ISSUED AT END OF CONGRESS.—

(1) ADDITIONAL OPPORTUNITY FOR REVIEW.—In addition to the opportunity for review otherwise provided under this title, in the case of any rule that is published in the Federal Register (as a rule that shall take effect as a final rule) during the period beginning on the date occurring 60 days before the date the Congress adjourns sine die through the date on which the succeeding Congress first convenes, section 104 shall apply to such rule in the succeeding Congress.

(2) TREATMENT UNDER SECTION 104.—

(A) In applying section 104 for purposes of such additional review, a rule described under paragraph (1) shall be treated as though—

(i) such rule were published in the Federal Register (as a rule that shall take effect as

a final rule) on the 15th session day after the succeeding Congress first convenes; and

(ii) a report on such rule were submitted to Congress under subsection (a)(1) on such date.

(B) Nothing in this paragraph shall be construed to affect the requirement under subsection (a)(1) that a report must be submitted to Congress before a final rule can take effect.

(3) ACTUAL EFFECTIVE DATE NOT AFFECTED.—A rule described under paragraph (1) shall take effect as a final rule as otherwise provided by law (including other subsections of this section).

(e) TREATMENT OF RULES ISSUED BEFORE THIS ACT.—

(1) OPPORTUNITY FOR CONGRESSIONAL REVIEW.—The provisions of section 104 shall apply to any significant rule that is published in the Federal Register (as a rule that shall take effect as a final rule) during the period beginning on November 20, 1994, through the date on which this Act takes effect.

(2) TREATMENT UNDER SECTION 104.—In applying section 104 for purposes of Congressional review, a rule described under paragraph (1) shall be treated as though—

(A) such rule were published in the Federal Register (as a rule that shall take effect as a final rule) on the date of the enactment of this Act; and

(B) a report on such rule were submitted to Congress under subsection (a)(1) on such date.

(3) ACTUAL EFFECTIVE DATE NOT AFFECTED.—The effectiveness of a rule described under paragraph (1) shall be as otherwise provided by law, unless the rule is made of no force or effect under section 104.

(f) NULLIFICATION OF RULES DISAPPROVED BY CONGRESS.—Any rule that takes effect and later is made of no force or effect by the enactment of a joint resolution under section 104 shall be treated as though such rule had never taken effect.

(g) NO INFERENCE TO BE DRAWN WHERE RULES NOT DISAPPROVED.—If the Congress does not enact a joint resolution of disapproval under section 104, no court or agency may infer any intent of the Congress from any action or inaction of the Congress with regard to such rule, related statute, or joint resolution of disapproval.

SEC. 104. CONGRESSIONAL DISAPPROVAL PROCEDURE.

(a) JOINT RESOLUTION DEFINED.—For purposes of this section, the term ''joint resolution'' means only a joint resolution introduced during the period beginning on the date on which the report referred to in section 103(a) is received by Congress and ending 45 days thereafter, the matter after the resolving clause of which is as follows: ''That Congress disapproves the rule submitted by the ____ relating to ____, and such rule shall have no force or effect.''. (The blank spaces being appropriately filled in.)

(b) REFERRAL.—

(1) IN GENERAL.—A resolution described in paragraph (1) shall be referred to the committees in each House of Congress with jurisdiction. Such a resolution may not be reported before the eighth day after its submission or publication date.

(2) SUBMISSION DATE.—For purposes of this subsection the term ''submission or publication date'' means the later of the date on which—

(A) the Congress receives the report submitted under section 103(a)(1); or

(B) the rule is published in the Federal Register.

(c) DISCHARGE.—If the committee to which is referred a resolution described in subsection (a) has not reported such resolution (or an identical resolution) at the end of 20 calendar days after the submission or publication date defined under subsection (b)(2), such committee may be discharged from further consideration of such resolution in the Senate upon a petition supported in writing by 30 Members of the Senate and in the House upon a petition supported in writing by one-fourth of the Members duly sworn and chosen or by motion of the Speaker supported by the Minority Leader, and such resolution shall be placed on the appropriate calendar of the House involved.

(d) FLOOR CONSIDERATION.—

(1) IN GENERAL.—When the committee to which a resolution is referred has reported, or when a committee is discharged (under subsection (c)) from further consideration of, a resolution described in subsection (a), it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) for a motion to proceed to the consideration of the resolution, and all points of order against the resolution (and against consideration of resolution) are waived. The motion is not subject to amendment, or to a motion to postpone, or to a motion to proceed to the consideration of other business. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the resolution is agreed to, the resolution shall remain the unfinished business of the respective House until disposed of.

(2) DEBATE.—Debate on the resolution, and on all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is in order and not debatable. An amendment to, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the resolution is not in order.

(3) FINAL PASSAGE.—Immediately following the conclusion of the debate on a resolution described in subsection (a), and a single quorum call at the conclusion of the debate if requested in accordance with the rules of the appropriate House, the vote on final passage of the resolution shall occur.

(4) APPEALS.—Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution described in subsection (a) shall be decided without debate.

(e) TREATMENT IF OTHER HOUSE HAS ACTED.—If, before the passage by one House of a resolution of that House described in subsection (a), that House receives from the other House a resolution described in subsection (a), then the following procedures shall apply:

(1) NONREFERRAL.—The resolution of the other House shall not be referred to a committee.

(2) FINAL PASSAGE.—With respect to a resolution described in subsection (a) of the House receiving the resolution—

(A) the procedure in that House shall be the same as if no resolution had been received from the other House; but

(B) the vote on final passage shall be on the resolution of the other House.

(f) CONSTITUTIONAL AUTHORITY.—This section is enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of a resolution described in subsection (a), and it supersedes other rules only to the extent that it is inconsistent with such rules; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

SEC. 105. SPECIAL RULE ON STATUTORY, REGULATORY AND JUDICIAL DEADLINES.

(a) IN GENERAL.—In the case of any deadline for, relating to, or involving any rule which does not take effect (or the effectiveness of which is terminated) because of the enactment of a joint resolution under section 104, that deadline is extended until the date 12 months after the date of the joint resolution. Nothing in this subsection shall be construed to affect a deadline merely by reason of the postponement of a rule's effective date under section 103(a).

(b) DEADLINE DEFINED.—The term ''deadline'' means any date certain for fulfilling any obligation or exercising any authority established by or under any Federal statute or regulation, or by or under any court order implementing any Federal statute or regulation.

SEC. 106. DEFINITIONS.

For purposes of this title—

(1) FEDERAL AGENCY.—The term ''Federal agency'' means any ''agency'' as that term is defined in section 551(1) of title 5, United States Code (relating to administrative procedure).

(2) SIGNIFICANT RULE.—The term ''significant rule''—

(A) means any final rule that the Administrator of the Office of Information and Regulatory Affairs within the Office of Management and Budget finds—

(i) has an annual effect on the economy of $100,000,000 or more or adversely affects in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or State, local, or tribal governments or communities;

(ii) creates a serious inconsistency or otherwise interferes with an action taken or planned by another agency;

(iii) materially alters the budgetary impact of entitlement, grants, user fees, or loan programs or the rights and obligations of recipients thereof; or

(iv) raises novel legal or policy issues arising out of legal mandates, the President's priorities, or the principles set forth in Executive Order 12866.

(B) does not include any agency action that establishes, modifies, opens, closes, or conducts a regulatory program for a commercial, recreational, or subsistence activity relating to hunting, fishing, or camping.

(3) FINAL RULE.—The term ''final rule'' means any final rule or interim final rule. As used in this paragraph, ''rule'' has the meaning given such term by section 551 of title 5, United States Code, except that such term does not include any rule of particular applicability including a rule that approves or prescribes for the future rates, wages, prices, services, or allowances therefor, corporate or financial structures, reorganizations, mergers, or acquisitions thereof, or accounting practices or disclosures bearing on any of the foregoing or any rule of agency organization, personnel, procedure, practice or any routine matter.

SEC. 107. JUDICIAL REVIEW.

No determination, finding, action, or omission under this title shall be subject to judicial review.

SEC. 108. APPLICABILITY; SEVERABILITY.

(a) APPLICABILITY.—This title shall apply notwithstanding any other provision of law.

(b) SEVERABILITY.—If any provision of this title, or the application of any provision of this title to any person or circumstance, is

held invalid, the application of such provision to other persons or circumstances, and the remainder of this title, shall not be affected thereby.

SEC. 109. EXEMPTION FOR MONETARY POLICY.

Nothing in this title shall apply to rules that concern monetary policy proposed or implemented by the Board of Governors of the Federal Reserve System or the Federal Open Market Committee.

SEC. 110. EFFECTIVE DATE.

This title shall take effect on the date of the enactment of this Act and shall apply to any rule that takes effect as a final rule on or after such effective date.

TITLE II—TERM GRAZING PERMITS

SEC. 201. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) the Secretary of Agriculture (referred to in this title as the ''Secretary'') administers the 191,000,000-acre National Forest System for multiple uses in accordance with Federal law;

(2) where suitable, one of the recognized multiple uses for National Forest System land is grazing by livestock;

(3) the Secretary authorizes grazing through the issuance of term grazing permits that have terms of not to exceed 10 years and that include terms and conditions necessary for the proper administration of National Forest System land and resources;

(4) as of the date of enactment of this Act, the Secretary has issued approximately 9,000 term grazing permits authorizing grazing on approximately 90,000,000 acres of National Forest System land;

(5) of the approximately 9,000 term grazing permits issued by the Secretary, approximately one-half have expired or will expire by the end of 1996;

(6) if the holder of an expiring term grazing permit has complied with the terms and conditions of the permit and remains eligible and qualified, that individual is considered to be a preferred applicant for a new term grazing permit in the event that the Secretary determines that grazing remains an appropriate use of the affected National Forest System land;

(7) in addition to the approximately 9,000 term grazing permits issued by the Secretary, it is estimated that as many as 1,600 term grazing permits may be waived by permit holders to the Secretary in favor of a purchaser of the permit holder's permitted livestock or base property by the end of 1996;

(8) to issue new term grazing permits, the Secretary must comply with the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other laws;

(9) for a large percentage of the grazing permits that will expire or be waived to the Secretary by the end of 1996, the Secretary has devised a strategy that will result in compliance with the National Environmental Policy Act of 1969 and other applicable laws (including regulations) in a timely and efficient manner and enable the Secretary to issue new term grazing permits, where appropriate;

(10) for a small percentage of the grazing permits that will expire or be waived to the Secretary by the end of 1996, the strategy will not provide for the timely issuance of new term grazing permits; and

(11) in cases in which ranching operations involve the use of a term grazing permit issued by the Secretary, it is essential for new term grazing permits to be issued in a timely manner for financial and other reasons.

(b) PURPOSE.—The purpose of this title is to ensure that grazing continues without interruption on National Forest System land in a manner that provides long-term protection of the environment and improvement of National Forest System rangeland resources while also providing short-term certainty to holders of expiring term grazing permits and purchasers of a permit holder's permitted livestock or base property.

SEC. 202. DEFINITIONS.

In this title:

(1) EXPIRING TERM GRAZING PERMIT.—The term ''expiring term grazing permit'' means a term grazing permit—

(A) that expires in 1995 or 1996; or

(B) that expired in 1994 and was not 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.

(2) FINAL AGENCY ACTION.—The term ''final agency action'' means agency action with respect to which all available administrative remedies have been exhausted.

(3) TERM GRAZING PERMIT.—The term ''term grazing permit means a term grazing permit or grazing agreement issued by the Secretary under section 402 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1752), section 19 of the Act entitled ''An Act to facilitate and simplify the work of the Forest Service, and for other purposes'', approved April 24, 1950 (commonly known as the ''Granger-Thye Act'') (16 U.S.C. 580*l*), or other law.

SEC. 203. ISSUANCE OF NEW TERM GRAZING PERMITS.

(a) IN GENERAL.—Notwithstanding any other provision of law, regulation, policy, court order, or court sanctioned settlement agreement, the Secretary shall issue a new term grazing permit without regard to whether the analysis required by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other applicable laws has been completed, or final agency action respecting the analysis has been taken—

(1) to the holder of an expiring term grazing permit; or

(2) to the purchaser of a term grazing permit holder's permitted livestock or base property if—

(A) between January 1, 1995, and December 1, 1996, the holder has waived the term grazing permit to the Secretary pursuant to section 222.3(c)(1)(iv) of title 36, Code of Federal Regulations; and

(B) the purchaser of the term grazing permit holder's permitted livestock or base property is eligible and qualified to hold a term grazing permit.

(b) TERMS AND CONDITIONS.—Except as provided in subsection (c)—

(1) a new term grazing permit under subsection (a)(1) shall contain the same terms and conditions as the expired term grazing permit; and

(2) a new term grazing permit under subsection (a)(2) shall contain the same terms and conditions as the waived permit.

(c) DURATION.—

(1) IN GENERAL.—A new term grazing permit under subsection (a) shall expire on the earlier of—

(A) the date that is 3 years after the date on which it is issued; or

(B) the date on which final agency action is taken with respect to the analysis required by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other applicable laws.

(2) FINAL ACTION IN LESS THAN 3 YEARS.—If final agency action is taken with respect to the analysis required by the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other applicable laws before the date that is 3 years after the date on which a new term grazing permit is issued under subsection (a), the Secretary shall—

(A) cancel the new term grazing permit; and

(B) if appropriate, issue a term grazing permit for a term not to exceed 10 years under terms and conditions as are necessary for the proper administration of National Forest System rangeland resources.

(d) DATE OF ISSUANCE.—

(1) EXPIRATION ON OR BEFORE DATE OF ENACTMENT.—In the case of an expiring term grazing permit that has expired on or before the date of enactment of this Act, the Secretary shall issue a new term grazing permit under subsection (a)(1) not later than 15 days after the date of enactment of this Act.

(2) EXPIRATION AFTER DATE OF ENACTMENT.—In the case of an expiring term grazing permit that expires after the date of enactment of this Act, the Secretary shall issue a new term grazing permit under subsection (a)(1) on expiration of the expiring term grazing permit.

(3) WAIVED PERMITS.—In the case of a term grazing permit waived to the Secretary pursuant to section 222.3(c)(1)(iv) of title 36, Code of Federal Regulations, between January 1, 1995, and December 31, 1996, the Secretary shall issue a new term grazing permit under subsection (a)(2) not later than 60 days after the date on which the holder waives a term grazing permit to the Secretary.

SEC. 204. ADMINISTRATIVE APPEAL AND JUDICIAL REVIEW.

The issuance of a new term grazing permit under section 203(a) shall not be subject to administrative appeal or judicial review.

SEC. 205. REPEAL.

This title is repealed effective as of January 1, 2001.

TITLE III—GENERAL PROVISION

SEC. 301. SENSE OF SENATE REGARDING AMERICAN CITIZENS HELD IN IRAQ.

(a) FINDINGS.—The Senate makes the following findings:

(1) On Saturday, March 25, 1995, an Iraqi court sentenced two Americans, William Barloon and David Daliberti, to eight years imprisonment for allegedly entering Iraq without permission.

(2) The two men were tried, convicted, and sentenced in what was reported to be a very brief period during that day with no other Americans present and with their only legal counsel having been appointed by the Government of Iraq.

(3) The Department of State has stated that the two Americans have committed no offense justifying imprisonment and has demanded that they be released immediately.

(4) This injustice worsens already strained relations between the United States and Iraq and makes resolution of differences with Iraq more difficult.

(b) SENSE OF SENATE.—The Senate strongly condemns the unjustified actions taken by the Government of Iraq against American citizens William Barloon and David Daliberti and urges their immediate release from prison and safe exit from Iraq. Further, the Senate urges the President of the United States to take all appropriate action to assure their prompt release and safe exit from Iraq.

The text of the bill, H.R. 450, which is inserted in lieu of S. 219, pursuant to the foregoing motion, is as follows:

H.R. 450

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 ''Regulatory Transition Act of 1995''.

SEC. 2. FINDING.

The Congress finds that effective steps for improving the efficiency and proper management of Government operations, including enactment of a new law or laws to require (1)

that the Federal rulemaking process include cost/benefit analysis, including analysis of costs resulting from the loss of property rights, and (2) for those Federal regulations that are subject to risk analysis and risk assessment that those regulations undergo standardized risk analysis and risk assessment using the best scientific and economic procedures, will be promoted if a moratorium on new rulemaking actions is imposed and an inventory of such action is conducted.

SEC. 3. MORATORIUM ON REGULATIONS.

(a) MORATORIUM.—Until the end of the moratorium period, a Federal agency may not take any regulatory rulemaking action, unless an exception is provided under section 5. Beginning 30 days after the date of the enactment of this Act, the effectiveness of any regulatory rulemaking action taken or made effective during the moratorium period but before the date of the enactment shall be suspended until the end of the moratorium period, unless an exception is provided under section 5.

(b) INVENTORY OF RULEMAKINGS.—Not later than 30 days after the date of the enactment of this Act, the President shall conduct an inventory and publish in the Federal Register a list of all regulatory rulemaking actions covered by subsection (a) taken or made effective during the moratorium period but before the date of the enactment.

SEC. 4. SPECIAL RULE ON STATUTORY, REGULATORY, AND JUDICIAL DEADLINES.

(a) IN GENERAL.—Any deadline for, relating to, or involving any action dependent upon, any regulatory rulemaking actions authorized or required to be taken before the end of the moratorium period is extended for 5 months or until the end of the moratorium period, whichever is later.

(b) DEADLINE DEFINED.—The term ''deadline'' means any date certain for fulfilling any obligation or exercising any authority established by or under any Federal statute or regulation, or by or under any court order implementing any Federal statute or regulation.

(c) IDENTIFICATION OF POSTPONED DEADLINES.—Not later than 30 days after the date of the enactment of this Act, the President shall identify and publish in the Federal Register a list of deadlines covered by subsection (a).

SEC. 5. EMERGENCY EXCEPTIONS; EXCLUSIONS.

(a) EMERGENCY EXCEPTION.—Section 3(a) or 4(a), or both, shall not apply to a regulatory rulemaking action if—

(1) the head of a Federal agency otherwise authorized to take the action submits a written request to the Administrator of the Office of Information and Regulatory Affairs within the Office of Management and Budget and submits a copy thereof to the appropriate committees of each House of the Congress;

(2) the Administrator of the Office of Information and Regulatory Affairs within the Office of Management and Budget finds in writing that a waiver for the action is (A) necessary because of an imminent threat to health or safety or other emergency, or (B) necessary for the enforcement of criminal laws; and

(3) the Federal agency head publishes the finding and waiver in the Federal Register.

(b) EXCLUSIONS.—The head of an agency shall publish in the Federal Register any action excluded because of a certification under section 6(3)(B).

(c) CIVIL RIGHTS EXCEPTION.—Section 3(a) or 4(a), or both, shall not apply to a regulatory rulemaking action to establish or enforce any statutory rights against discrimination on the basis of age, race, religion, gender, national origin, or handicapped or disability status except such rulemaking actions that establish, lead to, or otherwise rely on the use of a quota or preference based on age, race, religion, gender, national origin, or handicapped or disability status''.

SEC. 6. DEFINITIONS.

For purposes of this Act:

(1) FEDERAL AGENCY.—The term ''Federal agency'' means any agency as that term is defined in section 551(1) of title 5, United States Code (relating to administrative procedure).

(2) MORATORIUM PERIOD.—The term ''moratorium period'' means the period of time—

(A) beginning November 20, 1994; and

(B) ending on the earlier of—

(i) the first date on which there have been enacted one or more laws that—

(I) require that the Federal rulemaking process include cost/benefit analysis, including analysis of costs resulting from the loss of property rights; and

(II) for those Federal regulations that are subject to risk analysis and risk assessment, require that those regulations undergo standardized risk analysis and risk assessment using the best scientific and economic procedures; or

(ii) December 31, 1995.

except that in the case of a regulatory rulemaking action with respect to determining that a species is an endangered species or a threatened species under section 4(a)(1) of the Endangered Species Act of 1973 (16 U.S.C. 1533(a)(1)) or designating critical habitat under section 4(a)(3) of that Act (16 U.S.C. 1533(a)(3)), the term means the period of time beginning on the date described in subparagraph (A) and ending on the earlier of the first date on which there has been enacted after the date of the enactment of this Act a law authorizing appropriations to carry out the Endangered Species Act of 1973, or December 31, 1996.

(3) REGULATORY RULEMAKING ACTION.—

(A) IN GENERAL.—The term ''regulatory rulemaking action'' means any rulemaking on any rule normally published in the Federal Register, including—

(i) the issuance of any substantive rule, interpretative rule, statement of agency policy, notice of inquiry, advance notice of proposed rulemaking, or notice of proposed rulemaking, and

(ii) any other action taken in the course of the process of rulemaking (except a cost benefit analysis or risk assessment, or both).

(B) EXCLUSIONS.—The term ''regulatory rulemaking action'' does not include—

(i) any agency action that the head of the agency and the Administrator of the Office of Information and Regulatory Affairs within the Office of Management and Budget certify in writing is limited to repealing, narrowing, or streamlining a rule, regulation, or administrative process or otherwise reducing regulatory burdens;

(ii) any agency action that the head of the agency and the Administrator of the Office of Information and Regulatory Affairs within the Office of Management and Budget certify in writing is limited to matters relating to military or foreign affairs functions, statutes implementing international trade agreements, including all agency actions required by the Uruguay Round Agreements Act, or agency management, personnel, or public property, loans, grants, benefits, or contracts;

(iii) any agency action that the head of the agency and the Administrator of the Office of Information and Regulatory Affairs within the Office of Management and Budget certify in writing is limited to a routine administrative function of the agency;

(iv) any agency action that—

(I) is taken by an agency that supervises and regulates insured depository institutions, affiliates of such institutions, credit unions, or government sponsored housing enterprises; and

(II) the head of the agency certifies would meet the standards for an exception or exclusion described in this Act; or

(v) any agency action that the head of the agency certifies is limited to interpreting, implementing, or administering the internal revenue laws of the United States.

(4) RULE.—The term ''rule'' means the whole or a part of an agency statement of general or particular applicability and future effect designed to implement, interpret, or prescribe law or policy. Such term does not include the approval or prescription, on a case-by-case or consolidated case basis, for the future of rates, wages, corporation, or financial structures or reorganizations thereof, prices, facilities, appliances, services or allowances therefor, or of valuations, costs, or accounting, or practices bearing on any of the foregoing, nor does it include any action taken in connection with the safety of aviation or any action taken in connection with the implementation of monetary policy or to ensure the safety and soundness of federally insured depository institutions, any affiliate of such an institution, credit unions, or government sponsored housing enterprises or to protect the Federal deposit insurance funds. Such term also does not include the granting an application for a license, registration, or similar authority, granting or recognizing an exemption, granting a variance or petition for relief from a regulatory requirement, or other action relieving a restriction (including any agency which establishes, modifies, or conducts a regulatory program for a recreational or subsistence activity, including but not limited to hunting, fishing, and camping, if a Federal law prohibits the recreational or subsistence activity in the absence of the agency action) or taking any action necessary to permit new or improved applications of technology or allow the manufacture, distribution, sale, or use of a substance or product.

(5) RULEMAKING.—The term ''rulemaking'' means agency process for formulating, amending, or repealing a rule.

(6) LICENSE.—The term ''license'' means the whole or part of an agency permit, certificate, approval, registration, charter, membership, statutory exemption, or other form of permission.

(7) IMMINENT THREAT TO HEALTH OR SAFETY.—The term ''imminent threat to health or safety'' means the existence of any condition, circumstance, or practice reasonably expected to cause death, serious illness, or severe injury to humans, or substantial endangerment to private property during the moratorium period.

SEC. 7. LIMITATION ON CIVIL ACTIONS.

No private right of action may be brought against any Federal agency for a violation of this Act. This prohibition shall not affect any private right of action or remedy otherwise available under any other law.

SEC. 8. RELATIONSHIP TO OTHER LAW; SEVERABILITY.

(a) APPLICABILITY.—This Act shall apply notwithstanding any other provision of law.

(b) SEVERABILITY.—If any provision of this Act, or the application of any provision of this Act to any person or circumstance, is held invalid, the application of such provision to other persons or circumstances, and the remainder of this Act, shall not be affected thereby.

SEC. 9. REGULATIONS TO AID BUSINESS COMPETITIVENESS.

Section 3(a) or 4(a), or both, shall not apply to any of the following regulatory rulemaking actions (or any such action relating thereto):

(1) CONDITIONAL RELEASE OF TEXTILE IMPORTS.—A final rule published on December 2, 1994 (59 Fed. Reg. 61798), to provide for the conditional release by the Customs Service of textile imports suspected of being imported in violation of United States quotas.

(2) TEXTILE IMPORTS.—Any action which the head of the relevant agency and the Administrator of the Office of Information and Regulatory Affairs certify in writing is a substantive rule, interpretive rule, statement of agency policy, or notice of proposed rulemaking to interpret, implement, or administer laws pertaining to the import of textiles and apparel including section 334 of the Uruguay Round Agreements Act (P.L. 103–465), relating to textile rules of origin.

(3) CUSTOMS MODERNIZATION.—Any action which the head of the relevant agency and the Administrator of the Office of Information and Regulatory Affairs certify in writing is a substantive rule, interpretive rule, statement of agency policy, or notice of proposed rulemaking to interpret, implement, or administer laws pertaining to the customs modernization provisions contained in title VI of the North American Free Trade Agreement Implementation Act (P.L. 103–182).

(4) ACTIONS WITH RESPECT TO CHINA REGARDING INTELLECTUAL PROPERTY PROTECTION AND MARKET ACCESS.—A regulatory rulemaking action providing notice of a determination that the People's Republic of China's failure to enforce intellectual property rights and to provide market access is unreasonable and constitutes a burden or restriction on United States commerce, and a determination that trade action is appropriate and that sanctions are appropriate, taken under section 304(a)(1)(A)(ii), section 304(a)(1)(B), and section 301(b) of the Trade Act of 1974 and with respect to which a notice of determination was published on February 7, 1995 (60 Fed. Reg. 7230).

(5) TRANSFER OF SPECTRUM.—A regulatory rulemaking action by the Federal Communications Commission to transfer 50 megahertz of spectrum below 5 GHz from government use to private use, taken under the Omnibus Budget Reconciliation Act of 1993 and with respect to which notice of proposed rulemaking was published at 59 Federal Register 59393.

(6) PERSONAL COMMUNICATIONS SERVICES LICENSES.—A regulatory rulemaking action by the Federal Communications Commission to establish criteria and procedures for issuing licenses utilizing competitive bidding procedures to provide personal communications services—

(A) taken under section 309(j) of the Communications Act and with respect to which a final rule was published on December 7, 1994 (59 Fed. Reg. 63210); or

(B) taken under sections 3(n) and 332 of the Communications Act and with respect to which a final rule was published on December 2, 1994 (59 Fed. Reg. 61828).

(7) WIDE-AREA SPECIALIZED MOBILE RADIO LICENSES.—A regulatory rulemaking action by the Federal Communications Commission to provide for competitive bidding for wide-area specialized mobile radio licenses, taken under section 309(j) of the Communications Act and with respect to which a proposed rule was published on February 14, 1995 (60 Fed. Reg. 8341).

(8) IMPROVED TRADING OPPORTUNITIES FOR REGIONAL EXCHANGES.—A regulatory rulemaking action by the Securities and Exchange Commission to provide for increased competition among the stock exchanges, taken under the Unlisted Trading Privileges Act of 1994 and with respect to which proposed rulemaking was published on February 9, 1995 (60 Fed. Reg. 7718).

SEC. 10. DELAYING EFFECTIVE DATE OF RULES WITH RESPECT TO SMALL BUSINESSES.

(a) DELAY EFFECTIVENESS.—For any rule resulting from a regulatory rulemaking action that is suspended or prohibited by this Act, the effective date of the rule with respect to small businesses may not occur before six months after the end of the moratorium period.

(b) SMALL BUSINESS DEFINED.—In this section, the term ''small business'' means any business with 100 or fewer employees.

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

House Resolution 148 was laid on the table.

THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, the pending business is the question of the Speaker's approval of the Journal.

The question is on agreeing to the Speaker's approval of the Journal.

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

RECORDED VOTE

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

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 372, nays 41, answered ''present'' 1, not voting 20, as follows:

[Roll No. 338]

YEAS—372

Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Becerra
Beilenson
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Boucher
Brewster
Browder
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crapo
Cremeans
Cubin
Cunningham
Danner
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fields (LA)
Fields (TX)
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gilchrest
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Livingston
LoBiondo
Lofgren
Longley
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDade
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
Meehan
Meek
Metcalf
Meyers
Mica
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Peterson (FL)
Peterson (MN)
Petri
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Ramstad
Rangel
Reed
Regula
Reynolds
Richardson
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Tucker
Upton
Velazquez
Vento
Visclosky
Waldholtz
Walker
Walsh
Wamp
Ward
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wyden
Wynn
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—41

Abercrombie
Brown (CA)
Clay
Crane
Durbin
Fazio
Filner
Gephardt
Gibbons
Gillmor
Gutknecht
Hastings (FL)
Hefley
Hilliard
Hinchey
Jacobs
Kennedy (MA)
Levin
Lewis (GA)
Lowey
McNulty
Menendez
Mfume
Miller (CA)
Mineta
Pickett
Pombo
Rahall
Rush
Sabo
Schroeder
Scott
Shays
Stark
Stockman
Stokes
Taylor (MS)
Thompson
Volkmer
Waters
Yates

ANSWERED ''PRESENT''—1

Harman

NOT VOTING—20

Bateman	Davis	Kleczka
Berman	Dornan	Lipinski
Bono	Fattah	Pelosi
Borski	Flake	Riggs
Brown (FL)	Hayes	Schumer
Chapman	Hoyer	Vucanovich
Collins (IL)	Johnston	

□ 1216

Messrs. WELDON of Pennsylvania, SERRANO, and WELDON of Florida changed their vote from ''nay'' to ''yea.''

So the Journal was approved.

The result of the vote was announced as above recorded.

PROVIDING FOR CONSIDERATION OF HOUSE CONCURRENT RESOLUTION 67, CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1996

Mr. SOLOMON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 149 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 149

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 concurrent resolution (H. Con. Res. 67) setting forth the congressional budget for the United States Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002. The first reading of the concurrent resolution shall be dispensed with. All points of order against the concurrent resolution and against its consideration are waived. General debate shall be confined to the congressional budget and shall not exceed six hours (including one hour on the subject of economic goals and policies) equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget. After general debate the concurrent resolution shall be considered for amendment under the five-minute rule. The amendment printed in the report of the Committee on Rules accompanying this resolution shall be considered as adopted in the House and in the Committee of the Whole. The concurrent resolution, as amended, shall be considered as read. No further amendment shall be in order except those designated in section 2 of this resolution. Each amendment may be offered only in the order designated, may be offered only by a Member designated, 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 amendments designated in section 2 are waived except that the adoption of an amendment in the nature of a substitute shall constitute the conclusion of consideration of the concurrent resolution for amendment. After the conclusion of consideration of the concurrent resolution for amendment, and a final period of general debate, which shall not exceed ten minutes equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget, the Committee shall rise and report the concurrent resolution to the House with such amendment as may have been adopted. The previous question shall be considered as ordered on the concurrent resolution and amendments thereto to final adoption without intervening motion except amendments offered by the chairman of the Committee on the Budget pursuant to section 305(a)(5) of the Congressional Budget Act of 1974 to achieve mathematical consistency. The concurrent resolution shall not be subject to a demand for division of the question of its adoption.

SEC. 2. The following amendments are in order pursuant to the first section of this resolution:

(1) An amendment in the nature of a substitute by Representative Gephardt of Missouri printed not later than May 16, 1995, in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII, if proposing a Congressional budget in which total outlays for the fiscal year 2002 do not exceed total receipts for that fiscal year.

(2) An amendment in the nature of a substitute by Representative Neumann of Wisconsin or Representative Solomon of New York consisting of the text of House Concurrent Resolution 66.

(3) An amendment in the nature of a substitute by Representative Payne of New Jersey or Representative Owens of New York printed by Representative Payne on May 16, 1995, in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII.

(4) An amendment in the nature of a substitute by the minority leader or a designee printed by him not later than May 17, 1995, in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII, if proposing a Congressional budget based on a revised budget submission by the President to the Congress in which total outlays for the fiscal year 2002 do not exceed total receipts for that fiscal year.

SEC. 3. Rule XLIX shall not apply with respect to the adoption by the Congress of a conference report to accompany a concurrent resolution setting forth the congressional budget for the United States Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002.

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

Mr. SOLOMON. Mr. Speaker, for the purposes of debate only, I yield 30 minutes to the gentleman from Texas [Mr. FROST], pending which I yield myself such time as I might consume. During consideration of the resolution all time yielded is for the purposes of debate only.

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

Mr. SOLOMON. Mr. Speaker, today is a truly historic day in this Chamber and one that I personally have waited for for a long time, because this will be the first time that this Congress will actually debate how to balance a budget instead of whether we will balance the budget at all.

Why is this so? Because we have written the rules of this debate so that only four alternatives can be offered, and all four alternatives, ladies and gentlemen, balance the budget. Can you believe that? That, ladies and gentlemen, is truly historic. So much so that I am so excited I really can hardly stand it.

Mr. Speaker, let me get to the text of the rule itself, and Members should listen because it is a complicated, complex rule.

House Resolution 149 is a modified closed rule providing for the consideration of House Concurrent Resolution 67, the concurrent resolution on the budget for fiscal years 1996 through the year 2002. The rule provides for 6 hours of general debate, equally divided and controlled by the chairman and ranking minority member of the Committee on Budget, including 1 hour of debate on the so-called Humphrey-Hawkins legislation economic goals and policies. All points of order are waived against the budget resolution and its consideration.

This rule provides for the adoption in the House and in the Committee of the Whole of an amendment printed in the Committee on Rules report relating to spending on agriculture programs, and for those Members who might not come from agricultural districts, they might listen to this too. This is a sense-of-Congress provision to reconsider spending reductions in fiscal years 1999 and 2000 if certain conditions are not met. This amendment is language worked out between the Committee on Agriculture chairman and the leadership to ensure that spending reductions for agricultural programs do not have an adverse impact on the farm economy, and that is very important.

This rule makes in order four amendments in the nature of substitutes, subject to 1 hour of debate each, and waives points of order against them, except that it does not allow for the consideration of subsequent substitutes if any one substitute is adopted.

Before I go any further, Mr. Speaker, this is the most important part of my statement, Mr. Speaker, that provision in the rule means quite simply that there are no free votes on this budget resolution coming up. The adoption of any substitute will bring the House to a vote on final adoption of the budget resolution as amended, immediately.

This is the old-fashioned amendment process, it is not a king-of-the-hill or so-called queen-of-the-hill process. The four substitutes in their order of consideration are important, because if any one of these pass, then the debate immediately ceases and we go right to final passage. The first substitute to be offered will be an amendment by Representative GEPHARDT printed in yesterday's CONGRESSIONAL RECORD which is the text of the so-called coalition budget. That is the first substitute before us.

Second, a substitute to be offered by Representatives NEUMANN and SOLOMON, that is myself, consisting of House Concurrent Resolution 66, which you all have before you. This achieves a balanced budget by the fiscal year 2000, that is within 5 years.

Third, a substitute by Representative PAYNE of New Jersey and Representative OWENS of my State of New York printed in yesterday's RECORD, that is the Black Caucus budget.

And fourth, and this is important, an amendment printed in the RECORD by

today by the minority leader or his designee consisting of a revised Presidential budget, if it achieves a balanced budget by the year 2002. We give the President of the United States 7 years to bring our deficits into balance, and we are waiting with anticipation for the President to join in this debate and offer that amendment.

Following the disposition of amendments, the rule allows for an additional 10 minutes of debate divided between the chairman and ranking minority member of the Committee on the Budget. Finally, and this is also important to Members of the House, the rule suspends for 1 year the application of House Rule XLIX, the so-called Gephardt rule on the debt limit.

What that means is that this House will be forced to conduct a separate vote on raising the debt limit later this year rather than having it automatically adopted upon the adoption of the budget resolution's conference report. There is no free ride there, Mr. Speaker, we are going to have to put our name on the line.

This is a fair rule that provides ample opportunity for the major alternatives to be debated and voted on. While we did not make in order all of the amendments presented to the Committee on Rules, I think most objective observers, including the press, will agree we have allowed for the debate to be framed in a very fair and open manner that allows for the most serious alternatives having substantial support to be offered and voted on.

□ 1230

Mr. Speaker, let me say at the outset that I commend the minority leader, the gentleman from Missouri [Mr. GEPHARDT], for agreeing to offer a major substitute even though he does not support it, according to this morning's papers. It was not offered by him or by the majority of his caucus. Nevertheless, it is a Democrat position, and it will be interesting to see where the votes fall on that.

It was our feeling that, as important as the budget resolution is, and it clearly is one of the most defining acts of a political party, that the rule should allow for a leadership-backed alternative from both sides of the aisle. Where do we stand on the issues? That is what needs to be debated on this floor today.

In addition, we have given the President, as I said, an additional 2 days beyond our Monday deadline to submit a revised budget plan that would achieve a balanced budget.

Now, Members of the House, you may recall that back on May 9 I wrote to the President's chief of staff, Mr. Panetta, the former chairman of the Committee on the Budget, inviting him on behalf of the Republican leadership, to submit a balanced budget to the Committee on Rules by last Monday, and we would make it in order. Even though Mr. Clinton promised early in his Presidential campaign, and we have got the quotes from his campaign which we will read to you today during the debate, to balance the budget, his latest budget shows deficits remaining at the $200 billion mark into the next century. I ask you, what kind of balancing act is that? One trillion dollars added to the deficit over the next 7 years.

Now, we hear Mr. Panetta in this morning's paper and on ''Good Morning, America,'' this morning criticizing us for establishing an arbitrary date of fiscal year 2002 for balancing the budget. And yet last January we voted on six constitutional amendments requiring balanced budgets, four by Democrats and two by Republicans. The Committee on Rules did not require that they provide for a balanced budget by 2002. We did not set any arbitrary date, and yet every one of those amendments that came to this floor, Democrat or Republican, did just that. Of the four Democrat substitutes, the Owens of New York Democrat substitute was supported by 62 Democrats. You ought to add up these numbers as I read them off to you. The Wise of West Virginia substitute, another Democrat substitute, was supported by 136 Democrats. The Conyers Democrat substitute was backed by 112 Democrats. And then finally, the Gephardt/Bonior substitute was favored by 130 Democrats.

Moreover, on final passage of the constitutional amendment, 72 Democrats voted in favor of it, and the vote was 300 to 132. Nearly 70 percent of this House voted for that date certain—the year 2002.

Mr. Speaker, when you add up all the Democrats who supported one substitute or another and called for a balanced budget by 2002, you find that 187 Democrats, or 92 percent of those on their side of the aisle, voted for a balanced budget by fiscal year 2002.

That is what is on the floor today, and yet the President and his chief of staff would have us believe that there is something arbitrary, something unrealistic about setting a fiscal year 2002 deadline for balancing this budget.

Even the Senate minority leader has said the President is wrong on that account. That was Mr. DASCHLE over in the other body, on ''Good Morning, America.'' Go and replay it back and see what he had to say.

Mr. Speaker, one of the Democrat Members suggested at our hearing yesterday that I smiled to myself when I consider how things have shifted in just the last year toward support for a real balanced budget in this Congress and in this country. Well, Mr. Speaker, I think I can say that I really am proud to smile publicly that we have come so far in such a short, short time. The American people have spoken, and we are listening, finally, to their cries to save this country and to save our children and to save our grandchildren from economic and financial ruin, because that is where we have been going.

We witnessed a tidal wave for change at the polls last November, and, Mr. Speaker, if we do not follow through by keeping our commitment to bringing this Government and this country back into the black, then we will drown in another tidal wave. It will be a tidal wave of red ink that will engulf us and future generations to come. It will destroy this Nation.

Last January, 187 Democrats and 228 Republicans voted for at least one of the constitutional amendments offered that called for balancing the budget by fiscal year 2002. That is a total of 415 Members out of 435 Members of this House. Think about that, 95 percent of the Members of this House of Representatives supporting a balanced budget.

Today that support for a lofty and noble goal confronts the reality of making the tough choices to achieve the goal of restoring this country to a condition of fiscal sanity, of soundness and stability. Members, we will have the good intentions of last January tested by our willingness, indeed by our intestinal and political fortitude, to vote for the balanced budget we said was needed 4 months ago. Today is your opportunity, Mr. Speaker and Members. We can either follow through on our commitment to setting things straight and right, or we can cave, we can crumble at the sound of Chicken Little clucking, he who would have us believe that the world is going to come to an end if we dare to do what the American people have to do, what business and industry have to do, and that is to live within our means.

Mr. Speaker, today is the defining moment for this Congress and this country as we face the 21st century. It is right around the corner. We may never have another moment like this if we cling to the past, if we deny our children, if we deny our grandchildren and those not even born yet a promising and prosperous future.

We must put an end to this terrible debt burden that is dragging us down and denying us the opportunity to confront the new century with renewed hope, with renewed opportunity.

Confronting and conquering great challenges is what this country is all about and what we as Representatives of the people should be all about. Let us not shrink from that challenge.

I want Members to support this rule. I want Members to support a balanced budget plan that will bring a brighter tomorrow, regardless of which one of these four balanced budgets comes to a final vote. That is the one we have got to vote for in the end. We have got to do it for America.

Mr. Speaker, I submit the following document for the RECORD:

DEBATE & AMENDMENTS ON HOUSE BUDGET RESOLUTIONS, 1989–1994

Year	Budget res.	Rule number	General debate time (hours)	Amendments allowed	Vote on rule	Total time consumed [1] (hours)
1989	H. Con. Res. 106	H. Res. 145 [2]	5-hours (2 HH)	5 (3–D; 2–R)	Adopted: voice	12½
1990	H. Con. Res. 310	H. Res. 382 [3]	6-hours (3 HH)	4 (1–D; 3–R)	Adopted: voice	13
1991	H. Con. Res. 121	H. Res. 123 [4]	5-hours (2 HH)	4 (1–D; 3–R)	Adopted: 392–9	11
1992	H. Con. Res. 287	H. Res. 386 [5]	3-hours (1 HH)	3 (1–D; 2–R)	Adopted: 239–182	13½
1993	H. Con. Res. 64	H. Res. 131	10-hours (4 HH)		Adopted: voice	16
		H. Res. 133 [6].		4 (2–D; 2–R).	Adopted: 251–172.	
1994	H. Con. Res. 218	H. Res. 384 [7]	4-hours (1 HH)	5 (3–D; 2–R)	Adopted: 245–171	10

[1] Includes hour on rule, general debate time, and debate time on all amendments, but does not include time taken on rollcall votes and walking-around time.
[2] Of the 5 amendments, one was an amendment by the Chairman of the Budget Committee (30-minutes), followed by 4 substitutes under king-of-the-hill procedure: Dannemeyer (1-hr.); Dellums (3-hrs.); Kasich (1-hr.); Gephardt (1-hr.)
[3] General debate began on April 25th under a unanimous consent request agreed to on April 24th. Four substitute amendments were allowed under king-of-the-hill procedures: Kasich (1-hr.); Dannemeyer (1-hr.); Dellums (2-hrs.); and Frenzel (2-hrs.).
[4] Of the 4 amendments allowed, one was a perfecting amendment by Rep. Ford of Michigan (1-hr.), followed by 3 substitutes under king-of-the-hill: Dannemeyer (1-hr.); Kasich (1-hr): and Gradison (2-hrs.).
[5] Three substitutes were allowed under king-of-the-hill: Dannemeyer (30-mins.); Gradison (1-hr.); and Towns-Dellums (8-hrs.).
[6] Of the 10-hours of general debate, 2-hours were allocated to the Budget Committee; 4-hours for Humphrey-Hawkins; 2-hours to discuss the Mfume substitute; and 1-hour to discuss the Solomon substitute. This was followed by 4 substitutes under king-of-the-hill: Kasich (2-hrs.); Solomon (1-hr.); Mfume (1-hr.); and Sabo (identical to base resolution, 1-hr.).
[7] In addition to the hour on Humphrey-Hawkins, Reps. Kasich and Mfume each were given one hour of general debate to discuss their substitutes. Five substitutes were allowed under king-of-the-hill subject to one-hour of debate each, with the last being identical to the reported budget resolution.

Source: Rules Committee Calendars (Note: HH stands for Humphrey-Hawkins debate).

TIMING OF HOUSE BUDGET RESOLUTIONS, 1989–1994

Year	Budget res.	Date ordered reported	Date report filed	Date rule granted	Date House took-up BR	Days report available [1]
1989	H. Con. Res. 106	4/27/89	5/2/89	5/2/89	5/3/89	1
1990	H. Con. Res. 310	4/19/90	4/23/90	4/25/90	[2] 4/25/90	2
1991	H. Con. Res. 121	4/9/91	4/12/91	4/15/91	4/16/91	4
1992	H. Con. Res. 287	2/27/92	3/2/92	3/3/92	3/4/92	2
1993	H. Con. Res. 64	3/10/93	3/15/93	3/16/93	3/17/93	2
1994	H. Con. Res. 218	3/3/94	3/8/94	3/9/94	3/10/94	2

[1] Days of report availability assumes report was available on the day after it was filed and includes the day on which the budget resolution was taken up by the House.
[2] General debate begun by unanimous consent; rule was adopted the following day.

Sources: House Calendars; H.I.S.; Congressional Quarterly Almanacs.

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

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

Mr. Speaker, the consideration of this budget resolution shows the American people that Republicans can offer balanced budgets. The debate we are beginning here in the House today is not whether we balance the Federal budget, but rather, how. And it is how Republicans want to balance the budget that should be the focus of our debate today.

Mr. Speaker, this proposal to balance the Federal budget contains $350 billion in tax cuts. These tax cuts will amount to $20,000 per person for the wealthiest 1 percent of Americans. At the same time this budget is handing the most fortunate in our society a sizeable tax break, the Republican budget is asking the rest of the country to swallow unnecessarily large cuts in programs such as Medicare and student loans.

In order to make these cuts and to finance this subsidy for the wealthiest of our citizens, Medicare recipients will pay an additional $1,000 a year more for their health care by the year 2002. When we think of that extra $1,000, we should remember that 83 percent of Medicare benefits go to seniors with incomes of $25,000 or less.

Not only will Medicare recipients pay more, hospitals will bear an unfair burden. The President and CEO of the Navarro Regional Hospital in my congressional district, Harvey Fishero, wrote to me this week to express his deep concerns about Medicare and Medicaid cuts envisioned in the Republican budget. He said, and I quote, ''Medicare and Medicaid targets set by the Budget Committee are unacceptable, unsustainable and must be lowered. These reductions are much too severe and are implemented too fast for the Medicare system to handle.'' He says that by the year 2000, Medicare PPS operating margins would fall to −20.6 percent and hospitals would lose $1,300 in PPS payments for every Medicare recipient.

Republicans will try to deny that young Americans may be forced to forgo the dream of a college education because this budget will increase the costs of college loans. It is estimated that because of the elimination of the in-school interest subsidy envisioned in the Republican budget, students may pay up to $5,000 more for their college loans. And, when we think of recipients of guaranteed student loans, we should remember that the average family income of students receiving these subsidies is $35,000.

But, Mr. Speaker, the Republican budget is right here in black and white. Glib explanations of slowing growth and block grants and saving programs cannot explain away $350 billion in tax cuts. Those explanations cannot make what is printed on these pages go away. They cannot explain why this budget asks those who are least able to contribute the most.

Mr. Speaker, my Republican colleagues spent a good deal of their time in the Rules Committee yesterday asking for alternatives. They were asking for these alternatives while three alternatives had already been submitted for the committee's consideration. One of those alternatives, offered by the gentleman from New Jersey [Mr. PAYNE] and the gentleman from New York [Mr. OWENS], on behalf of the Congressional Black Caucus, was made in order by this resolution. Another, offered by the gentleman from Michigan [Mr. DINGELL], was not. Both of those proposals presented the committee with serious policy alternatives to the Republican budget.

A third alternative was also submitted to the Rules Committee, That proposal was developed on behalf of the conservative wing of the Democratic party by the gentleman from Utah [Mr. ORTON] and the gentleman from Texas [Mr. STENHOLM]. That proposal presented the committee with a very viable alternative to the Republican budget. The major difference between the Orton-Stenholm budget and the Republican budget goes back to the basic question of how do we balance the Federal budget. The Orton-Stenholm proposal recognizes that cutting taxes and balancing the budget might present a fundamental conflict. Yet, it seemed for much of the day yesterday this alternative would not be made in order.

This alternative will, however, be considered by the House. But it will be considered only because the Democratic leader, Mr. GEPHARDT will offer it, not because its authors were given the opportunity to offer their proposal in their own right. Mr. Speaker, it is quite clear that had Mr. GEPHARDT not agreed to put his name on this alternative, the House would have been denied the opportunity to consider a very responsible Democratic budget alternative.

Mr. Speaker, I have many requests for time today, so I will conclude. But, I must register my opposition to this rule. Mr. ORTON and Mr. STENHOLM have been shortchanged by this rule as has Mr. DINGELL. And, because they have been shortchanged, so have the American people. I believe the American people want and deserve better than what this resolution gives them.

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

Mr. FROST. I yield to the gentleman from New York.

Mr. SOLOMON. I would just say I think the gentleman knows I have a good working relationship with the Democrat coalition. I have been negotiating with them several days. Much of what you said, though, just is not true because the gentleman does not know the details of the negotiations that went on. I assure you that we would have taken care of them. We just wanted the Democrat leadership to present an alternative that he would vote for. It will be interesting to see if he does.

I appreciate the gentleman yielding.

Mr. Speaker, I yield 4 minutes to the gentleman from Sanibel, FL [Mr. GOSS], one of the very distinguished members of the Committee on Rules; he has been invaluable in developing the balanced budget concept for many years on this floor, and he is one of the most respected Members.

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

Mr. GOSS. Mr. Speaker, I thank the distinguished chairman of the Committee on Rules for yielding me this time. I commend him for this extraordinarily fair rule on this vital issue, and, of course, I also have to commend him for his brilliant substitute with the gentleman from Wisconsin [Mr. NEUMANN] that we will be discussing.

By sticking to the announced parameters that the only substitutes allowed will be those that bring the budget into balance by 2002, this rule ensures that we move beyond the question of if we balance our books within 7 years to how we will reach that goal. And that is truly a remarkable turnabout from the years past.

Still, of course, we have the liberal naysayers who seem to prefer the status quo. The impact of the status quo is really letting the ship of state sail full speed ahead into the rocky cliffs of certain bankruptcy for certain programs, as we know, and, I believe, fiscal calamity for our children and grandchildren, and as a grandfather, that is not responsible.

□ 1245

As a grandfather, that is not responsible. I am still amazed that the President has refused to join this effort and has abdicated all responsibility for mapping out a strategy to bring our budget into balance within the specified period of time. This rule does offer the President a final chance, and it is fair. It is a place holder, in case he has a change of heart in this crucial issue and decides he was to be relevant to the debate after all.

In addition, this rule allows three other proposals to be offered under the standing procedure of the House, including a proposal I am proud to cosponsor offered by the gentleman from Wisconsin [Mr. NEUMANN] and the gentleman from New York [Mr. SOLOMON] that charts a path to a balanced budget within 5 years instead of 7.

Mr. Speaker, the bottom line is that doing nothing really is disaster. We have a moral responsibility in our country to bring this budget into balance. The mess we are in certainly did not come about overnight. It took decades to accumulate nearly $5 trillion in debt. By the way, that is still growing today, as we speak, under the Clinton budget. Cleaning up the mess will not be easy, but it must be done, and the first step lies, obviously, in balancing the annual budget.

I am proud of the extraordinary effort of the gentleman from Ohio, Chairman KASICH, and his Committee on the Budget. They have demonstrated that we can indeed have a balanced budget by 2002. They have attacked waste and fraud; they have attacked abuse, reviewing every program in the Federal budget to set priorities.

I am gratified that they have included many of my discretionary spending suggestions totaling more than $30 billion it seems in savings over 5 years as we proceed through the processes. I would note to Members that they can review the rest of my list of 75 proposed cuts that save $275 billion over 5 years if there are specific discretionary cuts suggested in the Kasich budget they strongly oppose and they would like to replace them in months ahead.

Equally important, the Committee on the Budget has acted to save Medicare, a program headed for collapse, unless we do something. Again, doing nothing is disaster for Medicare. This is a program that is in fact going broke, part A.

Let it be clear to you: Under the budget blueprint before us today, per capita Medicare spending is set to increase by more than 33 percent in the next 7 years. Only in the minds of status quo Washington liberals would that be translated into a cut. I know the increase in Medicare is good for seniors. I am one. I am also a grandfather, as I said, and I think I have responsibility to both seniors and to my children and grandchildren.

Sure, it is going to get hot in this kitchen. But to my friends on the other side of the aisle who seem more interested in hot and hateful rhetoric about the rich and in the cool comfort of the status quo, I say if you cannot stand the heat, then find a door and exit the kitchen, and let those of us willing to take the risk, to meet the challenge, to get on with the recipe for saving the American dream for our children and grandchildren.

Vote for this rule, please, and for the Kasich balanced budget as well.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. MOAKLEY], the ranking member and former chairman of the Committee on Rules.

Mr. MOAKLEY. Mr. Speaker, I thank my colleague for allowing me this time to speak.

Mr. Speaker, why are Republicans cutting Medicare to pay a tax break for the very, very rich? I cannot for the life of me figure it out why my Republican colleagues would want to give a big fat tax break to the very rich, so badly, that they would slash Medicare to the point that by the year 2002 every senior citizen will have to pay an additional $1,000 a year out of his pocket. But I did not sign that contract on America, Mr. Speaker, so there are things that I really do not understand about it.

But I am glad I did not, because this budget inspired by the contract will cut money from student loans, medical research, and LIHEAP. And, because of this budget, Boston teaching hospitals alone stand to lose over $700 million during the next 7 years, 20,000 Boston families will not have heat in the winter, and the cost of a college education will go up $5,000 per student.

Mr. Speaker, my Republican friends say that this budget represents tough choices. It does. But I ask, tough on whom? It certainly is not tough on anyone in this Chamber, and it is certainly not tough on anyone earning over $200,000 per year. But let me tell you who it is tough on. It is tough on those struggling families who will not be able to send their kids to college. It is tough on those American senior citizens who may have to go without heat in the winter and who will definitely be paying higher medical bills. And it is tough on the most vulnerable in our society.

Mr. Speaker, I urge my colleagues in the interests of seniors, in the interest of students, to oppose this Republican budget, and give up the idea of a tax break for the very, very rich. Let us come up with a real budget bill, Mr. Speaker, that does not harm the people who need help, and not help the people who do not need it.

Mr. SOLOMON. Mr. Speaker, I yield 4 minutes to the gentleman from Atlanta, GA [Mr. LINDER], another very distinguished member of the Committee on Rules, who has been a real asset to this body since he came here.

Mr. LINDER. Mr. Speaker, I want to express my support for House Resolution 142, the rule which allows for the consideration of several balanced budget proposals. Only 7 months ago it would have been impossible to imagine debating a bill to actually balance the budget by the year 2002.

Under the rule the House will have a historic opportunity tomorrow to fully debate and consider four balanced budget resolutions. In fact, the rule allows for a fifth balanced budget proposal, one from the President of the United States. While I am pleased the rule provides him with that opportunity, it appears that the President has decided to forfeit any leadership on the issue of America's financial stability.

In February I watched as President Clinton and House and Senate Democrats refused to support the balanced budget amendment. I now realize that

they are incapable of curbing their irresponsible spending habits, so they have decided to play politics with our Nation's future.

Americans understand the fiscal trouble the Nation is in and the tough measures required to fix the mess. We must do something about the deficit and the debt now. We are out of tomorrows. The debt and deficit costs all of us money in the form of higher taxes, higher interest rates, and a slower economy. Moreover, it is immoral for this generation to leave our children the bill for our excesses.

Our current financial crisis is as much a threat to our Nation's children and grandchildren as Nazi Germany and Imperial Japan were to children half a century ago. House Republicans have pledged to balance the budget in 7 years. The generation of World War II saved the world in less time, but we need a united front on this too.

The change in the size of the Federal Government we propose will affect all Americans in some way. If we are incapable of sticking together to get control of our fiscal affairs, America will collapse from within. America is capable of solving problems. I believe we will rally together to do it again. I believe the American people are up to this challenge.

All around us Americans are discovering better ways to do everything. Yet the Federal Government remains the least-changed institution in America society and the President and his party seem satisfied with that. In times of crisis, Americans pull together. We can no longer skirt the issue, although administration officials Tyson and Panetta have tried to.

As in World War II, we need the talents and skills of every individual. This notion is not too romantic for us to conceive that with the help of the American people, we will balance the budget, provide a safe and prosperous future for our children, and save our country.

The rule under discussion gives House Members the opportunity to vote on legislation to require the Federal Government to live under the same budget constraints that every American family lives under. We are running out of chances. We are running out of choices. I urge my colleagues to support the rule that will allow this historic debate.

Mr. FROST. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. BEILENSON], a member of the committee.

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

Mr. BEILENSON. Mr. Speaker, I rise in opposition to the rule, and to the budget resolution, as reported by the Committee on the Budget.

Mr. Speaker, I rise to express my opposition to the rule, and to the budget resolution, as reported by the Budget Committee.

Mr. Speaker, we are opposing this rule because of our objections to the way the majority has treated the minority in developing this rule. There was no valid reason for the majority members of the Rules Committee to deny the gentleman from Texas [Mr. STENHOLM] and the gentleman from Utah [Mr. ORTON] the opportunity to present to the House, under their own names, a budget plan that they themselves authored.

The Stenholm-Orton plan, which under this rule would be offered by the minority leader, is a far more sensible and equitable alternative than the Budget Committee's plan. It offers a way of reaching the same goal as the Budget Committee's plan—a balanced budget in 7 years—through spending cuts that are much more modest and reasonable.

Among other things, the Stenholm-Orton alternative would cut Medicare by over $100 billion less over 7 years than the Budget Committee plan. In fact, it would cut all entitlement programs—programs that provide much-needed income for millions of Americans—by over $200 billion less than the Budget Committee's plan. And, it would provide $35 billion more for education and training, $11 billion more for health, and $60 billion less for defense than the Budget Committee's plan.

The Stenholm-Orton plan achieves the goal of a balanced budget in 7 years through less extreme cuts primarily by excluding the ill-advised, $350 billion tax cut that the Budget Committee plan includes—a tax cut which mostly benefits the very wealthiest Americans, and which is paid for by cutting benefits for the most vulnerable Americans—the poor, the elderly, and children.

As the Stenholm-Orton plan, and the other two plans that will be offered under this rule—the Payne-Owens substitute and the Neumann-Solomon substitute—demonstrate, there are different ways to reach a balanced budget over a 7-year time period. That is why few of us objected to the ground rules for this debate—that all substitutes offered as alternatives to the Budget Committee's plan would also need to achieve a balanced budget by 2002.

The question we have to ask in considering each alternative is: Does this plan provide a fair and equitable way to balance the budget?

The answer, in the case of the Budget Committee's plan, quite clearly, is no.

With its $350 billion tax cut, that benefits the wealthy, and its preservation of corporate tax breaks—and its extreme cuts in Medicare and in dozens of other programs which benefit average Americans, the Budget Committee's plan provides for a huge transfer of resources from the poor, from children, from the elderly, to the rich. It is a plan that hurts those who need the most help from Government, and helps those who needs it the least. In terms of social policy, it makes no sense whatsoever.

What is more, the claim that this budget favors children is debatable. It is true, of course, that it would be a good thing for our children to inherit less debt from us. But what kind of country are we leaving for them if we cut education and job training and highways and mass transit and environmental protection programs and energy research and development and health research and public broadcasting? What kind of opportunities will they have if college loans become unaffordable and vocational training unavailable?

Many people speak of the Federal Government these days as though it is completely disconnected from the American people when, in fact, our Government is a very important part of almost every American's life. Nearly everyone has a family member who is receiving Social Security and Medicare. Millions of middle-class American families depend on the Student Loan Program to educate their children. Millions of moderate-income working Americans depend on the earned income tax credit to make ends meet. Millions of Americans depend on support from the Federal Government through all kinds of programs.

We should be spending less on some of these programs, but it is wrong to cut them so that we can reduce taxes for wealthy Americans—those who have already reaped the greatest economic rewards in recent years. There should be shared sacrifice in our goal to reach a balanced budget; instead, if the Budget Committee's plan is adopted, there will be definite winners and losers. And, unfortunately, those who already have the most will be the winners; those with the least will be the losers.

Mr. Speaker, the Budget Committee's plan is flawed not only because it is unfair, but also because it also raises serious doubts about whether its promised reductions in deficits are achievable.

For one thing, by splitting the reconciliation process into two separate measures—one for Medicare cuts, which are to be reported by the Ways and Means and Commerce Committees by mid-September, and all other cuts, which are to be reported by the appropriate committees by mid-July—the Budget Committee plan increases the likelihood that the $282 billion in Medicare cuts required by the plan will not be achieved. The Republican leadership is likely to find that it is far more difficult to enact these extremely deep cuts in Medicare if they are not part of a larger deficit-reduction plan that applies to more than one group of Americans.

In addition, the Budget Committee plan relies on extremely optimistic economic assumptions to achieve a balanced budget by 2002. This is particularly true with respect to the plan's projected interest rates, which many nonpartisan economists have said are unrealistically low. The level of interest rates, of course, has a tremendous bearing on the amount the Federal Government will need to spend on interest payments on the national debt.

Mr. Speaker, again, we do not object to considering a plan to balance the budget over the next 7 years. In fact, many of us—particularly those of us who have spent many years struggling with the deficit problem—are very pleased that the debate, as many Members have pointed out recently, has moved from whether we should balance the budget over the 7 years, to how we should do it. The Republican leadership, and in particular, the chairman of the Budget Committee, the gentleman from Ohio [Mr. KASICH], deserves a great deal of credit for that change.

However, as I said earlier, we do object to the way in which the rule treats the Stenholm-Orton plan, and I urge a no vote on the rule for that reason. I also urge our colleagues to vote no on the Budget Committee's budget plan.

Mr. FROST. Mr. Speaker, I yield 4 minutes to the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Speaker, this debate comes down to one very simple question: Do you think we should cut

Medicare, Medicaid, and Social Security in order to pay for tax cuts for the privileged few?

In the next 2 days, we are going to see a lot of charts and numbers on this floor.

But this debate is not just about numbers. It is about people.

People like Margaret Leslie—who I have a picture of here today.

Today, Margaret is a lovely lady and proud senior citizen who lives in my district.

But 51 years ago she was known to her friends as ''Margie the Riveter.''

When she was young, she answered the call of this country—and helped build the B–20's that helped the Allies win World War II.

Like most people of her generation, today Margaret lives on Social Security.

After paying for her rent, her medicine, her Medicare premium, and her MediGap premium she's left with about $130 each month to pay for food, bills, heat, and everything else.

And she struggles to make ends meet.

But instead of trying to make Margaret's life easier today this Republican budget is going to make her life harder.

The budget before us today will take $240 out of Margaret's Social Security check.

And over the next 7 years, it will force her to pay an additional $3,500 for Medicare.

Not to balance the budget. Not to cut the deficit.

The Republicans are cutting Medicare for one reason and one reason only: To pay for tax breaks for the wealthiest people and the wealthiest corporations in our country.

The Wall Street Journal calls this plan the biggest tax-saving bonanza in years for upper income Americans. And if you're a wealthy corporation you might not have to pay any taxes at all.

The last time Republicans were in power, 130 of the top 250 corporations paid no taxes at all for at least 1 year. We changed that law, but this budget changes it right back.

Now did the Republicans target the $200 billion we dole out in corporate tax breaks each year? No.

Did the Republicans target billionaires who get $3.6 billion in tax breaks for renouncing their American citizenship? No.

Instead, they targeted senior citizens and working families. And don't just take my word for it.

Last week, the New York Times revealed the contents of a secret Republican memo.

Under the Republican plan Medicare deductibles will double, premiums will go up by 50 percent, copayments will increase, care will be rationed, and the choice of doctors will be limited.

Mr. Speaker, this won't just affect seniors.

How is the average working family going to pay for the cost of caring for their parents and their grandparents?

And don't come to this floor today and tell us you're trying to save the Medicare system. As Margaret Leslie says, ''Republicans haven't cared about Medicare for 30 years. We're not about to believe you now.''

Mr. Speaker, this debate is not just about numbers. It's about basic dignity.

People like Margaret Leslie stood by this country in time of war and peace. And we must stand by them today. That is the sacred promise we made on Medicare—and it's time we live up to that promise.

But this budget is a broken promise.

And at the end of the day, senior citizens and working families throughout this country will be asking one question: why are Republicans cutting Medicare and cutting Social Security in order to give tax breaks to the wealthiest people and the wealthiest corporations in this country?

I urge my colleagues to say no to this rule. And say no to this budget.

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

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

Mr. DOGGETT. I read in the same paper, though, that Speaker GINGRICH promises that while these cuts are big, they will be painless. Will they be painless for Margaret Leslie?

Mr. BONIOR. Reclaiming my time, they clearly are not painless. People like Margaret Leslie who stood by the country in the time of war and peace deserve a much better break than what Speaker GINGRICH and the Republicans are offering in the way of higher deductibles and premiums in this particular bill.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. DINGELL].

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

Mr. DINGELL. Mr. Speaker, I want to pay tribute to my dear friend, the chairman of the Committee on Rules, one of the most gentlemanly, courteous, gracious, and most well-liked Members of this body. He has always figures, however, how we could come up with closed rules which appear to be open rules.

Now, with all affection and all respect for my good friend, I had a little amendment which I appeared before the Committee on Rules with. I received the same gracious attention I always do up there, and I want the gentleman to know how grateful I am for both his friendship and the kind way he treated me.

□ 1300

He did not treat me kindly enough because he did not allow the offering of the amendment. And the amendment offers a really good choice, something which the gentleman from New York and the Committee on Rules have denied this House again.

So I am compelled now to call my dear friend ''closed rule Solomon'' because he presents us these wonderful rules which in fact do not permit the House to have a fair exposition of the business before it or to engage in a proper discussion of all the important questions.

The amendment that I would have offered was specifically designed to address the problems associated with the policy direction that many in the House are moving with respect to block grants. It would have allowed the return of Medicaid and four welfare block grants to the States over a 5-year phaseout period. Better than $539 billion in savings would have been generated. I would have taken as a base text the language of my Republican colleagues' bill. It would have restored $282 billion. It would have permitted $18 billion to be returned to graduated student loans, and it would have allowed $50 billion to go to the middle-income people in forms of a tax cut which would have redistributed the moneys in a way which would not only have been fairer but could have contributed more greatly and speedily to the well-being of this country and to the assistance of the middle class.

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

Mr. DINGELL. I yield to the gentleman from New York.

Mr. SOLOMON. I just want to tell the gentleman that there are two Democrat alternatives, two Republicans. The gentleman from Missouri [Mr. GEPHARDT] was given the choice between you and the other one. He could have made that choice. If the gentleman would see Mr. GEPHARDT, I think that would solve his problem.

Mr. DINGELL. Mr. Speaker, that is a very artful point that the gentleman makes. I want to commend his for it. As a dialectician, he has few peers. However, the hard fact of the matter is that to say we are going to give us two choices and give you two choices does not allow a real debate. All giving two choices is is it limits the choices before the House to four questions.

It does not allow us to specifically address whether or not we are, for example, cutting Medicare, which, in fact, we are. Nor does it allow us to properly address the cuts in Medicaid or student loans or school lunches or title I education funding or veterans' medical care or low-income heating assistance, all of which proposals are being savaged by the Republican budget. It does not give us time to debate them. It does not give the House an opportunity to consider amendments dealing with these different points.

I love the gentleman from New York. He is one of the finest men around here. I enjoy my little skirmishes with him up in the Committee on Rules more than I can say, but the hard fact of the matter is, even with his charm and skill, the distinguished gentleman from New York cannot deny that, in fact, this is a gag rule which is going to foreclose the House from proper consideration of some of the most important

questions, not only for this year but for the 7 years which follow.

I again express my respect for my good friend, ''closed rule SOLOMON.''

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, why are the Republicans cutting Medicare to pay for a tax break for the rich? And two of the people who want to know more about this are in the Kierklewski family in Austin, TX. Louis is 94 years young; his son Ed is 62. They are among millions of American citizens who will suffer from the broken promises contained in this budget resolution. Louis and Ed were among 200 senior citizens and people that were concerned with them in Austin, TX, last Saturday who came together to express their great concern about the broken promises that are composed in this Republican budget.

Louis Kierklewski has devoted his life to hard work. He repaired looms in a textile factory until that job gave out. Then he went to work at the church as a janitor. And now all he has for economic sustenance is a $549 Social Security check and his Medicare. And he already has to spend out of that $195 just for prescriptions because Medicare, as important as it is, does not cover prescriptions.

And Ed—Ed worked 20 years defending this country in the U.S. Air Force. Now he is working as a custodian, moving towards retirement. And he and his wife are worried, and they have good reason to worry about this Republican budget.

The Republicans propose to double, and they did not bother telling us about this in the Committee on the Budget but we found out later through their secret memos, to double the deductible that Louis so going to have to pay and that in a couple years Ed is going to have to pay and then keep raising the deductible after they have doubled it year after year after year.

Now, if in fact Louis needs to go to the lab, he is going to have to pay extra money under the Republican plan. And if Ed decides that he needs home health care, he will have to pay extra money for that.

If Ed or Louis had the audacity to say, we want the same doctor we have always had, well, the Republicans are going to charge them $20 each per month to claim their own doctor. And meanwhile, their premiums will go up month after month, year after year under this Republican plan. That is why the AARP, the retired persons group, calls this Republican plan a sick tax on the most frail and vulnerable seniors in our society.

I guess the problem is that the Republicans had old Captain Crunch over there with the number crunchers at the Committee on the Budget, crunching away at the budget, but what they forgot about is that when you crunch numbers in a budget, sometimes you crunch human beings like Louis and Ed Kierklewski, the kind of people who built this into the greatest Nation in the world.

When the Republicans crunch the numbers this time they are really crushing every American who is dependent on Medicare or hopes to be in the future.

Mr. FROST. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. BREWSTER].

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

Mr. BREWSTER. Mr. Speaker, today I rise in support of the rule, although I do so somewhat reluctantly.

When I joined with 23 of my conservative Democratic colleagues to form the coalition, I did so in an effort to help lift the debate on important issues before the House above petty partisan politics. So far this Congress, members of the coalition have succeeded in avoiding petty partisan maneuvering.

Congressmen ORTON, STENHOLM, BROWDER, PETERSON, and myself authored a budget proposal that we feel a majority of Americans will support. We feel it approaches a balanced budget in a more common sense, less painful approach than does the Kasich proposal.

However, when we went to the Rules Committee to ask that our proposal be allowed time on the floor, we were met by opposition. The Republican controlled committee, under pressure from their leadership, did not want to allow our proposal floor time. I do not know why—maybe they are worried that our proposal is the one that a majority of Congress, including Republicans, would support.

The Democratic leadership has risen above the partisan maneuvering and has allowed the coalition to offer our plan in the slot normally reserved for the minority leadership's proposal. As it turns out, this gesture by the Democratic leadership, was the only chance for our plan to be heard on the floor.

I am glad my party's leadership has chosen to rise above the petty partisan politics of today. I only hope that in the future, the Republican leadership will also choose to abandon the old ways of partisan maneuvering and provide equal opportunity for all voices to be heard.

Mr. Speaker, because of Leader GEPHARDT'S offer of floor time, I urge my colleagues to support this rule.

Mr. SOLOMON. Mr. Speaker, I yield 2 minutes to the gentlewoman from Columbus, OH [Ms. PRYCE]. She is one of the new members of the Committee on Rules and an outstanding Member of this body.

Ms. PRYCE. Mr. Speaker, I am pleased to rise in strong support of this rule. By adopting this rule, we will debate and then pass a plan to balance the Federal budget within 7 years. That statement could not have been made in this Chamber a year ago. But things have changed, and after the November elections there should be no question about the will of the American people.

They expect us to be courageous enough to make the difficult choices that some naysayers in this body have been avoiding for decades now.

But thinking in terms of the future is not always easy. There is comfort in the status quo and there are those who will use almost any tactic to preserve it. We have already seen this morning the Committee on the Budget's good work portrayed as attacks on seniors and children. We have heard actual increases in spending being called cuts. But despite these scare tactics and blatant misuse of the English language, I am confident that our seniors will appreciate the steps we are taking to preserve and protect and improve Medicare, a program which would be bankrupt in 7 short years if we do not act.

The plan crafted by the Committee on the Budget offers solutions no more complicated or profound than those employed every day by hard working, responsible families who play by the rules, pay the bills and make ends meet.

This is a fair and balanced rule. It calls for honest debate on four very different proposals to bring the budget into balance. Two Democratic ones and two Republican ones, and we are still holding things open for the President's plan. I hope we see it.

But I encourage every Member to watch this debate closely. Substitutes will be considered under the regular order of the House. Nothing fancy, nothing tricky. This rule was not designed to give political cover. Every vote counts.

So, Mr. Speaker, on this historic day, I urge my colleagues to adopt this reasonable rule and get on with the task ahead. Anything less would deprive America's children of their potential, the kind of safe and prosperous future they deserve.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, why are Republicans cutting Medicare to pay for tax breaks for the privileged few?

That's what my constituents Julius and Dottie Ruskin of West Haven, CT, who are pictured here, want to know.

The Republicans have promised tax giveaways to the most well-off in our society, and now they have to pay for those promises by taking away from the most vulnerable among us—senior citizens on Medicare like Julius and Dottie.

The Republicans claim that their budget plan demands fair shared sacrifice to balance the budget. But where's the sacrifice from people making more than $350,000, they get a $20,000 tax break under the Republican plan. Where's the sacrifice from all the beneficiaries of corporate welfare, the Republican chairman of the Ways and Means Committee refuses to close their special interest loopholes. The primary sacrifice demanded by the Republicans is from seniors like Julius and Dottie Ruskin who depend on Medicare.

This sacrifice isn't fair, and it isn't shared.

The Republican plan would cut Medicare by $288 billion. The average senior in Connecticut would pay $1,167 more a year in out-of-pocket expenses by the year 2002. The Republican plan means that the Ruskins will pay more every time they go to the doctor.

This plan will increase the annual deductible seniors must pay for doctor's services from $100 to $150. It will nearly double the monthly premium from $46 to $84 by the year 2002, an increase of $456 a year for seniors. It will add a 20-percent sick tax for home health care and laboratory tests.

Let me tell you about the Ruskins. Julius and Dottie live on Social Security and his Armstrong/Pirelli Tire Co. pension for a total annual income of about $14,000 per year. Just last month his doctor visits and medication costs totaled $10,000.

But their biggest concern is that the Republican plan may force them into an HMO and limit their choice of doctors. Julius sees six doctors, most of them specialists, and Dottie sees three doctors, and it is important to them to maintain these special relationships. The Republican plan threatens this trusted care that they now receive.

The Republicans may be keeping their promises to the privileged few. But they're breaking our Nation's historic promise to seniors like Julius and Dottie Ruskin.

□ 1315

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

Ms. DELAURO. I am happy to yield to the gentleman from Texas.

Mr. DOGGETT. Mr. Speaker, I notice that the former Republican Secretary of HEW has warned the Republicans not to go down in history as the party that destroyed Medicare. I wonder whether these cuts will destroy Medicare for this family.

Ms. DELAURO. For Dottie and Julius, their lives would be destroyed by the cuts that are in the Republican plan to cut Medicare. Make no bones about it, these are cuts and the Republicans need to face up to that.

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

Mr. Speaker, while the photograph is still up there, I think the gentlewoman has our plan mixed up with the President's health care plan last year. That would have forced couples into HMO's; nor our plan. Second, that same couple now receive $400 in Medicare benefits. Under our plan it will go to $12,600. That is quite a difference. That couple is going to be lucky if our plan passes.

Mr. Speaker, I yield 2 minutes to the very distinguished and outstanding gentlewoman from Salt Lake City, UT [Mrs. WALDHOLTZ], a new member of the Committee on Rules.

Mrs. WALDHOLTZ. Mr. Speaker, today we begin the most critical debate this Congress will undertake. This debate is critical, it is about how to balance the Federal budget, not whether we are going to do it, and how to stop piling up debt for services and programs that we use now but that our children are going to have to pay for.

Mr. Speaker, I said how we balance the budget, not whether we balance the budget, because we have already had the easy part of this debate. Earlier this year, 300 Members of this House voted in favor of a balanced budget amendment, and we only need 218 votes to actually pass a balanced budget. It is easy to say we should balance the budget in the abstract. It takes courage and commitment, Mr. Speaker, to set priorities and make the difficult decisions that will actually balance this budget and preserve our Nation's future. In the next 48 hours, the American people will see who is willing to balance this budget and who is willing just to talk about it.

Mr. Speaker, as a member of the Committee on Rules, let me say I am very proud of the committee's decision to only allow out onto this floor budgets that balance in 7 years. This requirement was clearly communicated, not only to every Member of the House, but also to the President. I think it is very regrettable that the President chose not to participate in this critical turning point for our Nation, and did not provide us with a balanced budget that reflects his priorities and ideas as to how to end the financial calamity we face as a Nation.

However, this debate is not just about our children, as critical and important as that is. My parents are 75 years old. They just celebrated their golden wedding anniversary. Now, after a lifetime of work and sacrifice for their family and for their country, the Medicare trustees tell them that in 7 years there will be no money for their hospital care, no money for their home health care when they will need it the most.

This Republican budget plan will preserve and protect Medicare, not stand by and criticize and hope that no one holds us accountable when senior citizens lose their health care in 7 years.

Mr. Speaker, I am also proud of the fact that this rule does not use the old king-of-the-hill process used in prior Congresses that allowed Members to vote for amendments they knew would never become law, but that provided them political cover at home.

Mr. Speaker, this rule provides for a fair, honest debate on how we balance the budget. It is time to do it for our children, it is time to do it for our parents. I urge my colleagues to support this rule, and end decade of lack of responsibility and balance the budget.

Mr. FROST. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. DURBIN].

Mr. DURBIN. Mr. Speaker, I thank the gentleman from Texas for yielding time to me.

Mr. Speaker, this morning if Members watched ''Good Morning America'' or other news shows, they talked about American heroes in Oklahoma City, and our heart goes out to these wonderful men and women who sacrificed so much, and at many times put their own lives in peril, to help others.

I want to introduce Members to another American hero, a person who is listening to this debate today very carefully, a person who wants to know what this House of Representatives feels about Medicare and Medicaid.

The person I want to introduce Members to is Mr. Solon Blundell of Huntsville, AL. Here is an American hero. Mr. Blundell, 72 years old, spent 20 years caring for his mother-in-law who had suffered a series of strokes and was paralyzed. When he wanted to retire from his job as an engineer, he was forced to work an additional 4 years so he could have adequate funds and medical coverage to take care of his mother-in-law.

If fate had not dealt him that tough card alone, it turns out that his daughter Becky, suffering from Lou Gehrig's disease and now on a respirator, must depend on Medicaid to make sure that her medical bills are paid for. Mr. Blundell, in Huntsville, AL, and his wife are real heroes and heroines, working across America as so many seniors do to try to get by, to try to care for others.

Therefore, we have to ask ourselves this fundamental question. If these people need this basic program of Medicare to provide help for themselves and for others, why are the Republicans coming today to cut Medicare under the Republican budget resolution?

They will tell us they are going to spend more money in a few years on Medicare. That is true. What they do not tell us is that the actual cost of Medicare is going to go up even higher than the money they are providing. What they do not tell us is that more seniors will qualify for Medicare, and they will not have the funds to provide it.

What does it mean to Mr. Blundell and so many other families across America? It means more money out of pocket, it means more premiums, it means more coinsurance payments, it means the loss of some Medicare services. It leads to possible rationing. It could lead to eliminating his family's choice of the doctor that they want.

Is that the vision of America that we want to see? In this debate on a balanced budget, let us focus on why we are making these cuts. The reasons the Republicans are cutting Medicare almost $300 billion is because they need almost $300 billion to pay for tax cuts for the wealthy.

Their plan that they put forward in this Chamber, which carried in large part by Republican votes, gave tax breaks to wealthy individuals making over $100,000 a year, and the most profitable corporations in America. To plug that hole in the Treasury, where do they turn? The program Mr. Blundell turns to every day to make sure that his mother-in-law and now his daughter have adequate medical care.

Mr. Speaker, I hope we will think twice. This debate is not about statistics, it is not about a toteboard running in the background, it is about real people and real American heroes.

Mr. SOLOMON. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I will take just a moment to correct the last speaker that suggested that benefits for Medicare would go down. Actually, under these proposals, individual, per person benefits increase from $4,700 per person to $6,300 per person, so I would like to clear that up.

I just want to compliment the Committee on Rules on turning out a rule that is going to go down in the history books, if we are successful, in getting on the glide path toward a balanced budget.

I was particularly concerned with what we have been living with for the last 16 years, the so-called Gephardt rule that says ''Let us sort of sneakily hide a vote to increase the debt ceiling within the rule IL, that says 'When you finally pass a budget resolution, you automatically pass a bill that increases the debt ceiling to accommodate the next fiscal year.'" I think this is a great rule. Let us vote for it. Let us move on toward a balanced budget.

Mr. SOLOMON. Mr. Speaker, I yield 1½ minutes to the gentleman from Jonesville, WI [Mr. NEUMANN], one of the freshmen Members of this body who has brought a great deal of experience from the private sector, especially about knowing how to balance a budget.

Mr. NEUMANN. Mr. Speaker, it has been a pleasure to sit her and watch some of the pictures that were brought down here from the other side of the aisle today, because when we talk about balancing the budget, this is really about the future of a nation. It is not about numbers, it is not about a lot of the things we hear the rhetoric about, it is about the future of a nation. It is about the responsibility of this 104th Congress to do what is right for the future of our country, both the senior citizens, the people that are currently in the work force, and for our children. That is really what it is all about.

I commend the Committee on Rules for bringing forth a balanced budget proposal, the Neumann-Solomon proposal, that will actually balance the budget in 5 years, with the family tax cuts fully implemented. It also does something that we did not hear much about out here in this Congress when I came. That is it also contains a detailed plan on how to go about paying off that awful $4.8 trillion debt. We do it over the next 30 years.

The third thing our plan does that is very significant is that it does not use the surplus funds collected in the Social Security system to reduce the deficit, or in balancing the budget. It is very significant for our senior citizens to know that we do have a proposal out here on the floor of the House to be voted on tomorrow that literally sets aside the surplus funds for the Social Security system, so the Social Security system is solvent to the year 2030.

Lastly, Mr. Speaker, this plan is very, very versatile, and will also allow a lot of input from both sides of the aisle, as well as the American people, in that it does not spell out specifically the reductions that are needed, but rather, lists the reductions that are needed to get to a balanced budget, and $70 billion in addition, so we can debate them over the course of the summer.

I urge my colleagues to do what is right for the future of our country: support the rule, support the Neumann-Solomon amendment tomorrow.

Mr. SOLOMON. Mr. Speaker, I yield 1 minute to the gentleman from Morris, IL [Mr. WELLER], another distinguished Member of this body.

Mr. WELLER. Mr. Speaker, I rise in support of the rule and in support of living within our means. For over a generation, the tax-and-spend liberals who ran this Congress for over 40 years have stiffed our kids and our families with a massive national debt now totaling $4.8 trillion. That is $18,000 for every man, woman, and child in this room and throughout our country.

The tax-and-spend liberals in the Democratic Party have behaved like a drunk out on the town with someone else's credit card. The children are the ones who will suffer, because liberals always leave someone else to pay the tab.

This budget is our contract with our Nation's children. We will balance this budget to ensure that our children have a future free of debt and full of economic opportunity. We will balance the budget by cutting spending first. We will eliminate bureaucracy, wasteful spending, and programs that simply are not working. We will return power to families, communities, and States.

We are providing tax relief for families. It is time for leadership. It is time to live within our means. It is time to protect Medicare and protect Social Security. Republicans are keeping our promise. I rise in support of the rule.

Mr. SOLOMON. Mr. Speaker, I yield 30 seconds to a very distinguished Member, the gentleman from Ocala, FL [Mr. STEARNS].

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

Mr. Speaker, I appreciate the opportunity to commend the gentleman from New York [Mr. SOLOMON] for this rule. I want to say one thing. Every term I have been here in Congress I have been trying to repeal the Gephardt rule which was put in in 1976, that says we can go ahead and increase the debt around here without a vote.

I see in this rule, the gentleman has taken the courageous step to go forward and say ''no, sir, we are going to have to vote on increasing the debt.'' I commend the gentleman for that. I think all the Members in Congress should recognize that we have changed history in this matter. I would like to see the same action in the following years, as well as Congress in the future.

Mr. SOLOMON. Mr. Speaker, I would say to the gentleman from Florida, we have accomplished that because of him.

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

Mr. FROST. Mr. Speaker, in order to close, I yield my remaining time to the gentleman from Missouri [Mr. GEPHARDT].

The SPEAKER pro tempore. The gentleman from Missouri [Mr. GEPHARDT] is recognized for 4 minutes.

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

Mr. GEPHARDT. Mr. Speaker, I rise today to urge Republicans and Democrats alike to defeat this rule, and give this Congress an honest and open debate about this Republican budget and its consequences for hardworking American families.

The fact is the Republicans want to force this budget through the Congress without adequate debate. This budget was produced in the Committee on the Budget, and a vote was had on it the same day, an unprecedented rush to bring it through the committee before anyone could even know what was in it. If this rule passes, we cannot even consider all of the Democratic alternatives to the Republican budget.

The gentleman from Michigan [Mr. DINGELL] has an alternative that he wanted to bring. It is not in order. The gentleman from Texas [Mr. STENHOLM] and the gentleman from Utah [Mr. ORTON] wanted to bring a budget. They were not allowed to do it. They were told they had to do it through me.

This is one of the most important changes in the budget we have ever had, and we are in such a rush to get it done before, I guess, anyone can find out really what is in it, that we are not having an open, small d, democratic process, which this country deserves.

The people deserve to know what is in this budget. We need to consider every alternative, because if the American people are given a moment to consider it, they will find the Republican budget is so much more reckless, so much more extreme than any budget that has come before, it really belongs in Guiness' Book of World Records.

□ 1330

The largest Medicare cuts in history, slashing seniors' benefits by more than $1,000 a year. And we can talk all day about what is a cut. I will tell you what is a cut. A cut is what a senior citizen has to face. They are going to face higher copays and higher deductibles and higher premiums to buy the health insurance they have under Medicare today.

Further than that, a back-door cut in Social Security, in the pension. Republicans took the oath. They made a hollow campaign promise to protect America's retirement program. What did they do? The promise is broken in this budget. There will be an annual cut in the cost of living escalator in Social Security.

We heard it was off the table. It is on the table. So I guess we are in a rush to get it done before anybody can find out what happened.

Social Security should not be on this budget. It was never expected to be in this budget. It is in this budget. People deserve to know about it before their Representatives have to vote on it.

Unprecedented cuts in student loans. The most important investment we will ever make in the future of this country is student loans. But yet we are going to have a cut that will shut millions of young people out of their ability to get an education.

Mr. Speaker, these programs are not waste, fraud and abuse. They are the backbone of the American dream. They are counted on by millions of working families.

To make it worse, what is all this for? It is for a tax cut that lavishes the most on those who have the most. The million richest Americans walk away with a $20,000 average tax cut, while we are taking $1,000 out of the pockets of senior citizens, or we are adding $5,000 to the cost of a student loan.

These are not American values. This is a redistribution from the middle class of this country, and the people who are struggling to get into the middle class, to the people who have it made.

We all want to get rich. Everybody should be able to live the American dream, but this is not the way to do it. I urge Members to vote against this rule.

Let's have every alternative on the table. Let's have a longer debate than 6 hours over a budget that is going to decimate the middle class of this country to help the richest people in the country. It is wrong, and we need a full debate so the American people can see the wrongness of this decision.

Mr. SOLOMON. Mr. Speaker, we would be glad to make those amendments in order. If the President would give us his balanced budget, if the previous speaker would give us his balanced budget, we will put it on this floor. They have none. That is why it is not available.

Mr. Speaker, I yield the balance of our time to the gentleman from Claremont, CA [Mr. DREIER], a very distinguished member of the Committee on Rules.

The SPEAKER pro tempore (Mr. GOODLATTE). The gentleman from California is recognized for 1½ minutes.

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

Mr. DREIER. Mr. Speaker, the sky is falling, the sky is falling. That is what we have been getting from the other side of the aisle. Only in Washington, DC., can an increase of from $4,700 to $6,300 for Medicare recipients over a 7-year period be labeled a Draconian cut. Nowhere else in the world would it possibly be considered that except on the floor of this Congress.

This is a very fair and balanced rule.

Last year they gave us 4 hours for general debate. This year we are providing 6 hours of general debate, a 50 percent increase over the allotted time from last year.

Mr. Speaker, we have seen many of our colleagues come to the aisle over the past few minutes with pictures of individuals who they claim will be victimized by this budget. Yet virtually every single one of them who stood in the well on January 26 of this year voted in favor of one of the balanced budget amendments that would have, by the year 2002, brought us to a balanced budget. They talk about it and yet they will not recognize that we have to make some modifications without hurting those individuals if we are in fact going to get to a balanced budget.

Mr. Speaker, this is a very important vote. This is a very important time for us as a Congress to step up to the plate and do the responsible thing. We are not going to be hurting those students. We are not going to be hurting senior citizens. It is nothing but rhetoric. We have to look at the facts. As we proceed with the next 6 hours of general debate, we will be doing just that.

We are waiting for the Democrats' budget plan. A copy of it, in fact, is being held by the chairman of the Committee on Rules. It is empty. They are not stepping up to the plate. We are. We are simply encouraging them to join us so in a bipartisan way we should vote for the previous question, for this very fair and balanced rule, and move ahead toward our glide path of a balanced budget by the year 2002.

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

The SPEAKER pro tempore. The question is on ordering the previous question.

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

Mr. SOLOMON. 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 252, nays 170, not voting 12, as follows:

[Roll No. 339]

YEAS—252

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bevill
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Brewster
Browder
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
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
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
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
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Payne (VA)
Peterson (FL)
Peterson (MN)
Petri
Pickett
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
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thornton
Tiahrt
Torkildsen
Traficant
Upton
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—170

Abercrombie
Ackerman
Andrews
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Bishop
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (MI)
Conyers
Costello
Coyne
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fazio
Fields (LA)
Filner
Foglietta

Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Klink
LaFalce
Lantos
Levin
Lewis (GA)
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
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Pomeroy
Poshard
Rahall
Rangel
Reed
Reynolds
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Scott
Serrano
Skaggs
Skelton
Slaughter
Stark
Stokes
Studds
Stupak
Tanner
Tejeda
Thompson
Thurman
Torres
Torricelli
Towns
Tucker
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—12

Berman
Bono
Chapman
Collins (IL)
Fattah
Flake
Hayes
Hoyer
Kleczka
Schumer
Vucanovich
Wilson

☐ 1356

The Clerk announced the following pair:

On this vote:

Mr. Bono for, with Mrs. Collins of Illinois against.

Mr. BEVILL 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. FROST. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 255, noes 168, not voting 11, as follows:

[Roll No. 340]

AYES—255

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Brewster
Browder
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
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
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
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
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Lincoln
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
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Mica
Miller (FL)
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Montgomery
Moorhead
Morella
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Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Orton
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Packard
Parker
Paxon
Peterson (FL)
Peterson (MN)
Petri
Pombo
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Portman
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Radanovich
Ramstad
Regula
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Talent
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Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Young (AK)
Young (FL)
Zimmer

NOES—168

Ackerman
Andrews
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Bevill
Bishop
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (MI)
Conyers
Costello
Coyne
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Jackson-Lee
Jacobs
Jefferson
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
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Maloney
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Markey
Martinez
Mascara
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McCarthy
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McHale
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Miller (CA)
Mineta
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Moakley
Mollohan
Moran
Murtha
Nadler
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Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Reynolds
Richardson
Rivers
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Scott
Serrano
Skaggs
Skelton
Slaughter
Spratt
Stark
Stokes
Studds
Stupak
Tanner
Tejeda
Thompson
Torres
Torricelli
Towns
Tucker
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wyden
Wynn
Yates

NOT VOTING—11

Abercrombie
Berman
Bono
Chapman
Collins (IL)
Flake
Hayes
Hoyer
Kleczka
Schumer
Zeliff

☐ 1415

On this vote:

Mr. Beno for, with Mrs. Collins of Illinois against.

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.

☐ 1415

PERMISSION FOR COMMITTEE ON INTERNATIONAL RELATIONS TO HAVE UNTIL MIDNIGHT MAY 18, 1995, TO FILE A REPORT ON H.R. 1561, THE AMERICAN OVERSEAS INTERESTS ACT

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that the Committee on International Relations have until Thursday, May 18, 1995, to file a report on H.R. 1561, the American Overseas Interests Act.

Mr. MORAN. Mr. Speaker, reserving the right to object, I have no objection if there are no further speakers.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

ANNOUNCEMENT ON AMENDMENT PROCESS FOR H.R. 1561, THE AMERICAN OVERSEAS INTERESTS ACT

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

Mr. SOLOMON. Mr. Speaker, in relation to the last unanimous-consent request, I would like to announce to Members that the Committee on Rules has tentatively scheduled to meet this coming Monday to consider a rule for H.R. 1561, the American Overseas Interest Act, more commonly known as the

State Department Foreign Assistance Authorization.

The bill was ordered reported by the Committee on International Relations on Monday of this week, and the report is expected to be filed tomorrow night according to the last unanimous-consent request. The House is expected to begin general debate and the amendment process next Tuesday. The rule will likely require that amendments be preprinted in the amendment section of the CONGRESSIONAL RECORD prior to their consideration.

Members should use the Office of Legislative Counsel to ensure their amendments are properly drafted to the amendment in the nature of a substitute recommended by the Committee on International Relations that will be made as base text for amendment purposes. A copy of the committee amendment in the nature of a substitute will be published in today's CONGRESSIONAL RECORD by the gentleman from New York [Mr. GILMAN], the chairman of the committee, for reference and drafting purposes. It will be available at the offices of the committee.

Since the rule will not be structured as far as the limiting of amendments is concerned, there is no need for Members to file their amendments with the Committee on Rules or to testify before us. If Members have any questions, they can contact Dave Lonie in our Committee on Rules at 57985.

Mr. SABO. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Minnesota.

Mr. SABO. Mr. Chairman, my question relates not to the immediate subject, but the prior subject of the rule on the budget. Let me just simply make sure I understand that rule in terms of the 6 hours of debate.

As I understand it, the first hour is 1 hour of general debate controlled by the chairman and myself. The second hour is reserved for the Joint Economic Committee, the time to be controlled by the Chair of the Joint Economic Committee and the gentleman from California [Mr. STARK], the ranking minority member. Then we revert to the general debate on the budget resolution.

Mr. SOLOMON. That is the normal procedure. it is what we have followed in the past. We will follow it this year as well.

Mr. SABO. The reason I ask, 2 years ago, we had a little disconnect. One side was on JEC for a period of time, and the other side was not. So the plan this year is the first hour would be budget debate, the second hour JEC debate, and then hours three through six general debate on the budget resolution.

Mr. SOLOMON. The chairman of the Committee on the Budget is nodding his head yes, that is correct.

CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1996

The SPEAKER pro tempore. Pursuant to House Resolution 149 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 concurrent resolution, House Concurrent Resolution 67.

□ 1420

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 concurrent resolution (H. Con. Res. 67) setting forth the congressional budget for the U.S. Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, with Mr. SENSENBRENNER in the chair.

The Clerk read the title of the concurrent resolution.

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

Under the rule, debate shall be confined to the congressional budget and shall not exceed 6 hours, including 1 hour on the subject of economic goals and policies, equally divided and controlled by the gentleman from Ohio [Mr. KASICH] and the gentleman from Minnesota [Mr. SABO].

The Chair recognizes the gentleman from Ohio [Mr. KASICH].

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

Mr. Chairman, I have to confess, as I get ready to speak, I am nervous. I cannot remember the last time I was, frankly, this nervous or anxious. But I guess it is the way it needs to be, because, ladies and gentlemen, we are about to engage in a historic debate The House is about to consider a document that truly represents a bold, innovative, and some have called it, and frankly they are probably right, a revolutionary document and a vision for where America should go.

I have been amazed over the last couple weeks just walking through the hallways here. In fact, I just had a husband and wife grab me as I was getting ready to come in the door, and I do not know where they are from, I do not know what their names are, but you know what they said? ''Thank you, Thank you, Mr. KASICH, and thank your team for what they are doing.''

I am hearing it everywhere I go. I think the American people have, in fact, decided that we have this week a rendezvous with destiny, that, in fact, we cannot continue down the path of more deficits and more red ink, because in the guts of every mother and father in this country there is a sinking feeling that if in fact the politicians, the elected representatives of our country, do not stand up and do the right thing, their children will be at risk, their future will be called into question.

That is why when people have had some problems with some of the specifies in this proposal, they never stop like they did over the last several years and say vote it all down. They are saying ''Maybe we can fix that. But, please, Congress, do not take your eye off the ball. Please work to save the country.''

That is what we are hearing. And I got to tell you, when I was out here with the Contract for America, paying for the family tax credits, and let me say this, if there is anything beyond the balanced budget we ought to be emphasizing into the 21st century, if there is anything in this country we ought to be reinforcing, it is the American family. If there is anything that can provide a building block for superlatives for individuals in this Nation into the next century, it is the family, isn't it? It is the family structure that served this country well for 200 years, and the families are going to benefits under this.

The beautiful thing though is back when we were passing the contract, people said ''You can't give us tax relief. You can't have growth incentives and balance the budget.'' And I said then, along with my wonderful budget team, and we speak as a team, I do not speak as JOHN KASICH, I speak as a leader of a group of wonderful men and women who are the tip of the spear in terms of this new American revolution, we said that we would come back here in May and we would lay a document down that would get us to zero, to balance this budget, and save the future. And that is precisely what we are doing today.

Isn't it wonderful? Isn't it wonderful in America that a group of elected officials are keeping their word? And you know why we are doing it? You know why we came together and we put this revolutionary document together? For two basic reasons. One is the next generation. This is about the children. This is about a growth society, an opportunity society, as our Speaker likes to say, that in a no growth economy the rich get richer and the poor get poorer.

But in a growing economy, and Alan Greenspan painted a picture for us, if we can balance the budget by 2002, if we can balance the budget, Alan Greenspan said we cannot begin to chart the kind of prosperity that we can have in America.

As the son of a mailman who got to be in the Congress and the chairman of the Committee on the Budget, how wonderful is it that in the United States of America, that every kid in America, using our system, can learn to fly. That is right, ladies and gentlemen, we can fly. That is right, ladies and gentlemen, we can fly. We can dream, and it is not about just dreams. It is about accomplishing those dreams.

That is why the Committee on the Budget and the Republicans in the House, along with our courageous colleague on the Committee on the Budget, the gentleman from Mississippi [Mr.

PARKER], has said that we need to balance the budget to save the next generation, to provide for growth in our economy, for opportunity in America, and to preserve the greatest American legacy, and that is that your kids will be better off than you were.

You know what else it is about? It is about the pendulum. People try to describe this plan as radical. Let me actually tell you about the pendulum. For the last 20, 30, or 40 years, we have sent more power, we have sent more money, we have sent more control to the Federal Government. And over these last four decades the Federal Government has done a lot of wonderful things for Americans: Medicare, educational programs, elimination or an attempt to eliminate the terrible abuses in human rights in America.

But you know what Americans have been saying for about the last decade? And we have not been hearing them here in the Capitol. They spoke real loud and clear last November. You know what they are saying? Folks, we would like some of our power and some of our money and some of the control over our own lives back in our hands, because we can do it better in our neighborhoods dealing with our problems than the Government in Washington can.

Now, let me just show you what this plan calls for and how reasonable this program is. Over the last 7 years, the Federal Government spent $9.4 trillion. What is a trillion? Well, if you started a business when Christ was on Earth, if you lost $1 million a day 7 days a week, you would still have to lose $1 million a day 7 days a week for the next 700 years to get to $1 trillion. In the last 7 years we spent $9.4 trillion. We have a national debt approaching $5 trillion.

What does the Republican plan call for? The bipartisan plan, frankly, it is not just a Republican plan, it is a bipartisan plan thanks to the efforts of the gentleman from Mississippi [Mr. PARKER]. We are going to go from $9.4 to $11.9 trillion. Some people would have us grow to $13.3 trillion. I am going to tell you, you want to grow to $13.3 trillion? We are going to give the kids a dark tomorrow. But if you can restrain the growth in spending to this $11.9 trillion, we have a chance to preserve America.

Entitlements, take a second and talk about entitlement spending. Over the last 7 years, we spent $4.5 trillion on entitlements. If we do nothing, we will spend $7.7 trillion. And what does this bipartisan plan call for? Growing the entitlement programs from $4.5 to more than 6.4 trillion.

Medicare? Boy, we are hearing a lot of stuff about Medicare. Shame on those that want to scare people. Shame on those that want to scare people. We will go in Medicare from $924 billion to almost $1.6 trillion in spending for Medicare. If we go to $1.8 trillion the system goes bankrupt. What we are going to do is dramatically increase it, improve it, guarantee high customer satisfaction, and guarantee choice to our senior citizens.

□ 1430

So my colleagues, the question is, can we restrain ourselves, can we as Americans who do not want to mortgage the next generation, after all, we would not in our private lives ring up all the debt and pass it onto our kids, we should not do it with our country. If we can just grow at a $9.4 to $11.9 trillion increase, we can do it.

Let me just say to all of my colleagues, as I am about to close, you have got to examine your hearts. You have got to examine your conscience, because I am going to tell you, folks, there are things called windows of opportunity and we have it now. Why? Because the American people want this done. Why else? Because we have the leadership in the Congress that is willing to put their careers on the line for the next generation. And those two efforts together can allow us to pass a plan that will guarantee a renewed America.

In 1969, the last year that we balanced the budget in America, Neil Armstrong walked on the moon. Neil Armstrong came to this Chamber and presented this flag to the U.S. House of Representatives and the U.S. Senate in a joint session. One thousand nine hundred sixty-nine was the last year we balanced the budget. Walking on the moon for a kid from Ohio meant that Neil Armstrong really did learn to fly. And that day that he walked on the moon, we were all there with him, were we not? We were all there with him because it represented the hopes and the dreams and the goodness and meeting the challenges that America has been all about for these many 200 years.

Neil Armstrong gave us this flag. Today, 26 years later, we have a chance, when we vote on this resolution, to have one very big step for this House and one very giant leap for America. Pass the resolution.

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

Mr. Chairman, members of the committee, first let me congratulate, as I did in committee, my colleague from Ohio. We are both participants and observers of this process. I congratulate him for getting the Republicans on the Committee on the Budget together. I assume when the 2 days of debate are over, he will have the votes and he will pass his resolution, which has required an exceptional amount or work by himself and the other majority members of the committee.

I have very fundamental disagreements with that resolution, but I watch your discipline and your hard work with admiration. So I congratulate you for putting a product together that is before this House today and really presents the opportunity for some very fundamental debate.

However, let me make one observation as an observer before I say some words as a critic. The question is whether your plan will achieve its stated goal. Let me simply say that we are not quarreling over a few numbers here and there, and we might find some that we might dispute. But I, frankly, think for you to succeed requires a significant amount of luck.

I think if this were a unicameral body of the Congress and this were the final product, it simply would not succeed. There are some things you have put into place and have put into law already. Your beginning assumption has been a big tax cut, which adds roughly $90 billion to the deficit in the year 2002.

You assume as a separate vote that you are going to make huge cuts in Medicare in a separate vote removed from the balance of the budget to come in September.

My friends, if that bill were before this House with those kinds of cuts in Medicare, with the numbers in your resolution, I would predict that such a bill would not pass this House.

The numbers are sort of interesting. The tax cut is $90 billion in the year 2002. The projected Medicare cuts are $86 billion. If that did not succeed, a whole series of other numbers that you use would come unraveled.

Mr. Chairman, that is merely an observation about the plan that is before us today. It would require significant luck to succeed. But that is not my fundamental objection.

Mr. Chairman, we have had two very fundamental things occur over the last 15–20 years in this country. For the last 20 years, we have had a revolution where income flows in this country. The very rich have gotten much richer, and the rest of the American public, who work hard, working families are struggling to get ahead, many with declining income.

We have also had, since 1981, an escalating Federal deficit. Two years ago we passed the President's program to make a significant dent in that deficit. Part of that program was asking the most affluent to pay a little more, and our Republican friends all said no. They all said if we passed that program, we would throw the country into a recession. The opposite happened. We have had unprecedented growth over the last 2 years. Unemployment is down. The economy is growing. The deficit went down.

But more is left to do, and we come to that now in this year 1995. Again, we have to reduce that deficit, but we face, again, a country where income continues to flow in increasing amounts to a very few and the bulk of the American people are left struggling.

We now have the Republican proposal on how to deal with the deficit. Who is asked to sacrifice? It is clear that people who depend on Medicare and Medicaid will be asked to sacrifice. And then in a series of incredible, numerous decisions, struggling Americans, who are working hard, working Americans, find their chances to move ahead, they will

find those doors sometimes slammed shut; other cases, sort of gradually closed in a series of cut, after cut, after cut, whether it is students trying to go on to college, people seeking to get new training for jobs and retraining, whether it is a parent trying to put their child in a Head Start Program, cuts on them frozen.

The TRIO Program for kids, to get them to go through high school and into college, abolished. Low income seniors who have problems with fuel bills in cold parts of this country, program abolished. Child care reduced. Just one series, mass transit operating assistance reduced, a little tougher to get to the job, a little harder to get the training, a little harder to get to college, all cumulative on person after person. Cuts that are unrealistic in Medicare and Medicaid.

Why? To pass a tax cut to benefit primarily those who have also been rewarded most by our economy in the last 20 years. So struggling American working families, hoping for the kids to go to college, needing retraining, maybe needing some assistance with day dare so they can work, worried about how they get to the job, maybe in rural U.S.A., maybe in urban areas, rural communities trying to develop economically, all seeing doors shut so we can pass a tax cut to benefit the most affluent in this country.

Mr. Chairman, it is the wrong priorities. We are told at times by people that we are talking about renewing American civilization. Mr. Chairman and Members, this plan does not represent the best of American values. It represents, in my judgment, some of the worst of American values. We can do better.

Mr. Chairman, to the majority I simply would say there are many months ahead. At some point, sometime before the year is over, you will be called on to move away from ideology, to practical reform that reduces our deficit in a fair and equitable manner. When you are ready to move away from ideology, we stand willing to help because the challenge is big.

So today, to the Members, I simply urge you to vote no when we come to final passage tomorrow.

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

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from Arizona [Mr. KOLBE], a member of both the Committee on Appropriations and the Committee on the Budget.

Mr. KOLBE. Mr. Chairman, I want to congratulate the chairman of the Committee on the Budget as well as the ranking member and particularly pay tribute to the ranking member for the decency with which he has comported himself and the members of his committee throughout this debate. It has been in the Committee on the Budget, it has been truly an outstanding debate. I appreciate that very much.

Mr. Chairman, we are at a historic crossroad. This is, as the chairman of the Committee on the Budget said, an historic moment in our time. The previous speaker just talked to us about this not being the right plan, that we can do better. I think in the course of this debate in the next day and a half we are entitled to ask, what is the alternative plan? If ours is not the right plan, what is their plan? Where is the President in this budget battle? I would say, AWOL, absent without leadership.

Our bottom line is fairly simple, our bottom line is shown. It is too small I guess to see here, but on page 7 of the budget report, the last year, 2002, it is a plus. It is tiny, 0.6 billion, $600 million in the scheme of a $1.8 trillion budget that year. That is tiny, but it is everything. It is the first positive number we have seen in the budget since 1969.

This is another way of looking at it. All we are trying to do is get this line of what we spend here down to the red line of how much that we are taking in in revenues so that we have a balanced budget. Spending will go up. Spending will continue to increase but at a slower rate of growth. And we think that we can do that. Yes, there are tough choices here, but they are tough choices for the next generation.

□ 1445

Not long ago I was asked to come down for a little ceremony to one of the work sites in my place, the United Parcel Service, a company I really enjoy because they are hardworking people, they are really motivated.

At the end of this little ceremony where we had a presentation there, one of the delivery men came up to me and said ''Mr. KOLBE, when you go back to Washington, would you just tell them that it is my money they are spending? It is my money. I have got three kids. I am struggling. It is my money they are spending, just keep that in mind.''

Mr. Chairman, I hope in the course of the debate here the next 2 days that we will keep that simple idea in mind from one of the hardworking Americans that makes this country work, and what it is. It is their money. It is our money as taxpayers we are spending, and we ought to be remembering that in each of the parts of this debate.

Mr. SABO. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Missouri [Mr. CLAY].

Mr. CLAY. Mr. Chairman, I rise in opposition to this budget proposal. The Republicans' 100-day war on children marches on. Their assault began in the cafeteria, with the attack on the school lunch program. Republicans have now moved their war machine into our Nation's classrooms, libraries, and finally, to our college campuses.

The Republican budget before us would virtually obliterate the Federal role in education. Over $73 billion in education and training programs would be cut over the next 7 years. It is a repudiation of this Nation's longstanding bipartisan national commitment to educating all of her citizens. The Republicans would abolish or slash extremely successful education programs, programs like Head Start, which they would reduce by $209 million in 1966.

They would eliminate efforts in 47 States to improve reading and writing skills, to put computers into the classroom, and to improve academic standards through Goals 2000. Their budget proposal would virtually eliminate the safe-and-drug-free school program, even though drug use is on the rise among school children. It would jeopardize teacher training for 400,000 teachers.

Programs that target assistance to 700,000 at-risk disadvantaged children would also be abolished under this proposal. They show shameful hostility to programs designed to lift disadvantaged children out of poverty through learning.

Having spread their devastation to the cafeterias and the classrooms, they would eliminate Federal support for public libraries, would cut student aid by well over $18 billion, as one way to finance tax cuts for the rich and privileged. The elimination of the in-school interest subsidy would increase loan costs for close to 5 million students, adding as much as $5,000 to the total loan cost for each student who would take out a loan.

Middle class families are especially hit hard. The Republicans want to make it harder for their kids to attend college, so they can finance the tax cut for the rich and the privileged.

Finally, Mr. Chairman, the Republican proposal to eliminate the Department of Education is myopic and reactionary. It would leave our country as one of the few industrialized nations in the world without a national commitment to education. Not only is this proposal dumb, it is unpopular. The vast majority of the American public supports the Department of Education, and a strong Federal role in education.

Mr. Chairman, this budget proposal is the most irresponsible assault on education by any political party in our history. We must reject this attack on education. We must reject this contract with ignorance. We must reject this Republican budget proposal, because it is being released 5 months prematurely. A turkey like this should surface somewhere around Thanksgiving.

Mr. KASICH. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio [Mr. HOBSON], a very distinguished member and a dear friend of mine.

Mr. HOBSON. Mr. Chairman, I might point out that the previous speaker, the gentleman from Missouri [Mr. CLAY], voted for the Clinton tax increase, the biggest one in this country's history, and it costs his district $520 million in new taxes. It is also interesting to note that he voted against the balanced budget amendment. We should take that into context when we review his remarks.

Mr. Chairman, we are coming up on what I expect to be the most important vote of my career in this House. Today we meet the challenge of balancing the Federal books and restoring fiscal security for America's next generation.

Today we vote on, and I encourage my colleagues to vote for, the House Committee on the Budget resolution, and restore hope to that next generation. For 26 years, our Federal Government has spent more money than it has taken in, financing this debt by borrowing money. The legacy of chronic deficit spending is passed to our children as a $4.9 trillion national debt.

Staying on this track will undoubtedly bankrupt our Nation. This subject has particular meaning for me right now, because my 15-month-old granddaughter is in town visiting. When I think why we are balancing the budget, I think of Katy. A lot of grandfathers think that way. My other daughter is going to have another baby, so you think a little differently about the future when you become a grandfather. I think a lot of people can equate to that.

What this balanced budget is about, it will not allow her to have the same opportunity the rest of us have if we do not balance the budget. Putting the future of Katy and the other children in this country first is what balancing the Federal budget is all about. Protecting the next generation from a financial crisis means acting now in a decisive, responsible way.

The House Committee on the Budget's 1996 budget resolution does this by balancing the Federal budget by the year 2002. We also close the doors on several agencies that run up costs but fail to contribute meaningfully to our Nation's well-being. Those operations that are useful are transferred to other agencies or sent back to the States. The waste and duplication is eliminated.

Mr. Chairman, our budget also protects our children's future by preventing a crisis in Medicare, the health care system of our Nation's seniors. According to the Medicare trustees appointed by President Clinton, Medicare will run out of money in 7 years. Our budget resolution provides the structure needed to protect, preserve, and improve Medicare, and then it goes on to increase benefits to seniors from $4,816 for beneficiaries in 1995 to $6,376 in 2002. That is an impressive increase, by anyone's standards.

Our budget also increases overall Government spending by $1.2 trillion over the next 7 years. That should be plenty to do the things we need to do at the Federal level. Where we can, we send programs back to the States and local governments.

In total, this process of decentralization, together with the removal of duplication and waste, justifies eliminating 283 programs, 14 agencies, 68 commissions, and 3 departments: Energy, Commerce, and Education. This is just one path toward balancing the Federal books.

Over the next few months, the committees of jurisdiction will map out the details. The job of balancing the budget is a challenge we can meet. When we are done, we will have a healthier, stronger Nation in solid financial shape for our children to inherit. I invite everyone here to join us in this historic effort, and rise to the challenge at hand. Vote yes on the Committee on the Budget's 1996 resolution, and keep hope and opportunity alive for the next generation.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair would remind all persons in the gallery that they are here as guests of the house, and that any manifestation of approval or disapproval of proceeding on the floor is in violation of the rules of the House.

Mr. SABO. Mr. Chairman, I yield 5 minutes to the distinguished gentlewoman from Hawaii, Mrs. PASTY MINK.

(Mrs. MINK of Hawaii asked and was given permission to revise and extend her remarks.)

Mrs. MINK of Hawaii. Mr. Chairman, I rise in strong opposition to the budget resolution. This resolution is being presented based upon policy assumptions which must be challenged. These assumptions are contained in the committee report. I hope that all of the Members will read it.

For my limited time in this part of the debate I want to direct attention to the egregious assumptions that are the basis for huge cuts in Function 500, which deals with education, training, and Head Start. The cuts contained in this budget resolution in Function 500 amount to $82 billion over a 7-year period.

Despite what has been said by the Republican majority about the resolution providing for a steady increase in spending, I want to alert Members to the fact that in Function 500, the current fiscal year 1995 budget authority is at $58 billion, and 7 years from now, it is $44 billion. This is a substantial cut in one of the most areas of Federal Government responsibility, which in the past has enjoyed large bipartisan majority support.

In the area of education alone, the cuts are particularly devastating. Despite the avowed pronouncements about being for family values, the Republicans in this budget resolution have disavowed their support for the most important goal of American families, which is quality education for their children, enriching their experiences in education, providing for science and math instruction, and help for those who are disadvantaged by poverty, by deficiencies in language, and assuring that higher education is available for all, regardless of age or economic circumstances.

Mr. Chairman, this budget resolution strikes a deep blow to the promise of America to improve educational opportunity for all. The cuts in education will hurt all school districts, most of whom cannot possibly make up for the huge losses in these funds.

I want to remind the Members of the House that if they support this resolution, they are voting for the elimination of President Bush's initiative called Goals 2000, which was implemented by President Clinton. This was an initiative that was promoted by the National Conference of Governors, and now it is being eliminated.

If Members vote for this resolution, they are cutting about $5 billion in the next 7 years in the Elementary-Secondary Education Act, passed some 30 years ago. The title that is being cut is the concentration grants. Everybody has been saying target the money to the most poor, to the neediest districts. That is precisely what we did last year, and this program is being eliminated.

If Members vote for this resolution, Federal funds to help schools prevent drug abuse in their schools, the very, very difficult issue which the Federal Government has put money in, and from which the schools have benefited enormously, $3 billion are being taken away.

If Members vote for this resolution, they will be cutting the Eisenhower Professional Development Program. All of us know that quality education is contingent on the quality of the teachers, and it would be absolutely criminal if we destroyed this program, which helps school districts provide for development of our teaching profession, allowing them to improve themselves and keeping up with the technological advancements in our society.

If Members vote for this budget resolution, they will be eliminating totally the bilingual education program. Think of the promises we have made to the young children who have come to this country with their families, whose only fault is that they are deficient in speaking and understanding English, and we are taking away from them the one chance they have to keep up with their classes and to get into this educational system so they can benefit and improve their lives.

All across America, Mr. Chairman, if Members vote for this budget resolution, they will be cutting the only Federal funds in libraries that have been in existence for decades. Our rural small libraries all benefit from the library program. This program is being eliminated totally. What a travesty on what support the Federal Government has been able to provide.

The last and probably most egregious cut that is proposed in this resolution, which if Members vote for they will be a party to, and that is to take away the interest subsidy of our young people and others aspiring to a higher education, wanting to better themselves. This is the American ideal. This is what we talk about when we say self-sufficiency: ''Get in there and work to better yourselves.'' When they do, we have a Congress that is taking away

that small subsidy which we have provided over the years.

Mr. Chairman, I urge a ''no'' vote on this resolution.

Mr. Chairman, I rise in opposition to the budget resolution which is being considered today. There are policy assumptions that must be challenged in this resolution. These assumptions are contained in the committee report. For my time in this part of the debate I want to direct attention to the egregious assumptions which are the basis for the huge cut in Function 500 which deals with education, worker training, foster care, aid to the disabled, and Head Start.

The cut contained in this budget resolution in Function 500 amounts to $82 billion over the 7-year period.

Current fiscal year 1995 budget authority for Function 500 is $58 billion. The 7th year allocation for Function 500 in fiscal year 2002 is $44 billion. This represents cuts in some of the most successful programs that have been in the past supported by large bipartisan majorities.

In the area of education alone, the cuts are particularly devastating. The avowed pronouncements about being for family values, the Republicans have disavowed their support for the most important goal of American families, which is quality education for their children, enriching experiences in education, promoting science and math, and help for those who are disadvantaged by poverty, by deficiencies in language, and assuring that higher education is available for all regardless of age or financial circumstance.

This budget resolution strikes a deep blow to the promise of America to improve educational opportunity for all. The cuts in education will hurt all school districts, most of whom cannot possibly make up for the loss of these supplemental funds.

President Bush's initiative, Goals 2000, joined by President Clinton in implementing them, will be eliminated. Remember this is an initiative joined in the Nation's leading Governors and goes to the heart of the national effort at education reform. The cuts are $2.8 billion over 7 years.

Elementary Secondary Education funds, Title I Concentration Grants, are eliminated. These funds concentrate and target schools with the highest concentration of poor children which is exactly what the Republicans have argued for in the past. This is one of the most egregious of all cuts. The cuts are $5.1 billion in 7 years.

Federal funds to help schools prevent drug abuse and violence in the highly regarded program called Safe and Drug Free Schools program are also being cut. The loss of these funds so desperately needed to help schools deal with this problem is unconscionable. The cuts are $3.5 billion in 7 years.

The Eisenhower Professional Development program is eliminated. We have always supported ways to improve the quality of teaching. Teaching is what schools are about. Schools have grave difficulty in providing funds needed to help in professional development to maintain education relevant to the challenging times in which we live. The cuts are $2.2 billion in 7 years.

Bilingual Education is eliminated. To ignore the needs of students whose primary language is not English is to punish and retard their ability to learn. We give lip service to the ambition of immigrant children to achieve their goals and yet take away the help they need. The cuts are $1.4 billion in 7 years.

Libraries support which is a basic Federal help that has been available to the smallest of our libraries, in the most rural of our communities is to be cut. This is the most backward unthinking cut of all. Funds that are lost here, will not be made up by local funds, which are largely unavailable. The cut is $1 billion in 7 years.

Higher education loans—Stafford loans and direct loans—will no longer have an in school interest subsidy. This is negative thinking. How can we believe that our nation's future is in our children and at the same time cut back their higher educational opportunity? The cuts are $18.7 billion in the 7-year period.

Federal Trio programs for outreach to highly talented high school students to urge them to continue with their education is what enlarging opportunity means. Killing this highly successful initiative is to turn our back on talent. The cuts are $3.2 billion in 7 years.

The much heralded early childhood education program, Headstart, is cut by $1.5 billion over 7 years. It is frozen at fiscal year 1994 appropriation levels. It freezes our long hoped for full funding of this important program that has dramatically changed the future of the poorest of our children.

This budget is a travesty of immense proportions. All the talk about adopting these cuts for the future of children is totally wrong. It cripples our children's future. It casts a dark shadow over the future of thousands of our Nation's children. Instead of hope and opportunity, supported by the country as a whole in its Federal budget, our children will have to struggle to attain their goals on their own with their dreams shattered by politics which did not include them or consider their future.

Vote down this budget resolution. It punishes our children. It robs them of a brighter promise for their future.

Republicans who support the budget resolution also supported the balanced budget amendment by arguing that it would force the Federal Government to balance its budget just as families, businesses, and the States do. If this is so, why did the Republicans support a balanced budget amendment and now support a budget resolution that simply fails to make distinctions between operating and long-term investment costs in the Federal budget when families, businesses, and all 50 States make those very distinctions when they plan or structure their budgets?

For example, when a family purchases a home, the cost of this long-term investment is accounted for over the 15- or 30-year life of a mortgage. However, when the Federal Government decides to build, say, a submarine, also a long-term investment, the entire cost of the submarine is front-loaded in the first year's budget and shown as a debt in that year's budget.

If we establish a Federal capital budget, the Federal Government will have separate operating and capital budgets just like all the 50 States, and the Federal Government will be required to maintain a balanced operating budget and reflect its long-term debts in its capital budget, just like those States with balanced budget mandates such as my own State of Hawaii.

We cannot look at this budget without considering the immediate impact it will have on individuals and their families. This drastic move to severely cut our investment in our most important asset—our human capital—will have monumental consequences on programs which people depend upon everyday to help improve life for themselves and their families.

Americans want nothing more for their families than to provide their children with a better life, to be able to give them opportunities for education, employment and economic achievement. I know this is what the people of Hawaii want over and above an effort to reach a zero budget deficit just for the sake of doing it, without regard to the impact it will have on our overall economy, our future and most of all the lives of individuals.

Many programs which the people of Hawaii support and depend upon will be eliminated or severely reduced under this plan:

East-West Center—eliminated; Native Hawaiian Education Act—eliminated; Native Hawaiian Health Care Act—eliminated; Student Loans—cut by $18.7 billion; Impact Aid—cut by $1.3 billion; Davis-Bacon Act—eliminated; Travel and Tourism Administration—eliminated; Legal Services Corporation—eliminated; National and Community Service [Americorps]—eliminated; Retired Senior Volunteer Corps [RSVP]—eliminated; National Endowment for the Art/Humanities—eliminated; Support for the Public Television—eliminated; National Biological Survey—eliminated; Head Start—cut by $1.5 billion over 7 years; Bilingual Education—eliminated; Library programs—eliminated; TRIO programs—eliminated; National Writing Project—eliminated; Homeless Assistance Grants—eliminated; Vocational Education/Adult Education/Job Training—block granted cut by 20 percent; Community Development Block Grant—eliminated; and U.S. Geological Survey—cut by $798 million over 7 years.

These are not programs which can be eliminated without a significant impact on the State of Hawaii. These programs help us invest in education and training of our workforce, provides jobs in highly technical and scientific fields of research, provides investment in infrastructure and housing to improve our rural and urban communities. Davis-Bacon helps to stabilize Hawaii's economy by preventing ''fly-by-night'' construction companies from the mainland from gaining an economic advantage over our local construction companies in getting Federal contracts.

This budget resolution must be voted down.

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Mr. KOLBE. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, the previous speaker talked about the cuts in education. Let's be very clear what we are preserving here.

We are preserving the title I basic grants for disadvantaged students, the impact aid for ''A'' students, the special education, the vocational rehabilitation, the Pell grants, the historically black colleges grants, the campus basic aid, and then we are creating 5 new block grants. So let's just be clear what we are preserving here.

The issue about libraries. One percent of funding for libraries comes from the Federal Government.

Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr.

WALKER], the distinguished chairman of the Committee on Science and vice chairman of the Committee on the Budget.

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

Mr. Chairman, there used to be a tradition in this country that you bought the farm, paid off the mortgage, and gave the farm to the kids mortgage-free. The Federal Government for years has been now moving in a different direction, where what you do is buy the farm, sell off the assets, and hand the mortgage to the kids.

What we are hearing today is a debate between those people who want to make certain that we do not continue to hand the mortgage to the kids but rather begin the process of ending deficit spending and ultimately paying off the debt.

The surprising thing is that there is a bipartisan consensus around that idea. In January, fully 187 Democrats voted for one or another of balanced budgets that said to balance the budget by the year 2002.

That is right. We actually had people line up in January on the Democratic side, 187 of them, nearly three-fourths of their conference, and say they were for some kind of balanced budget that balanced the budget by the year 2002. Now we hear today that, well, maybe they were not really for that, that was just a political vote they had to cast.

I must say that when it came to final passage, many of them voted ''no,'' including the gentlewoman who was just in the well, although she did vote for one of the balanced budgets. The amazing thing is that they have come to the floor today with no presentation of their own of how they would get to that balanced budget that they voted for by the year 2002.

When they have told us before how they will do these kinds of things, they raise taxes. The gentlewoman who just spoke, in her district she voted back in 1993 to raise taxes on her own district by $522 million in order to bring down the deficit.

Now we find out what they really did. In the President's budget that he brought forward earlier this year, deficits begin to go up again at the end of the 5-year period. Guess what? When you get out into the 7-year period that we assume in our budget, the deficits soar out of sight, despite the fact that they raise taxes, presumably to lower deficits.

The question here is whether or not we are going to do real things in order to get the Federal books in order. I believe we have the capacity to do some real things.

This budget does assume some things that many, many people in this House do not like. When you cut 283 programs, there are people who are tied to the special interests that back those programs, who simply do not want to do the cut of 283 programs. When you cut over 60 commissions, there are people who are tied to the special interests who love those commissions, who then come to the floor and argue for keeping them.

When you eliminate three departments, there are people who are tied to those three departments and the special interests who back those departments, who come here and defend those departments. When you eliminate a dozen and more agencies, there are people who are tied to the special interests who love those agencies, who come to the floor and defend it.

You are going to hear them all day long out here, defending the special interests that defend those agencies and saying that this is all in the name of helping the poor and the downtrodden. Nonsense.

Mr. Chairman, if you take a look at the reality of this, what you are supporting in the budgets that we have had over the last several years is huge bureaucracy. Vote for a balanced budget.

Mr. SABO. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, let me simply observe the explosion of the Federal deficit occurred when we passed the Republican program in 1981.

I hear this discussion of special interests. Let me remind this body that we have before us a tax proposal that would repeal the alternative minimum tax for the largest corporations in this country. To pay for that, we would repeal and make more difficult the getting of student loans by thousands and millions of students in this country.

Mr. Chairman, I yield 4½ minutes to the gentlewoman from California [Ms. WOOLSEY].

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

Ms. WOOLSEY. Mr. Chairman, contrary to the claims of the majority, this is not a budget to protect our children's future. This budget is an assault on our children's future, and an assault on their grandparents as well.

It opens up tax loopholes for wealthy special interests, and slams the door on school cafeterias; college classrooms; and hospitals all over this Nation. If this budget represents the future of our children, then the future looks grim. It is no wonder Mr. KASICH says he is nervous.

Mr. Chairman, education is our future. Education, not reckless spending cuts, must be our Nation's No. 1 priority. The most glaring mistake in this budget is that it makes deep cuts in education to pay for a tax break for wealthy special interests.

Our children should be the most important special interest for this Congress, not the privileged few with influence over the Republican budget process.

It is too bad kids don't have powerful lobbyists here in Washington, because many of the education programs which are important to our children's future are being assaulted in this budget: Goals 2000 is eliminated; Head Start is cut dramatically; bilingual education is terminated; President Clinton's national service program will disappear school lunch and school breakfast is cut the entire Department of Education would be eliminated, clearly demonstrating to the American people the majority's lack of commitment to the future of our children.

This budget is not limited to attack on our young children, it also attacks low- and middle-income college students, and their families. On May 8, 1995, the New York Times called the Republican budget resolution ''the strongest assault in recent years on student-aid programs.''

Mr. Chairman, this assault makes a mockery of our Nation's core values—the opportunity to get a good education, and the opportunity to get ahead. Taking away the college loan interest subsidy, which the Government provides to students while they are in college, amounts to taking away the American dream from all but the privileged few. Nationwide, college costs will increase by an average of $5,000. Low- and middle-income students and their families just won't be able to foot this bill. In addition, these cuts in student aid threaten our future economic health and our global competitiveness. In a time when our country needs people who are more educated, not less, in order to compete in the global marketplace, this assault on our low- and middle-income families is also an assault on American's economic future.

Also, if we want to get people off welfare and into the work force, these cuts in education send us in the wrong direction. As a former welfare mother—able to work myself off welfare because I had a good education—I can tell you for sure that these cuts are just plain wrong.

Make no mistake about it, when Members of Congress cast their vote on this budget, they are providing their constituents with a clear ''yes or no'' answer to the following question: Should we take education and nutrition away from children; college aid away from students; and health care away from seniors in order to put money into the hands of wealthy special interests?

I beg my colleagues to answer with a resounding ''no'' by rejecting this budget.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. FRANKS], a distinguished member of the Committee on the Budget.

Mr. FRANKS of New Jersey. Mr. Chairman, I yield to the gentleman from Kansas [Mr. BROWNBACK].

Mr. BROWNBACK. Mr. Chairman, I just noted the gentlewoman across the aisle was saying that there are no special lobbyists for the children, no powerful special lobbyists for the children back home. I know one man that is standing right here who is a powerful

lobbyist for three young children in Kansas. I am here representing them, as many of my colleagues are. We are terribly concerned about them. That is why we are balancing the budget.

Mr. FRANKS of New Jersey. Mr. Chairman, this is the most expensive credit card in the history of the world. This card has been used by decades by politicians in Washington, DC, to buy things that we simply cannot afford.

In the process, we have accumulated deficit after deficit and piled up debt upon debt. The very children that we profess to be so deeply concerned about are the people who are being asked to pay off this enormous debt. The only answer to ending this deficit spending and to begin to pay down this enormous debt which is putting a burden on our children and on our families is to balance the budget.

Mr. Chairman, just like every American family who, when they have an important objective to meet, sit around the kitchen table and have to prioritize what is essential, identify what is important and talk about what they can do without, that great historic discussion begins for the first time in a generation right here right now.

Ladies and gentlemen, this is the time for a balanced budget.

Mr. SABO. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from New York [Ms. SLAUGHTER].

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

Mr. Chairman, one group of children that no Member here is lobbying for—and it is obvious we lobby for our own and our grandchildren—are the homeless children in the United States, numbering between 750,000 and 1 million on a daily basis. These are not children that caused the deficit. These are the children of parents who used to work and who do not anymore.

This program, which is very modest, has helped over 350,000 children since 1990. The number of homeless children not in school because of this program has dropped from 50 to 18 percent. Obviously it works.

A nation that believes that it is better to allow 750,000 to 1 million American children to grow up in shelters and on the streets and not to be in school has no reason to expect not to reap the whirlwind that growing up uneducated, unhealthy, and untrained will assure us. This program that costs so little and produces so much could only be eliminated by meanness.

It is a total transfer of the benefits for homeless children to the very rich who benefit from the tax cut.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from Staten Island, NY [Ms. MOLINARI], a very hardworking member of the committee.

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

Mr. Chairman, let me just say what we have here today is a difference in definition between the two political parties as to the American dream.

The Democrats, as you hear, say it is OK to add to the deficit. Increase taxes, the Government will save the day Over the next 6 or 7 hours, we are going to hear from the other side, a picking out of small programs throughout this budget that we believe the country will absolutely fall apart if they are not continued to be funded.

What you will not hear in their American dream is how to balance the budget, how to restore economic equity to the next generation, how to positively bring back that vision of hope to Americans regardless of their age.

The Republicans, on the other hand, have defined the American dream, but we have gotten that definition from people who pay taxes throughout this country, who tell us to stop runaway spending, reduce the deficit, and balance the budget. ''If you want to help our children, really help our children, let them grow up in an opportunity society that is debt-free.''

That is how we discourage homeless children. That is how we increase educational opportunities. That is how me make sure that we in Washington do not define the American dream, but create an economy that allows the children and their parents throughout this Nation to feel, to dream, and to hope for a tomorrow that right now today, under the current Democrat spending plan of no new options, will lead them to one big dead end.

Mr. Chairman, I urge my colleagues and the people who are watching today to dare to dream the American dream and join in supporting the Republican budget.

Mr. SABO. Mr. Chairman, I yield myself 5 seconds.

The Republicans want to cut Medicare, Medicaid, education, and a host of programs to pay for a tax cut for the rich.

Mr. Chairman, I yield 2¾ minutes to the gentlewoman from Michigan [Ms. RIVERS], a distinguished new member of our committee who has been outstanding in her work.

Ms. RIVERS. Mr. Chairman, at the end of this month I will celebrate my 20th anniversary of graduation from high school. The next day I will celebrate my 20th anniversary of my marriage.

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My husband and I got married the day after high school. I was 18; he was 17. At the time we were married we had few skills, little money, and a rough row to hoe. By the time we were 21 we had our second child. Today, 20 years later, I have an undergraduate degree, I have a law degree, and I represent my community in the people's House, the Congress of the United States.

What made the difference for me? What made the difference for me is what has made the difference for many, many Americans over the years, education, and an education was only available to me because there were student loans, because I could borrow money, because I could get a helping hand. It made all the difference. It still took me 15 years to get 7 years of education, but I would have been shut out had I not been able to ask for help.

And yet now we see a Republican plan that retreats from that position, that makes it harder to go to school, that makes it harder to get ahead.

Chairman KASICH mentioned the American dream. Mr. Chairman, I will tell you I have lived the American dream. I have done what countless others have done. I have worked hard, I have persevered. I have played by the rules, and now that I have walked through the doors of opportunity, I would like to see them kept open for others to follow.

I think it is a terrible hypocrisy for folks on the other side, particularly in the leadership, who have climbed the ladder and now wish to pull it up behind them. We need to say no to this budget and to make it clear that any retreat in student aid is unacceptable.

The CHAIRMAN. Let the Chair state that, before the time comes for the Joint Economic Committee's part of this debate, the gentleman from Ohio [Mr. KASICH] has 3½ minutes remaining, and the gentleman from Minnesota [Mr. SABO] has 3 minutes 10 seconds remaining.

Mr. KASICH. Mr. Chairman, I yield 30 seconds to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Just very quickly, Mr. Chairman, the previous speaker talked about the education of homeless children. What she is talking about is a program that funds an Office of Coordinator of Education for Homeless Children and Youth in the State educational agency. And in the functions of the Office of Coordinator, page after page of State plans, local education agency requirements. There is not one bit of program for homeless kids in here. It is a bureaucracy. It is a State agency, it is a coordinator. There are no programs in here.

Mr. SABO. Mr. Chairman, I yield 30 seconds to the gentlewoman from New York [Ms. SLAUGHTER].

Ms. SLAUGHTER. Mr. Chairman, I just wanted to respond to the gentleman from Arizona [Mr. KOLBE], because I have a report on the homeless in his own district.

There are 64 children right now in Amphi High School. Three earned a 4.0 grade average in 1992, another 5 GPA's at 3.5 or better. Ninety percent have improved their grades since entering the program.

None of the students served by the McKinney grant dropped out of the school in the first semester. We believe the success of these students is due to our policy of encouraging perfect attendance and academic excellence, as well as to the support they receive from the independent living class.

Mr. SABO. Mr. Chairman, I yield 1½ minutes to the gentleman from Massachusetts [Mr. OLVER].

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

Mr. Chairman, if this resolution is adopted the Republicans are going to cut $4 billion every year for the next 7 years out of educational aid programs, and that is in addition, all up and down the line of education programs, and that is in addition to one of the biggest blows to education that you could make, and that is the $19 billion that is taken out of these in-school interest subsidies for our college students.

Who does that interest-subsidy removal hurt? Here is an example of someone in my district who depends on student aid. Her name is Theresa McGuire, a 34-year-old college student at North Adams State College in western Massachusetts. She is a single parent, the mother of a 7-year-old daughter. She left a low-paying, no-benefits, dead-end job to go back to school only when she knew she would be able to get that kind of financial aid. She now has a 4.0 grade point average. She is two semesters from her bachelor of arts. She is going to go on to graduate school. And she would manage to finish because she is almost finished anyway, but there are millions of others in positions like that who will not start or will find that their school is made considerably more expensive.

Mr. Chairman, why in the world would the Republicans focus on the getting-ahead opportunities for people like Theresa McGuire to pass a tax cut?

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. SHAYS], a member of the Committee on the Budget.

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

All my life I have wanted to serve in Government, whether it was as a civil servant or as an elected official, so it was a dream come true for me to have an opportunity to serve first as a State legislator and then as a Member of Congress.

When I was a State legislator and first elected I started to notice that Congress, unlike the States and unlike my State of Connecticut, could spend more than it raised. And I thought, well, they can do it but they will not. And I saw it happen one year, and I saw it happen another year, and I saw it happen another year. For 13 years I watched Congress spend more money than it raised. And I know who is hurt by that. It is all of the children who have to pay the bill.

So I saw my Congress spend more than it raised. And when I was in Congress, along with a number of others, I have been working and waiting for the opportunity to vote finally for a budget that will get our financial house in order.

Today I have this chance. I have waited 20 years for this day to get our financial house in order, and that is what we are doing and we are doing it fairly. We are going to take 7 years admittedly, but we are going to spend 19 percent more in the seventh year than we spend today. We are going to slow the growth in spending.

Only in Washington. I know no other place in the world, only in Washington is an increase in spending called a cut, only in Washington. Where else when you spend more do they call it a cut? I never found a place anywhere else but in Washington.

We are going to spend more. Admittedly domestic spending is going to go down, because we are going to downsize and we are going to reorganize it and provide better services in the process. International, foreign aid is going to go down; that is a cut. Defense spending is going to stay relatively the same.

But Medicare and Medicaid, they go up. Medicaid goes up 36 percent in the next 7 years, it goes up, it does not go down. I hear cuts. It goes up. It is $89 billion; it will be $121 billion. We are going to spend $33 billion more in the next 7 years than we spent in the last 7 years. That is a spending increase, maybe not as much as some people want, but it is not a cut.

But most importantly, we want to save Medicare. It is going bankrupt. We know from the President that in the next year it starts to go bankrupt and in 7 years it is bankrupt. We want to protect it and we want to improve it. We want to save Medicare. We are going to have a 45-percent increase in Medicare. That is a cut? Well, in Washington it might be, but nowhere else in the world.

We are going to spend $659 billion more in the next 7 years than in the last 7 years. Is that a cut? No. We are going to spend more. Only in Washington is an increase in spending called a cut, and I am fed up with it.

What we are doing today is we are having a sea change. We are going to change the way Washington does things.

The CHAIRMAN. The gentleman from Minnesota [Mr. SABO] has 1 minute and 10 seconds remaining during this part of the debate.

Mr. SABO. Mr. Chairman, if the minority does not object, I would like to yield 1 minute and 30 seconds to the gentlewoman from New York [Ms. VELÁZQUEZ], and we will take the 24 seconds out of the next hour.

Mr. KASICH. I do not know if we can be that reasonable.

The CHAIRMAN. By the sufferance of the Chair the gentlewoman from New York is recognized for 1 minute and 30 seconds.

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

Ms. VELÁZQUEZ. Mr. Chairman, we have heard a lot of rhetoric from the new majority this year. When it comes to this budget, they outdo themselves. They talk about saving our children and grandchildren. What they do is the exact opposite. They take Federal dollars away from our children to be able to give huge tax breaks to the wealthiest families in this country.

With a $7 billion cut in education and training programs, this budget will deny thousands of children their chance for a decent education and a brighter future. The only ones who have a brighter future under this budget plan are the wealthiest families in this country. They will get over $281 billion in tax breaks under this budget. There is no bright future for our kids in this budget.

Saving our kids means giving them new books, building them new and safer schools.

Let us stop the rhetoric, Mr. Chairman, and speak to the truth. The only savings that is going on here is in the tax bill for the rich.

The CHAIRMAN. Pursuant to the agreement entered into prior to the House going into the Committee of the Whole, the next hour will be devoted to a debate controlled by the members of the Joint Economic Committee. Under the rule, however, that time is controlled by the gentleman from Ohio [Mr. KASICH] and the gentleman from Minnesota [Mr. SABO].

Mr. KASICH. Mr. Chairman, I ask unanimous consent to yield my 30 minutes to the gentleman from New Jersey [Mr. SAXTON] and that he be allowed to control the time.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SABO. Mr. Chairman, I yield 30 minutes to the gentleman from California [Mr. STARK], and I ask unanimous consent that he be allowed to control that time.

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

There was no objection.

The CHAIRMAN. The gentleman from New Jersey [Mr. SAXTON] will be recognized for 30 minutes, and the gentleman from California [Mr. STARK] will be recognized for 30 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. SAXTON].

Mr. SAXTON. Mr. Chairman, I yield 30 seconds to the gentleman from Arizona [Mr. KLOBE], a member of the Committee on the Budget.

Mr. KOLBE. Mr. Chairman, earlier the gentlewoman from New York [Ms. SLAUGHTER] was again talking about the office of coordinator of education for homeless children. Let me just read that sentence from the Department of Education's budget:

> This program provides formula grants to States to operate an Office of Coordinator of Education for Homeless Children and Youth and to develop and carry out a State plan for the education of homeless children.

The education comes out of Head Start, out of title I; it does not come out of this. We are talking about cutting out a bureaucracy. The tax cuts, we are going to be talking now about the tax part of this thing, go to take

care of senior citizens and children, senior citizens and children, the next generation of Americans and that generation now which deserves our help, the senior citizens.

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

Mr. Chairman, the purpose of this hour of debate is to focus on the economic implications of the budget proposal before us. I believe that this debate today is truly a very historic debate, and to the extent that the Committee on the Budget has worked very diligently, I congratulate them on bringing us to this historic point. For the first time since the 1980's Congress is preparing to confront the tidal wave of red ink drowning our country's future. Listening to the prophets of doom, one comes away with the impression that balancing the budget is an exercise in group sacrifice, when in fact we believe it is just the opposite. Balance the budget is only painful if we accept the premise that every American is dependent upon the Federal Government. We reject that premise.

A true understanding of the economic rationale for balancing the budget is that by reducing spending we are freeing the economy from the burdens of the state. We are renewing the time-honored American values of independence, responsibility, and hard work.

However, we are faced with a dilemma. Do we once again attempt to balance the budget by hobbling the economy with higher taxes, or do we balance the budget in a manner consistent with economic prosperity? That is the big question, and I submit to my colleagues today that the American people told us last November to balance the budget in a way that makes the economy grow, and they told us to reduce taxes at the same time.

The American people understand that these two goals are consistent, and so it is essential for us to do both.

Why is it important to balance the budget with lower taxes? Because balanced budgets alone have limited power to unleash the competitive power of America's workers, which is the basis of our economic prosperity, not big Government.

□ 1530

The President and his administration have crowed about how wonderful this recovery has been. Let us take a minute to focus on the history of economic recoveries. Economic recoveries do what their name implies: They restore the economic performance of a poor economy to the economic performance of a good economy. Traditionally, during economic recoveries, productivity, incomes, and job growth are higher than the norm.

On the other hand, the current economic recovery has continued for several quarters. However, it has not created the prosperity of other economic recoveries. Far from it. In the first 3 years of the expansion of this recovery, real gross domestic product grew by less than half, less than half of the growth of GDPs in other recoveries. The Clinton recovery has been a failure in restoring productivity and in restoring incomes. Productivity grew by an average rate of about 3.1 percent in the two decades immediately following World War II. However, during the 1970's, productivity decreased alarmingly. Growth was again restored during the Reagan expansion. However, since President Reagan, productivity has declined to the level of the 1970's, which is totally unacceptable.

In the current recovery, productivity gains in the service sector, have, in fact, been negative. Incomes have also been flat in the current economic recovery. Real median income increases dropped in 1991, 1992, and 1993, unique, unique for a sustained expansion. The only other time in American history post-World War II when GDP grew and family incomes fell was in 1979 during the Carter administration.

The Clinton recovery also is not providing Americans with quality jobs. If real median family incomes are falling, this means that new jobs created by this recovery offer wages below the average.

What has the Clinton administration done to counter this trend? They have piled additional burdens on American families with higher taxes and more regulations. The major reason for stagnating incomes is that failure of the economy to provide adequate capital for a robust economy and robust economic growth. Net fixed investment ran about 5 percent of GDP in the 1980's, but has fallen to under 4 percent, 3.8 percent, to be more exact, today.

Economists have debated the reasons for the slowdown of investment, but they are almost unanimous in believing that it is the high taxes on capital income that is primarily responsible for lowering investment and subsequently lowering incomes.

When confronted with the positive steps made by the House with the Contract With America and now with this budget proposal, many of our friends across the aisle and down Pennsylvania Avenue have resorted to the timeworn class warfare arguments. The Secretary of Labor is a great example. Secretary Reich has labeled the problem of stagnating incomes the problems of the ''anxious class.'' Unfortunately, the administration has not learned the lessons of the anxious class. The anxious class spoke in November 1994. They said they are afraid of a Government that takes a large portion of their income in taxes, a Government that spends money imprudently, a Government that regulates in capricious and cavalier manner, and they rejected it categorically.

The Clinton administration, in its economic report of the President, states that the economy cannot grow faster than 2.5 percent. Imagine, our administration, the current administration, stating to us that the economy cannot grow faster than 2.5 percent. They look at the experience of the 1970's and the early 1990's to buttress their claims that a faster growing economy will generate inflation. Real economic growth has stagnated in recent years. However, the postwar annual average of growth was 3.9 percent, almost 4 percent. The difference between the postwar real GDP rate of growth and the current real GDP rate of growth has been labeled by economists as the growth deficit.

I might point to this chart at this point and say that had growth continued as it should have, if taxes had been kept low and if regulations had been kept at a reasonable level, the red line indicates what GDP growth would be today, and, of course, the blue line represents what it actually is. Real economic growth has stagnated, and as we go through the postwar times and the 3.9 percent increase, if the economy had grown at the present postwar growth rate, the real GDP would be, and the difference here, of course, the deficit is $1.6 trillion.

Per capita GDP would be approximately $6,600 larger. A family of four, therefore, would have an annual income of and an additional $26,000. Pretty neat, it would have been.

Why can we not achieve the level of growth of the postwar years? Because the Government is taking too many resources away from the private sector to satisfy its ever-expanding appetite for more Government and the need for more tax dollars to support it. This is why balancing the budget is so important. It provides for the kind of economic growth that we need, and we must contain Government spending to get it.

Government spending is clearly a negative for economic growth. Economists now understand that, as the Government grows too large, it destroys the necessary incentives for a healthy economy. From Moscow, Russia, to Moscow, ID, and from Paris, France, to Paris, TX, people understand that the size of Government today is the Government which is the biggest impediment to economic prosperity.

The party of the status quo on the other side of the aisle who are content to take shots at our budget without producing a real one of their own are resisting the people's desire for smaller Government and a stronger economy. They are even resorting to the highly unusual arguments like that of Laura Tyson, President Clinton's head economic adviser, who has said any effort to reduce Government spending means a dollar in reduction in demand in the economy, so it increases the contractionary risk on the economy. That statement is incredible, and it is so incredible that she must have meant, I think, something else. Clearly, all economists understand that the Government does not create wealth out of thin air. Rather they tax citizens for the resources using Government programs. If the Government does not

spend tax dollars, citizens will use them for other, more productive purposes. If the Government, on the other hand, takes our dollars, it will take them away from citizens and their desire to do more productive things with them.

Rest assured that citizens will use their dollars much more prudently than Government bureaucrats will use their tax dollars for them. Controlling Government spending, then, will be an ambitious gain for the economy. Private entrepreneurs will have more incentives to take risks, to create jobs and prosperity, but not the Government, and we will all benefit from the fruits of the labor of the private sector.

Historically, we can see the effects on lower Government spending. As the Government got larger, the economy's real rate of growth slowed. The process we are initiating today is a historic process to restore America to a high-wage, high-growth economy. We are truly at a crossroads.

What about those who say the Government has certain functions that private markets cannot undertake? Well, first, we have been deluded too often to accept the arguments that the Government must do this or that task. Private markets are much more efficient than Government processes.

And, second, these people are thinking only in the short run. If we take the long-run perspective, we can see that by maximizing economic growth, we will maximize Government revenues, and actually we have a chart here that shows what happens when taxes are kept down. We actually get more revenue and more Government revenue from growth than under the current flawed system.

What about those who say that Government has functions to undertake? Well, we agree that it does. But to balance the budget, we will have other benefits as the economy responds to our efforts. Increased economic growth will make it easier for us to reform the tax system, and we are hearing more and more from citizens who are angry with the current tax system. They find it capricious and difficult to understand.

Economic growth will allow a more reasoned approach to taxation.

The economy loses many of its best and brightest careers that simply interpret the Tax Code. All the efforts of accountants and lawyers to understand the tax system are lost to the economy. They do not bring more revenue to the Treasury. They do not generate goods and services to make Americans wealthier or richer or better off. Rather, correctly understood, the time and expense to prepare tax forms is another form of taxation that reduces economic wealth. Reducing the burdens of the tax system will make Americans wealthier because it will free up these revenues as well.

The new ethic must take hold with regard to taxation. A long time, too long, we have focused on the debate, with the debate, on the impact of taxation on the distribution at static losses, a term we hear inside the beltway a great deal. We have ignored the dynamic harm done to every American worker by excessively taxing capital. Taxation reform must recognize that the prime determinant of wage growth is capital investment. We cannot help Americans to economic prosperity without reforming the tax system.

Also, we cannot allow this opportunity to pass, and the key to future tax reform is reducing the size of Government today. That is what our budget does.

The American voter wants a healthy economy. The American voter wants lower taxes. The American voter wants a smaller Government. We must restrain spending to reduce the deficit.

We are not reducing spending because we are masochists. Rather, we are reducing spending to enlarge opportunities for all Americans to produce economic growth. Reducing Government, reducing Government spending is the most positive thing we can do for the American people, for older Americans, for future generations, and for today's children. It is a win-win strategy.

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

Mr. STARK. Mr. Chairman, I yield myself 10 minutes.

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

Mr. STARK. Mr. Chairman, this is the hour allotted to the Joint Economic Committee. I thought it was train schedules for the Metro here. But I am going to explain that, as we learned in agricultural economics, that chicken droppings and chicken salad come from the same place, but there is, indeed, a world of difference between them.

The budget resolution, as propounded by my Republican friends, really has nothing to do with economics. It has to do with a little accounting sleight-of-hand, perhaps some legislative legerdemain, but certainly not economics.

It does represent massive redistribution from the elderly to the rich. Programs that benefit average Americans are cut, reduced, squeezed, whatever you want to call it, to provide huge tax breaks for the wealthiest people among us. Cuts to finance those breaks are made across the board, children's programs, Medicaid earned income tax credit, a whole host of credits, to given tax cuts to the rich.

Today, however, I would like to focus on the proposed cuts in just one area. Guess what, Medicare. The resolution would require us to cut $283 billion out of the Medicare Program. That is a big chunk of cut.

Now, the Republicans would like to pretend, and this is interesting, this is what economists do all the time, they pretend something is what it ain't. The Republicans would like to pretend that these are not really cuts, just reductions in the rate of growth.

□ 1545

Now, that argument is, in economic language, specious, misleading, and hypocritical. For the Social Security recipients, these proposals increase out-of-pocket costs while reducing availability and quality of medical services.

Now, the Republicans would make it sound as if Medicare costs rise over time because the program is growing, as if Congress is adding entitlements and new services, or paying higher reimbursement rates, or covering new categories of people. But none of those things are true. The truth is the Republican cuts would come out of the amount needed to keep benefits and rates at current levels. That is all.

In 2002 alone, payments for each senior will increase by over $1,000. That is economics that the seniors in my district understand. The increases in the Medicare premiums and deductibles seniors would pay are not even the whole story. These cuts that the Republicans are talking about would reduce seniors' access to health care and require new copayments for services such as lab tests, home health care, and skilled nursing facilities.

Seniors in California in my area would have to pay almost $1,500 more on the average for health care by the end of the 7th year. That is economics, ladies and gentlemen, that they can understand. Yet my Republican colleagues complain that the Government programs do not work.

The distinguished vice chairman of the Joint Economic Committee, the ranking Republican member, just said this is about independence, responsibility, and hard work. Hogs on ice are independent. There are a lot of responsible people out there, and certainly we all know about hard work after Speaker GINGRICH's 100 days.

But, these proposals do not illustrate any of that. They illustrate how you can destroy Government, if that is really what you want to do, and I submit that is what the Republicans are about. And these proposals illustrate how.

They take an effective program and cripple it. Last year much smaller Medicare cuts were proposed. The Republicans complained that any Medicare cuts, and that is the word you all used, you Republicans, you, would destroy the qualified and ability of care for seniors under the program. Given their objections to last year's proposed cuts, how can they possibly come back and justify larger cuts this year?

They have tried to hide their intentions about Medicare by claiming they are just trying to save the trust fund. Well, now, here is an economic term. The seniors will recognize that claim as baloney. That is Economics 102. The proposed Medicare cuts are much larger than are needed.

The only Republican proposal relating to Medicare so far that has passed this House actually makes the trust fund worse by repealing factions on

high income elderly that were dedicated to the trust fund. That hardly seems like a good way to save the trust fund.

Last year, my colleagues on the Democratic side of the aisle proposed Medicare reforms that would have saved $168 billion over 7 years in the Medicare trust fund, and the Republicans, to the man and woman, voted against it. They argued that they wanted to support an amendment to strip the savings on the theory that they would ruin Medicare with the cuts. Now, if $168 billion was going to ruin it last year, $238 billion is going to knock the socks off it this year.

You have been treating, you Republicans, you, the specific details of that Medicare plan like it was the Stealth bomber plans, top secret. DORNAN could not have kept them more secret. They know that savings, you Republicans know, of the size that you are proposing, cannot be achieved without absolutely devastating the Medicare Program and placing new burdens on Social Security recipients.

No wonder you are nervous about revealing what you intend to do. But let me tell you, my friends on the other side of the aisle, here is a hint of what they have up their sleeves. Medical insurance, part B, that covers doctors payments, which is by the way financially solvent and does not need any cuts to maintain its solvency, the Republicans are planning to double the deductible that beneficiaries pay before Medicare reimburses them for their doctors bills. After doubling it, that is not enough, they are going to index it so that their payments do not keep up, but their co-pays keep up with inflation, and they go up every year, just to remind these seniors how tough they are when they raise the cost of Medicare every year for the next 7 years and on into the future. They plan to increase the premiums that Medicare enrollees must pay. And if that is not enough, they make the patients pay a bigger share of laboratory tests, home health care services, skilled nursing facilities, all those things that the seniors are going to need.

Here is the bottom line. Medicare patients will pay more upfront for their coverage, and if they get sick they are going to pay even more than that. No wonder you are not anxious to tell us what is hidden in that budget. These Medicare cuts will hurt. They will hurt beneficiaries, they will hurt the entire health care system, and ultimately hurt the economy. You knew I would get to it.

Our economy and society as a whole will be devastated. Hard-working Americans who paid Medicare taxes for years will find themselves without medical insurance they had been counting on. Confidence in that portion of Social Security will be undermined, and rightly so.

If you arbitrarily change a contract, renege on a deal, pull back on a promise to seniors that was made back in 1965, that we promised these workers, they will know you are reneging, they will know you are chintzy, they will know what your contract is. The health care system will suffer, especially in rural areas and inner cities. Hospitals will go bankrupt, rural health clinics and community health care centers will be forced to close, and medical care will be rationed and quality will decline. The overall economy will be harmed as those proposals slash Medicare and do nothing about rising health care costs, as the President has asked us to do.

We cannot continue to spend an ever increasing share of our national income, and that is an economic term, on health care. But cutting health insurance for seniors and the poor without reforming the system is unfair and unwise. And making these cuts in order to finance tax breaks for the wealthy just compounds the folly and exacerbates the existing divisions.

One more thing, just a word of advice. You are going to fix this by changing the CPI, aren't you? You are counting on that adjusting. Well, we have got a suggestion. If you really want to be tricky, and I see the good doctor sitting there, all we have to do is raise normal from 98.6 to 103 and we will save billions in Medicare. How would you like that? That makes about as much sense as the rest of this budget.

So I urge you to defeat the budget, save the seniors from the destruction of Medicare, and get on about the business of seeing this country build and grow as it has over the past several years.

Mr. SAXTON. Mr. Chairman, I yield 3½ minutes to the gentleman from Egan, IL, population 42 [Mr. MANZULLO].

Mr. MANZULLO. Mr. Chairman, this Republican budget is the first step toward balancing the budget and putting our Nation back on the path towards fiscal responsibility. We will reduce or eliminate programs that may sound nice on paper, but in reality throw away billions of hard-earned taxpayers' dollars every year. And we may eliminate some worthy programs for which there is simply no money, but without which this Nation can function.

We are approaching a national debt of $5 trillion, and each year we go into debt $200 billion more. This means $200 billion a year is added to the national debt. Today the tax rate for local, State, and Federal taxes is 50 percent. That means that a family with both husband and wife working, one spouse is working solely for taxes.

According to the Clinton administration's Office of Management and Budget, if we do not make dramatic changes in this country's fiscal policy, every child born after 1993 will pay between 84 and 94 percent of his or her income for local, State, and Federal taxes. That means out of an annual income of $30,000, a child will be left with only $1,800 to $2,100 after taxes each year on which to live. This is hardly the legacy we want to leave our children.

The findings of the Bipartisan Commission on Entitlements and Tax Reform show that absent policy changes, entitlement spending and interest on the national debt alone will consume all Federal revenues by the year 2012. That means no money for defense, no money for education, no money for roads and bridges, no money for law enforcement.

The Republicans propose a common sense solution to the deficit problem. Slow the growth of spending to about 2.2 percent a year so that revenues catch up with spending levels, which should occur by 2002. By reducing the deficit, the Nation will benefit in reduced interest rates, more employment, and a stronger economic climate.

The Medicare trustees, including those appointed by President Clinton, say that the Medicare Trust Fund will be out of money in 7 years. This means if something is not done to preserve Medicare by the year 2002, there will be no money to pay for seniors' medical expenses. To preserve and protect Medicare, the Republican budget puts it on a road towards fiscal responsibility and puts us on a glide path towards a balanced budget.

Mr. Chairman, I urge my colleagues to vote for the Republican budget.

Mr. STARK. Mr. Chairman, I yield 3 minutes 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 thank the gentleman for yielding time to me.

Mr. Chairman, I rise today in support of the Democratic coalition substitute budget resolution, and in opposition to the Republican proposal.

I believe that the time has come to balance the budget. This is what my constituents want because they know that the economic futures of their children and grandchildren depend on it. They want us to balance the budget in a way that is both fair and effective, and this is what the Democratic substitute would do.

The Democratic substitute is fair because it asks everyone, regardless of age or circumstance in life, to share the sacrifice for the benefit of the common good. Unlike the Republican plan, it does not transfer funding for social programs, that benefit the old and poor, to subsidize tax cuts for the rich.

Further, the Democratic coalition substitute will work. I am an original cosponsor of this measure because it takes a rational and responsible approach to balancing the budget. Not only does it restore sane spending priorities by adding back funding for education, health, and economic development programs, it also achieves a budget surplus in 2002 that is $500 million higher than that proposed in Mr. KASICH'S plan. Less pain with more

gain—Why? Because this alternative resolution reaffirms the logic of achieving a balanced budget one step at a time. This means holding off on enacting expensive tax cuts, which require slashing vital programs, until we are well on our way to ensuring a healthy national economy that can be enjoyed by generations to come.

I have serious concerns about the approach taken by the Republican budget resolution. For example, the proposed two-step reconciliation process would delay the consideration of painful spending cuts, until after politically popular tax cuts have been given away. If the Republican majority is truly serious about including tax cuts in their proposal, they should make sure they have the money to pay for these cuts up front, not after the fact. It seems the new Republican majority has forgotten the old Republican rallying cry—''Cut Spending First.'' Balancing the budget is like curing a cold, the longer you put off swallowing bad-tasting medicine, the longer it takes to return to good health.

In addition, the Republican budget backloads deficit reduction until after the year 2000, when the spending cuts kick in and interest rates decline. In fact, nearly two-thirds of the deficit reduction in the Republican plan occurs in the final 3 years. This is an approach that was tested in the early 1980's under President Reagan and failed. When it came time to make the difficult cuts, they did not materialize. Remember, the 1980's was the decade when the debt tripled under Republican control of the White House. Therefore, as far as the effectiveness of the approach to deficit reduction is concerned, I would say, ''Been there, done that, let's not do it again.''

Finally, I am pleased that the coalition substitute includes enforcement language. In January, I supported a constitutional amendment to balance the budget for the first time because I finally lost faith that the President and the Congress have the resolve to balance the budget without a constitutional mandate. While this initiative failed, I still believe that we need to hold our feet to the fire and enforce our budgetary decisions.

Earlier this year, I introduced the Balanced Budget Enforcement Act of 1995, H.R. 1516, along with our colleagues, Representatives STENHOLM, DOOLEY, BARRETT, MINGE, and POSHARD. This legislation, which I cosponsored in the 102d and 103d Congresses when introduced by our former colleagues, Leon Panetta and Tim Penny, respectively, would enact tough, new measures to reform the budget process and eliminate the Federal budget deficit by the year 2002. It would do so by setting spending caps and using across-the-board cuts if the targets, set and evaluated by a nonpartisan Board of Estimates, aren't met. Yesterday, I asked the Rules Committee to allow me to offer sense-of-Congress language endorsing the approach embodied in H.R. 1516 as an amendment to the budget resolution. Unfortunately, this request was denied. In any event, I believe that this legislation needs to become central to debate on budget process reform later this year.

In closing, Mr. Chairman, I believe that balancing the budget is our responsibility as Members of Congress. 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. When I am in northwest Indiana, I tell my constituents that I am opposed to cutting their taxes because it would undermine serious efforts to reduce the deficit. In March, I was one of only six Democrats to support the rescissions bill, H.R. 1158, because I believe we need to start making tough spending decisions now.

Mr. STARK. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Minnesota [Mr. PETERSON].

(Mr. PETERSON of Minnesota asked and was given permission to revise and extend his remarks.)

Mr. PETERSON of Minnesota. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, as a fiscal conservative who believes that it is critical that we put our fiscal house in order, I cannot tell you how much fun it is to participate in this debate today on how we should be balancing the budget instead of debating whether or not we should be balancing the budget.

I want to congratulate the other side and the gentleman from Ohio, Chairman KASICH, for helping to make this debate possible and for bringing a budget to the House floor which tackles many of the tough choices that we have to face. I also want to congratulate the gentleman from new York [Mr. SOLOMON] and the gentleman from Wisconsin [Mr. NEUMANN] for the proposal to balance the budget in 5 years.

Unfortunately, I cannot support the committee resolution as it is before us today. This resolution allows us to postpone and possibly even avoid the tough choices that we must make.

□ 1600

It calls for a very unusual process that allows us to make the politically popular and easy choices before we even consider the real spending cuts that are necessary to balance the budget. Even if we do not duck these tough choices, as this resolution allows us to do, the overwhelming majority of the spending cuts called for in this resolution will occur in the last 2 years.

I hope that the committee is right in its assumptions, but I am afraid that the savings that are supposed to occur in the last 2 years will not materialize and we will be left with a deficit that continues to drag down our economy.

Fortunately, Mr. Chairman, the House will have an opportunity to support a sensible and fiscally responsible alternative to the committee resolution when the coalition budget is offered as a substitute tomorrow. The coalition put together this alternative because the coalition members have long been committed to the goal of balancing the budget, but we believe that it must be done in a way that makes sense and will work.

The budget that we produced is a realistic proposal that does make sense. It achieves a balanced budget by the year 2002. It borrows $160 billion less than the committee resolution without making unreasonable cuts in vital programs. Unlike the committee resolution which back loads the deficit reduction in the last 2 years, the coalition budget cuts spending first and provides for a reasonable, level glide towards a balanced budget in the year 2002.

Mr. Chairman, if my colleagues have any reservations about the budget resolution before us today, I urge them to review the coalition budget carefully. I am confident that if they have done that, they will agree with me that the coalition budget is the most sensible alternative before the House and deserve the support of all Members.

Mr. STARK. Mr. Chairman, I yield 2 minutes to the gentleman from Vermont [Mr. SANDERS].

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

Mr. SANDERS. Mr. Chairman, I rise in very strong opposition to the proposal presented by the Republican leadership. At a time when this country has a very large deficit and a $4.7 trillion national debt, it is vulgar. It is crass to be giving huge tax breaks to the wealthiest people in this country and to the largest corporations.

It is unacceptable that half the tax breaks in this proposal go to people making $100,000 a year or more and that the wealthiest 1 percent will receive more in tax breaks than the bottom 60 percent. It is pathetic that at a time when the richest 1 percent of the population own more wealth than the bottom 90 percent and when the upper 4 percent of earners make more money than do the bottom 50 percent of earners, that taxpayers making over $200,000 a year receive a tax break of $11,000 while those making less than $30,000 receive a tax cut of $124. And the rich get richer, and everyone else gets poorer.

Mr. Chairman, it is especially outrageous to be talking about tax increases for the rich when we all know that it was the huge tax breaks for the richest 1 percent in the 1980's that was a major cause of the explosion of the deficit during that period. As a result of tax breaks given to the wealthiest 1 percent, the Treasury Department lost over $1.5 trillion between 1981 and 1992, 1.5 trillion in tax breaks to the richest 1 percent during the 1980's. And guess what in the 1990's? They are coming

back for more tax breaks for the very same people. Shame.

Mr. Chairman, I rise in very strong opposition to this budget proposal presented by the Republican leadership.

At a time when this country has a very large deficit and a $4.7 trillion national debt, it is vulgar and it is crass to be giving huge tax breaks to the wealthiest people in this country and to the largest corporations.

It is unacceptable that half the tax breaks in this proposal go to people making $100,000 a year or more, and that the wealthiest 1 percent will receive more in tax breaks than the bottom 60 percent. It is pathetic that at a time when the richest 1 percent own more wealth than do the bottom 90 percent, and when the upper 4 percent of earners make more money than do the bottom 51 percent—that taxpayers making over $200,000 a year receive a tax break of more than $11,000, while those making less than $30,000 would receive a tax cut of $124. And the rich get richer and everyone else gets poorer.

Mr. Chairman, it is especially outrageous to be talking about any tax increase for the rich when we all know that it was huge tax breaks for the richest 1 percent in the 1980's that was a major cause of the explosion of the deficit during that period. As a result of tax breaks given to the wealthiest 1 percent, the Treasury Department lost over $1.5 trillion between 1981 and 1992—which is approximately half of the national debt that was accumulated during that period. Given the fact that the tax breaks provided to the wealthiest 1 percent is largely responsible for the deficit, why in God's name would we give them more tax breaks now.

Mr. Chairman, this Republican budget cuts taxes for the rich and the largest corporations, spends $92 billion more on the military over 7 years, and then makes devastating cuts for the middle class, for working people, for the elderly, for students, and for the poor.

Senior Citizens: At a time when many of our seniors are finding it extremely difficult to pay for their health care needs the Republican House budget calls for, over a 7-year period, a $282 billion cut in Medicare and a $184 billion cut in Medicaid. The American Association of Retired Person [AARP] estimates that this proposal means that the average Medicare beneficiary would pay over $3,500 more out-of-pocket over the next 7 years. Further, Social Security will be cut by $24 billion from 1999 to 2002 due to a six-tenths of 1 percent reduction in the COLA formulation. Also, the LIHEAP fuel assistance program will be eliminated, and there will be a major cut-back in senior citizen housing. Such excellent senior programs as the Foster Grandparents Program, and RSVP will also be eliminated.

Education: While college costs are soaring, and many middle class families are experiencing declining incomes, the budget reduces student loans by $33 billion. According to the administration, the Republican plan to eliminate Government-paid interest on student loans while the student is in school would cost 4 million undergraduates more than $3,000 each during the course of a 4-year college career.

Further, the Republican budget would eliminate or drastically reduce funding for such important educational programs including Goals 2000, the TRIO Program, title I, School-To-Work, student incentive grants, Head Start and Safe and Drug-Free Schools—among others. There is little question that not only will these cuts be harmful to education, but they will result in higher state and local taxes.

Veterans: The bill passed by the House Budget Committee would, over a 7-year period, reduce veterans programs by $8.3 billion. The Senate Budget Committee proposal would reduce veterans benefits by $15.1 billion. Among other cuts would be an increase in the prescription drug copayment from $2 to $8. The House bill would also reduce the COLA on veterans compensation. It would also eliminate the Veterans Employment Program under the Job Partnership Training Act, the Disabled Veterans Outreach program, the Local Veterans Employment Representative Program, and the homeless veterans reintegration project.

Workers: At a time when millions of American workers have lost their jobs because many American companies are downsizing, or moving to Mexico, this budget not only cuts back significantly on job training programs, but it eliminates unemployment insurance extended benefits. That means that unemployed workers would not get assistance after 13 weeks.

The poor: While poverty is increasing and the United States continues to have the highest rate of childhood poverty in the industrialized world, the Republican proposal cuts back on food stamps, child nutrition programs, childcare, affordable housing, WIC, and assistance to the homeless.

Culture: At a time when television is filled with more and more violence and junk, this budget eliminates funding for the Corporation for Public Broadcasting. It also eliminates funding for the National Endowment for the Arts which has been so effective in providing seed money for many excellent projects.

Should the United States move toward a balanced budget and address its $4.7 trillion national debt? Yes. Should we, at the same time, be giving huge tax breaks to the top 4 percent of earners who make more money than do the bottom 50 percent? No. Should we balance the budget on the backs of the middle-class and working people who are already hurting, and who are experiencing a decline in their standard of living? Absolutely not.

Mr. STARK. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, could the gentleman from Minnesota [Mr. PETERSON] explain to me the difference between the budget program that you are suggesting and the one that the Republicans are proposing?

Mr. PETERSON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. STARK. I yield to the gentleman from Minnesota.

Mr. PETERSON of Minnesota. Yes, I can. What we do is we basically start with the Domenici budget but what we do is we eliminate the tax cut. We take that money and reallocate it to Medicare. We add $109 billion back to Medicare. We add $54 billion back to the Medicaid from the Kasich budget. We add back $5.6 billion in agriculture cuts. We restore the student loan cuts. We add $35 billion into the education area and, I believe, $11 billion into the area of health research.

Mr. STARK. You take that tax cut for the very rich and invest it in the bedrock of the American economy, in students and farmers and in the growing economy of our country.

Mr. PETERSON of Minnesota. That is exactly right.

Mr. STARK. Mr. Chairman, that sounds very good to me.

Mr. PETERSON of Minnesota. Mr. Chairman, if the gentleman will continue to yield, I think that is the right way to go.

Mr. SAXTON. Mr. Chairman, I yield 3½ minutes to the gentleman from Pontiac, IL [Mr. EWING], a member of the Committee on the Budget.

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

Mr. EWING. Mr. Chairman, I rise in support of the budget resolution.

Mr. Chairman, there is something in this budget for everyone to dislike. That is probably what makes it an excellent budget. For instance, I come from rural America, from agricultural land. For instance, the budget will cut $9 billion over 5 years from agricultural commodity programs alone. This comes on top of major reductions in agricultural expenditures over the last several years.

These cuts will be painful. They will be painful for producers, for American farmers, for agribusiness people, for those who share an interest and an investment in the great industrial agricultural-industrial business of this country, as we struggle to compete with heavily subsidized European agriculture.

But once again, those of us from farm country are willing to step up to the block and help reduce the deficit. The difference is this time the cuts that have been made will not go to additional Government spending, as they were in past administrations. They will go to deficit reduction. If every other program in the Federal budget had been cut, as agriculture has over the last few years by the Democratic controlled Congress, we would not be here today debating how to balance the budget. But that is history.

I am glad that this budget finally forces all segments of this Government to meet their responsibility in balancing the budget. For the first time we are going to start controlling Government expenditures and guarantee that the deficit will be zero by the year 2002.

This is real fiscal responsibility, the kind of Government management that the American people called for in the last election, not what the last speakers have been talking about, social spending increases. It is about time we tackled the issue. For the first time the budget reverses the tax and spend policy of the other side of the aisle. There is no telling how fast our economy can grow when we turn it loose and quit strangling it.

What are some of the things that will come out of a balanced budget? Well, let us first of all talk about tax relief. Tax relief is not just for the wealthy. I am certainly not wealthy. I do not expect one dime of tax relief, but there

will be a lot of tax relief for American families. That is better than the Government taking the money from them and spending it for them. And you are opposed to giving the families of America tax relief. I really cannot believe that.

Chairman Greenspan has said, what would come out of a balanced budget? Probably a 2-percent reduction in the interest rate. Well, I tell you, if you know anything about business or the economy, you know that is going to create jobs.

I would rather give American agriculture a 2-percent cut in interest rates than a bigger subsidy, and job creation.

Mr. STARK. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from New York [Mr. OWENS].

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

Mr. OWENS. Mr. Chairman, the caring majority budget of the congressional black caucus and the House progressive caucus is concerned about the jobs necessary to keep our economy a robust economy. Our priorities are clear: education, job training and job creation. And in the budget that we have prepared, which is a balanced budget, we provide for jobs, education and job training.

The budget boldly sets forth investments in the activities which will keep our nation prosperous at home and competitive in the global arena. And we do this by providing, first of all, a tax cut for hard-working Americans.

Our tax cut does go to all families. It does not favor the rich and the privileged. We invest more than $27 billion also over a 7-year period in education and job training by increasing function 500 by 25 percent. We protect major job creating functions. Other functions such as transportation, public works, commerce and health care are protected despite the pressure to make huge cuts.

We ensure that current services are continued for both Medicaid and Medicare. Medicaid and Medicare are fully maintained. We supported the President's position that Medicare and Medicaid should not be touched until we have a comprehensive health reform program.

We oppose all of the attempts to erode Social Security, including the extensions which will continue the COLA and have no cuts in the COLA. We advocate a more sane defense budget, a defense budget which offers a peace dividend to the taxpayers. These taxpayers have diligently supported the burden of massive modern military costs for years and years. Now we have no more Evil Empire. The Soviet Union is gone. Why do we have to continue to shoulder a massive military burden?

So our biggest cut is in the area of defense. Our biggest cut is where the money is. We maintain that although defense industries do create jobs, study after study has shown that you can create two jobs for every defense job that is created. With the dollars you spend, you can create two nondefense jobs.

So if you wanted to create jobs, you can create many more by spending them in other places, including, by the way, health care. Health care provides an enormous amount of jobs although the business of health care is not to provide jobs; it is to take care of people, but health care is a labor intensive industry and it does provide jobs.

In order for us to accomplish all of this and still have a balanced budget and have a balanced budget with minimum pain on families and individuals, we have focused on the closing of corporate tax loopholes. We have attempted to end the lopsided tax burden which has been forced upon wage earners via the personal income tax. Corporations used to shoulder as much as 39 percent of the responsibility for Federal revenue. Now the corporations only shoulder a mere 11.2 percent of the burden, and we are saying that we would like in this budget we propose to increase it to a modest 15.9 percent of the total tax burden.

By the way, individuals shoulder 44 percent of the total tax burden. We would like to change that and in the process of changing that, you will generate. That is the policy key to a balanced budget. If you must have a balanced budget, and we do not think you need to balance the budget by the year 2002, but if you wanted to move toward balanced budgets, then the way to do it is to correct the imbalance.

I have a chart here which shows that in 1943, 39.8 percent of the revenue burden was carried by corporate income taxes. In 1982, that dropped all the way down to 8 percent, from 39.8 percent all the way down to 8 percent in 1982.

□ 1615

During the Reagan years, from 1982 all the way to the end of his Presidency, it hovered around 8 and 9 percent of the total tax burden. It did not begin to back up until later on.

If Members want to balance the budget, let us let the American people in on the great secret. They as individuals, the American people as individuals and as families, are bearing a greater and greater percentage of the tax burden, while corporations have been allowed to get off with more and more. Therefore, we are closing tax loopholes. Who is there who would not want to stop multinational corporations from taking advantage of our tax system? We want to end the multinational corporation swindle, and we want to close other loopholes. We can balance the budget without cutting Medicare, Medicaid, and without inflicting undue pain on numerous Americans.

Mr. SAXTON. Mr. Chairman, I yield 3½ minutes to the distinguished gentleman from Texas [Mr. THORNBERRY].

Mr. THORNBERRY. Mr. Chairman, there are, of course, many important issues we could debate with regard to this budget, including whether we will continue to saddle our children with debt, and whether an increase in the amount of money in a program, both totally and per beneficiary, is still going to be called a cut in Washington, DC.

Another important issue is the size of government, and how much government, both in taxing and spending, takes out of the economy. This is not just abstract political theory, but it is very practical about what really works to improve the lives of regular folks. It affects every person in this country.

We can see now the administration sees an economic slowdown coming and is ready to point the finger of blame at somebody else. As Stephen Moore pointed out in his book ''government: America's Number One Growth Industry,'' the problem is very clear. He said:

> The reason that America finds itself on an economic downward spiral is that today, Washington, DC is taxing, spending, borrowing, mandating, decreeing, and regulating America to death. The private sector—businesses, entrepreneurs, investors, workers, and families—is slowly suffocating under the weight of a relentlessly expanding government.

Mr. Chairman, the resolution reported out by the Committee on the Budget and the Neumann budget are the first things in a very long time in this House that begin to deal with each of those things that Moore identifies. It deals with the taxing, spending, borrowing, mandating, decreeing, the regulating that is consuming so much of our national wealth.

If we look at the numbers, government at all levels consumes more than ever before. One study found about 42 percent of our national income is spent by government these days. Other facts about government are equally astonishing. Government at all levels spends about $24,000 for every household in America. With the $2.5 trillion that local, State, and Federal governments spend this year, you could buy all the farmland in the United States, plus all the assets of the Fortune 100 companies. There are more people working for the Government than are working for all the manufacturing industries combined.

The danger, I think, Mr. Chairman, is that we are on the verge of becoming what Margaret Thatcher called a nanny State, where the government takes too much from us to do too much for us. Even President Kennedy in 1962, in his address before the Economics Club of New York, said ''The growth of the American economy in the 20th century demonstrates for all to see the power of freedom and the efficiency of free institutions.'' Yet those are the very things that have been under assault year after year as a result of the policies of this Government.

I think that for the first time in a long time, we are beginning to take power and responsibility away from Government, and give more power and more responsibility back to individuals. That is what is absolutely essential, in my view. We must also reduce

the size of Government. The President is fond of pointing out how he is making drastic reductions in Federal employment, but if we look at the numbers and take out one department, the Department of Defense, we will find out that even President Clinton's target is some 40 percent more than the Federal work force at the time of President Kennedy.

Mr. Chairman, I think it is absolutely necessary that we stop adding debt to our children. It is also necessary that while we are straightening out the national budget, we straighten out the family budget as well.

Mr. STARK. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Chairman, the Republican budget says two things to the American public: Don't get sick and don't get old.

The Republican budget would cut Medicare by $280 billion over 7 years. To those who say this does not represent a real cut, I suggest they argue those semantics with senior citizens who will have to pay $1,000 more in extra Medicare premiums, deductibles, and copayments under the budget. I advise them to make that argument when seniors can not find a doctor to treat them because Medicare pays providers less and less. I will ask them to explain to my constituents why a Medicare cut three times bigger than any reduction ever enacted in the history of program does not represent real pain for senior citizens.

Let us not hide the facts. The Medicare cuts in the budget could decimate the only universal, portable health coverage we have in this country. When you combine these cuts with steep reductions in Medicaid's coverage for nursing homes, the budget offers seniors a bitter pill to swallow.

Some have said that these cuts are needed to save Medicare. America knows better. The same budget that cuts Medicare by $280 would also enact $345 billion in tax breaks for the wealthy. This is not a fair trade for our Nation's seniors.

Mr. Chairman, I have taken the tough votes to keep Medicare solvent and strong. In 1993, I voted to extend the solvency of Medicare by 3 years, and last year I voted in committee to extend the trust funds an additional 8 years. Both times not even one of my friends from the other side of the aisle joined with me in protecting Medicare.

I remain committed to ensuring the solvency of Medicare, but let's do this the right way. Senior citizens should not be forced to accept Medicare cuts to enact tax breaks for the wealthy.

Mr. SAXTON. Mr. Chairman, I yield 3 minutes to the gentleman from South Carolina [Mr. SANFORD].

Mr. SANFORD. Mr. Chairman, I was going to discuss the short-term outlook for the U.S. economy. Unfortunately, time will not permit much detail, but I would also like to address Laura D'Andrea Tyson's recent statement that budget cuts pose significant downside risks to our economy.

I think this shows an antiquated notion that the more Government spends, the better off our economy. This does not seem consistent with what we have seen over the last 30 years. It also does not recognize what Government fundamentally does: Government redistributes wealth, it does not create it.

There are three real threats in the near term to our economy. First would be the possibility that Congress does not act seriously on the budget deficit that is facing us; second, that Japan resolves the run-up of its currency to our detriment; and third, that a trade war ensues between America and Japan. Let us explore all three for just a few moments.

First, our Nation's budget deficit is the biggest threat to our economy. I think that for several reasons. First, if we were to look on relative terms, the ratio of public debt to gross domestic product that our Nation is facing right now is the highest that our Nation has ever faced. Second, a child born in America today will end up paying $187,000 in interest costs over the course of their lifetime, simply as their share of past Federal spending.

Third, it is simple math. The standard of living is directly driven by productivity, which is driven by investment, which is driven by savings. The larger the Government share of the economy, the smaller the personal savings will be, and there will be less money for investment.

The second near-term threat would be the international value of our currency. I think there are two grave dangers on this front. One is that almost anything that Japan does in the near term to correct its over-valued currency will hurt our economy.

At 75 yen to the dollar, Japan's gross domestic product [GDP] equals America's GDP. That clearly does not make sense. It is unsustainable, and will change. The only question is when.

Second, the risk of losing reserve currency status. If the Asian central banks were to use gold as a reserve asset instead of the dollar, or simply to decrease their dollar holdings, I think it would have very damaging consequences for the American economy.

Finally, I think the third risk facing us is the possibility of a trade war with Japan. I think we ultimately would be the ones most affected by this, because any escalation of global tariffs would especially hurt the largest trader in the world, which is the United States.

Specifically, I do not think that Japan is the problem. The problem facing our economy is a tax system that rewards consumption over savings and investment.

Mr. STARK. Mr. Chairman, I yield 1½ minutes to the gentleman from Minnesota [Mr. MINGE].

Mr. MINGE. Mr. Chairman, I think all of us in this Chamber and across the country agree that the American deficit has reached critical and, of course, historic proportions, and that the No. 1 task before this body is to determine the course of action that is necessary to bring us out of the deficit and address the debt that still lingers, and to do so forthrightly.

One of the tragedies we have faced in this country is that we have even masked the true size of the debt and deficit. We have used the Social Security cash flow surplus for that purpose. We need to have a budget that actually discloses the true size of the deficit, which would currently be approximately another $70 billion. Then we need to decide what course of action will indeed bring us out of this tragic situation.

I think that it may be idealistic, Pollyannaistic, to think we can get together and do this on a bipartisan basis, but we ought to. The American people are not looking for partisan answers. The American people are not asking what is the Democrat plan, what is the Republican plan, what is the President's plan. They are asking ''What is a plan that will work for us? What is a plan that will allow us to continue to grow our economy, to invest in our children, to invest in education, and eliminate this millstone around the necks of our economy and those of us as individuals?''

I submit that a plan of this type has been submitted by the Democratic coalition.

Mr. STARK. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from California [Mr. STARK], is recognized for 2½ minutes.

Mr. TAYLOR of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. STARK. I yield to the gentleman from Mississippi, and perhaps I could engage my distinguished ranking senior vice chairman in this colloquy for the minute or two remaining on our side.

Mr. TAYLOR of Mississippi. Mr. Chairman, let me begin by saying that I am very much in agreement with the fact that we have to balance the budget and balance it soon. I really resent, however, speaker after speaker coming to the podium telling people what a terrible Nation we have. This Nation saved the world from Hitler. This Nations saved the world from the imperial Japanese. This Nation saved the world from communism. This Nation saved the world, and all of it has a cost.

The gentleman from New Jersey [Mr. SAXTON], in his statements, said we would be much better off if we privatize everything. I am not in total disagreement that we ought to privatize some things. However, is it not realistic that the biggest expense to this Nation is the combined Medicare-Medicaid? The next biggest expense is national defense. The third largest expense is interest on the national debt.

I would ask the gentleman from New Jersey, which of those things would he privatize, because we have just gobbled up almost 70 percent of the budget.

Mr. SAXTON. Mr. Chairman, will the gentleman yield?

Mr. STARK. I yield to the gentleman from New Jersey to respond.

Mr. SAXTON. First of all, Mr. Chairman, it was the gentleman's assumption, or maybe he heard me say we would privatize everything. I do not recall saying that. I do not think I did. Obviously, I would not privatize national defense, nor does our budget pretend to do so. We do not privatize Medicare or Medicaid. As a matter of fact, it continues to grow under our program, as a very important part of our budget and our program. In fact, it grows from an average benefit of $4,600 per recipient to $6,300 per recipient.

□ 1630

Mr. STARK. The gentleman is close to being correct as he usually is.

Mr. SAXTON. We really do not propose to do the things that the gentleman has suggested.

Mr. STARK. Reclaiming my time, the gentleman is close to being accurate as he usually is on economic matters, but when it comes to discussing the privatization of Medicare, he is wrong.

The secret document wants to offer vouchers which will make it difficult for your parents and mine and the average elderly to purchase health care. it is a step toward privatization, perhaps dressed in some kind of economic clothes that neither of us understand if that is the case.

I want to thank the gentleman from Mississippi for bringing out that privatization is not the end all and be all to economic growth.

I would like to ask the distinguished gentleman from New York if the budget that is generally described as the Black Caucus budget is not a product of the same group that year after year has brought us a budget that has tried to be sensible about defense, has held back tax cuts to the very rich while concerning itself with children, with education, with investment and research for health care, with the things that have made this country great, indeed, the things that create wealth in this country only through Government.

If you could tell me where Lockheed or Martin Marietta gets any money to create wealth except through Uncle Sam, I think I miss my guess.

I ask the gentleman from New York [Mr. OWENS], is your budget balanced in the long run and if so how long?

Mr. OWENS. Mr. Chairman, if the gentleman will yield, our budget is balanced——

The CHAIRMAN. All time for the gentleman from California [Mr. STARK] has expired. The gentleman from New Jersey [Mr. SAXTON] has 2 minutes left.

Mr. SAXTON. Mr. Chairman, I yield the final 2 minutes of our time to the gentleman from Iowa [Mr. GANSKE], the doctor, who would like to discuss the subject that the gentleman from Mississippi [Mr. TAYLOR] brought up, Medicare and the Republican proposal to make it grow.

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

Mr. GANSKE. Mr. Speaker, there will be much talk about the Republican budget cutting Medicare and how Republicans do not care about Medicare recipients.

Well, I am a Republican and a physician and I care deeply about providing quality care for the elderly and about balancing the budget.

The Medicare trust fund will be broke in the year 2002. Here is the trustees' report. Let me read from page 13. ''The Medicare program is clearly unsustainable in its present form.''

Page 14. The trustees say, ''We strongly recommend that the crisis presented by the financial condition of the Medicare Trust Funds be urgently addressed.''

What is the option the Democrats are proposing? Should we let the system go bankrupt in 2002? If we do that, we will have to increase the Medicare tax from 2.9 to 9 percent. If we don't control over 10 percent annual increases in Medicare growth, it does not take a neurosurgeon to figure out that in 30 years we will be spending the entire Federal budget on health care.

As a member of the Subcommittee on Health and Environment of the Committee on Commerce, I look forward to working with my Democratic and Republican colleagues. It will take some short-term solutions and some long-term fundamental changes, but we need to look at this. But the facts of this report and the compounding of interest on our national debt mean that if we diet now, we will be healthier tomorrow. If we continue the status quo, we will have a heart attack tomorrow. Let me quote President Clinton.

President Clinton has said:

> Today, Medicaid and Medicare are going up at three times the rate of inflation. We propose to let it go up at two times the rate of inflation. That is not a Medicare or Medicaid cut. So, you know, only in Washington do people believe that no one can get by on twice the rate of inflation. So when you hear all this business about cuts, let me caution you that that is not what is going on. We are going to have increases in Medicare and Medicaid.

Mr. Chairman, I care about my Medicare patients, and I want to make sure they have Medicare.

The CHAIRMAN. All time yielded to the Joint Economic Committee has expired.

The gentleman from Ohio [Mr. KASICH] has 120 minutes of debate time remaining. The gentleman from Minnesota [Mr. SABO] has 119 minutes 40 seconds remaining.

The Chair recognizes the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Chairman, I yield myself 7 minutes.

Mr. Chairman, we want to kind of give Members a little background on how we put this together. As I pointed out earlier in the debate, we are going to go from $9.4 trillion spent over the last 7 years to $11.9 trillion. As you can tell, that is an increase in spending over the last 7 years, and if, in fact, we had stayed a course to the $13 trillion, folks, we would be very, very pessimistic about the long-term economic health of this country.

One of the things that we tried to do is to slow the growth of entitlement programs. Many people watching on TV, and trying to figure out what is this all about, keep hearing about cuts in all these entitlements.

What you have to understand is in Washington if something does not go up as fast as somebody thinks it ought to go up, it is a cut.

I want to tell you an interesting, illustrative story about an interview I had with a reporter. The reporter said, ''Well, Mr. KASICH, how do you define a cut and how do you define an increase?''

I said, ''Well, let me put it to you in these terms, and you ought to take some notes on this. If, in fact, I get more money this year than I got last year, that is an increase, and if I get less money this year than I got last year, we are going to call that a cut, and if I get the same amount of money this year as I got last year, let's call that a freeze.''

Now, I said, that is the way it works back in Westerville. A cut means less, an increase means more, and a freeze is a freeze.

In entitlement spending, we are going to go from $4.5 to $6.4 trillion. Folks, you can see the blocks. It is an increase.

Medicare is going to go from about $890 billion to $1.6 trillion. That is an increase.

What we have attempted to do in this budget is to slow the increase in many of these entitlement programs. In other words, when you take all the entitlement programs of the Federal Government over the next 7 years, we will have to design entitlement programs that will serve the public by spending almost $6.5 trillion.

When I go home and ask people, ''Do you think we can design the entitlement programs to spend $6.5 trillion?'' they say, ''Well, yeah, but why are you spending $6.5 trillion? Why are you spending so much?''

Down here in Washington if you say you are spending $6.5 trillion, they say you are cutting somebody.

People tell me on buses, on airplanes, in the gymnasium, ''JOHN, why can't we get the language right? Why can't we describe this appropriately?''

Mr. Chairman, what we are doing in these entitlement programs, except for agriculture, is that we are going to spend more, far more than what we spent over the last 7 years, but we have to do it because we have people in need and we are trying to redesign the programs.

In the case of Medicare, which we will discuss later, we are saving it. If we grow Medicare at the rate that it is currently going, it goes bankrupt. Medicare will go bankrupt. So what we are

attempting to do is to study the experience in the private sector. Many companies were going bankrupt. They could not control their health care costs.

What we have done is, we have said that we are going to slow the growth in Medicare because if we do not, it will go bankrupt in 7 years. In fact, we will be able to go, under our plan, from $4,800 per recipient to $6,400 per percipient over the next 7 years. They call this a cut. $4,800 to $6,400, they say you are cutting spending.

The big chart shows that we are going to go from $924 billion to almost $1.6 trillion. They want to grow it to $1.8 trillion, which will bankrupt the system, and by us going from $924 billion to $1.5 trillion, they call that a cut.

If you are out in America and you are scratching your head about these numbers, you have a right to, because we are not cutting entitlements. We are growing entitlements at a somewhat slower rate.

In the area of discretionary spending, those are the nonentitlement programs. By the way, if we can control those entitlements, we will not be robbing from children's futures in this country.

Let me tell you about some of our programs here on the discretionary side: One hundred and sixty-three separate job training programs; 23 separate programs to prevent child abuse; 8 separate programs dealing with child care; 7 separate child nutrition programs; 42 separate programs to give health professionals education; 300 separate economic development agencies; 71 departments and agencies duplicating the function of Commerce. That is why we eliminate the Commerce Department. Nine agencies promoting trade.

All this excess, all this duplication and bureaucracy and excess, and guess what? You have to pay for it. It is not right that you are paying for those programs.

What we do is, we consolidate, we eliminate, we send some back to the States, we privatize others. What we do is, we slow the total growth in spending in this country to an increase of about $2 trillion.

Mr. Chairman, the simple fact of the matter is that by consolidating all those programs, by slowing the growth of entitlement programs, it is a modest program, ladies and gentlemen, we will save America. Just that simple.

If we do not do it, if we continue to grow at the current rate and let all the bureaucracy continue and let the entitlements shoot out through the roof, we are taking from the children, denying them a future.

I think we can live with this. You want to know something? So do the American people. That is why Members of Congress are getting such support for the plan that we present, and at this point we are going to give a little more detail to lay this out for you.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California [Mr. WAXMAN].

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

Mr. WAXMAN. Mr. Chairman, I appreciate the opportunity to address the House on the impact of this budget in the health area, particularly when it comes to Medicaid and Medicare.

Mr. Chairman, I want to point out to the previous speaker and others who these Medicare recipients are. They are not rich people. Over three-fourths of them have incomes less than $25,000. They are people who are dependent on their Social Security checks. Thirty percent of older Americans rely on Social Security for some 80 percent of their incomes. A majority of older Americans rely on Social Security for at least half of their income.

If this Republican budget is adopted, the typical Medicare beneficiary is going to see almost 50 percent of their Social Security cost-of-living increases eaten up by increased Medicare cost sharing and premiums by the year 2002. Two million Americans who are on the Medicare Program would lose their whole cost of living increase under Social Security simply to pay their additional Medicare costs as a result of this budget.

Are my Republican colleagues going to say to their constituents, that is not really a cut in their Social Security check? Are they going to argue then that even though the cost of living has gone up and their Social Security check has not, that they are not worse off?

There is something else about the Medicare beneficiaries that our Republican colleagues seem to forget. They are people who need a lot of health care. That is particularly true the older they get. When they get old and when they get sick, insurance companies do not seem to want them.

The fastest growing group of Medicare beneficiaries are people over 85 years of age, the disabled, and people with end stage renal disease. No wonder Medicare expenditures are growing. It costs money to be sick.

They also seem to forget that people on Medicare pay a lot for their health care right now. The average elderly household pays 12 percent of its income for health care right now, and that is over 3 times as much as younger families pay. They pay Medicare premiums and deductibles, Medigap premiums. They pay for prescription drugs which are not covered under Medicare, and they spend about $2,750 out of pocket right now. Yet this budget will require them to pay more.

□ 1645

A Medicare beneficiary will have to pay nearly $1,000 dollars more out of pocket for their Medicare services in 2002 and over the life of this budget. Medicare beneficiaries are going to help balance the budget by coughing up some $3,500 in extra dollars to pay for their Medicare services.

This budget is very bad news for these people. I urge its rejection.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from Michigan [Ms. LYNN RIVERS], a distinguished member of our committee.

Ms. RIVERS. Mr. Chairman, throughout the course of the discussion today we have seen many attempts to explain away the concerns that are being raised about the cuts in Medicare and programs for children and students. We have seen a variety of facts and figures produced to explain why these issues really should not count. And we have been accused of using demagogery to make our point.

We have also heard over and over again about only in Washington can this happen or that happen and what the American people will support.

I decided that it was important not to speak as someone from Washington, but to let the American people speak themselves. This is a portion of the mail I have received on one of the cuts currently in the proposal which would eliminate home heating subsidies for older people and low-income people. This is what some folks in my district had to say about that.

One woman said,

I feel sorry for all older people. Its too bad that we have to live so long.

Another person writes that they will not be able to pay for their necessities.

For God's sake, please don't stop this. I am disabled senior citizen of 73. I only make $462 in Social Security and $16 a month in SSI. Seems like people on Capitol Hill really don't care about us poor people. They are trying to put us into homelessness or make us commit suicide.

A woman writes,

The money I receive for my home heating credit helps me buy my pills for my heart and then I won't skip them. I can take my pills every day.

Another person writes,

I have to cut back even further on my $546 monthly income. I'm 91 and use more heat than others. I just had a severe heart attack.

Another woman writes,

People like myself, senior citizens, will suffer greatly. The winters in Michigan are very hard on disabled, old and the sick.

She is 97.

One senior writes,

Being seniors you have to stay warm with less heat. As you get older, it gets colder.

Another person writes,

We will have another drop in our living standard and the bottom is coming up fast. Please do not eliminate these services.

Another person writes,

I will be facing another severe hardship on top of the present one. Can you imagine my wife and I getting $695 a month and paying $335 to our HAP alone. Buying our medicine and as little food as possible to survive and we cannot afford any luxuries whatsoever and are unable to pay our utility and other necessary bills. We did work hard all our lives and helped pay into the system. So please help us help ourselves. Just help us to survive the rest of our lives.

Last, someone writes,

We come very short on our money during the winter. Our only source of income is my husband's Social Security disability. I think the Republicans have gone too far to help the rich.

Mr. Chairman, I would have to agree.

Mr. SABO. Mr. Chairman, I yield 4 minutes to the distinguished gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Chairman, I thank the gentleman for yielding time to me, and I thank the gentleman from Minnesota who has provided such leadership on our side on this.

This is about promises made and promises broken, and I think that we really have to look at the very core of what we are talking about. It must be confusing to people, because people are trying to make out like we are not for balancing the budget. Yes, we are. We worried about the deficit. We started this whole deficit reduction last year all by ourselves.

But the question is how do you balance the budget, and who do you cut in getting to balance that budget.

I want to ask you to show me one American family where they come to the table to put together their budget and they decide that they are going to cut the kids and they are going to cut the elderly and they are going to cut the infirm so they can give more money from the family budget to those who are doing really well already. As I said, that is socialism for the rich. That is the dysfunctional family. That is not American values, and yet, that is what we are doing in this budget that is in front of us.

I brought Stephanie Clark along. She is from Denver. Stephanie Clark is very excited. Because of student loans she is finally graduating this year from CU Denver and she had hoped to be able to go on to Americorps. Guess what? Americorps is going away, and student loans are going to be severely impacted.

This is our future. These are the people who want to learn how to fish; they do not want to be given a fish, but they need help to get there.

As we look at this budget and we see that we cannot get a commitment on cutting back a lot of the benefits that business had, even the $25 billion that they have in the budget to take it out of the tax pennies for the rich, guess what, the committee is saying they will not do it.

As we look at all of the other things that are in there that are not being touched, because there are big, powerful people protecting those pet rocks, the people we are going after are the Stephanie Clarks of Denver, we are going after the elderly on Medicare who thought they had a Contract With America already. And we are going after the most vulnerable.

I keep coming back to the same old thing. You do not attack your most vulnerable. Either we are a community or a bunch of isolated individuals, which I hope we are not, or we are a community of a country that reaches out and tries to help each other through some sort of shared ethic. That is what it is about.

Mr. WAXMAN. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. Of course I yield to the gentleman from California.

Mr. WAXMAN. I thank the gentlewoman for her statement which talks about Medicare. But there is Medicare and Medicaid and our poorest of the poor are on the Medicaid Program. In fact most of the people on Medicaid are children, but most of the money goes to the elderly in nursing homes. That program is going to be devastated, it is going to be devastated, it is going to be blockgranted and cut in the amount that will go to the States.

But I just recall hearing from Edna Ferris, who talked to us at a conference on Monday. She talked about how they struggled with her husband who had Alzheimer's, she tried to keep him home as long as she could. When she could not manage it anymore, she looked to the Medicaid Program to help pay for the nursing home costs, which can be $35,000 a year, and more, and she did not have that money. So she went on Medicaid and the Medicaid Program kept her from being impoverished, allowed her to keep some of their money so she could live at home. If she had no Medicaid to protect her, all of her resources would have gone to that nursing-home care, and maybe her husband would not have been able to get in the nursing home because they are not going to take somebody for free.

So these programs help the most vulnerable in our population, and we should not forget that.

Mrs. SCHROEDER. The gentleman is absolutely correct. I just did a talk radio show where I talked to a woman who had adopted three medically dependent children and desperately needed Medicaid to help her, and I pointed out that was cheaper than institutionalization.

Mr. KASICH. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. LAZIO], a distinguished member of the Committee on the Budget.

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, I thank the gentleman for yielding.

We have been looking at pictures here, and I just want to show this picture here. This is Ari Cowan. His father is one of our budget staff people. Ari is a 3-year-old. This to me is what this is all about. This is the young generation we are talking about saving America for and being sure that they have a balanced budget.

And just before we resumed this part of the debate I was back in the back talking to the pages, and I think of the young people like Abby Moon from Ohio and Vanessa Ruggles, Nick Ryan, Tammy Brewer, Nancy Brim from my own hometown, this is the young generation that we are talking about. This is what we are talking about saving America for. Let us not forget that.

Mr. SHAYS. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the distinguished gentleman from Connecticut.

Mr. SHAYS. Mr. Chairman, I thank the gentleman for yielding.

The distinguished gentleman from California talked about Medicare. We want to save Medicare. We do not want it to go bankrupt. It starts to go bankrupt next year, and in 7 years it is bankrupt, and the Congressional Budget Office said in the next 3 years after we spend more on Medicare than they do, because their fund runs out, Medicare Part A. This is the Democratic plan to solve and resolve the Medicare trust fund problem. It is a blank sheet. That is their plan.

And the gentlewoman from Colorado talks about she wants to balance the budget. She voted against the balanced budget amendment. My only question is if she wants to balance the budget, when, and how.

Mr. LAZIO of New York. The gentleman is correct, that my colleagues on the other side, whom I respect and in many cases admire, have had plenty of opportunities to move toward a balanced budget. They had an opportunity to vote for a balanced budget amendment and voted against it because they said there were not enough specifics. Then they were given the specifics and they said these were the wrong specifics. Then I began to be lectured as a dad who has two small children, two preschool children, Molly and Kelsey. I do not have a picture of my children here. Maybe I should have brought one, but you know this blank easel next to me should be for all of the children we are trying to save here today.

These are two of the most important days that I think I will have in my service in Congress, and I believe deeply in what I am doing here. I believe deeply because I want to be able to go back and tuck my kids in bed at night and say to them they are going to have a better future, we are not going to pass the buck, we are not going to punt, we are not going to get involved in political demagoguery. We are going to do the right thing. Republicans know it and Democrats know it. The debt is out of control. It erodes the ability for the next generation to have hope. It erodes their ability to have a sense of opportunity. We are doing something about it right now.

I really invite my colleagues on the other side who are bent on name-calling and lecturing about compassion to reevaluate their sense of compassion. What compassion is there when we are spending today billions of dollars that the next generation has got to pay back. What compassion is it when we cannot provide an opportunity for the next generation, when they cannot go

to school and they cannot find a job after they go to school because they are so burdened with debt that there are no jobs left.

So, I really beseech my colleagues on the other side, who I respect, do not lecture us about compassion, because I think it is misplaced.

Mr. Chairman, I rise today as a proud member of the House Budget Committee, but more importantly, I rise as the proud father of two young daughters, Molly and Kelsey. More than anything else in the world, I want to ensure that my two daughters have the opportunities that past generations of Americans have enjoyed and that they are not burdened by the shortsightedness of this body.

For reasons that my children, who are 2 and 3 years old, are still too young to realize, our actions today will have a profound effect on their future. America has always been known as the land of hope and opportunity. This is what I ask for my children and therefore ask my colleagues to think toward the future when they casts their votes on the budgets before the House.

As members of this body we have a moral imperative to pass this resolution and balance the budget. Without it our children will face uncertain futures in which they will face unimaginable obstacles. The late Senator J. William Fullbright once said, ''A nation's budget is full of moral implications; it tells what a society cares about and what it does not care about; it tells what its values are.'' With this vote, we send a strong moral message that the status quo is unacceptable, a $4.8 trillion debt is unacceptable, annual deficits close to $200 billion are unacceptable, and it is unacceptable for Congress to continue running from these problems without consideration for America's future. This budget represents hope, opportunity, and a positive vision for the future.

The budget we reported from the Budget Committee last week represents an historic change in the direction our country is headed. It moves us from the path of increasing debt and inefficient, big centralized government toward a government that is smaller, more decentralized and efficient and a country that will be more productive, with a higher rate of net savings and a higher standard of living. It is a budget that outlines a positive future for our country, a future filled with hope and opportunity. We cannot continue on our current spending binge.

The public debt now totals almost $4.8 trillion—about $19,000 for every man, woman and child in the United States. A large part of our taxes go to the interest payments on this debt, $235 billion—$643 million per day—this year alone. Interest payments on the Federal debt are behind only Social Security and National Defense as the third largest single expenditure in this budget. By 1997, Americans could be paying more for the debt than for defense.

Without the spending changes in this budget, the national debt is projected to reach almost $7.5 trillion by the year 2005, with interest payments of $412 billion. Unless we control spending now, servicing the national debt will crowd out all other priorities in the Federal budget.

Last fall the American people made a choice and gave Republicans a majority in Congress. They did so because they did not want the status quo, they wanted responsible, positive change. Most of all, they wanted Congress to quit ducking the tough issues and to take action. This budget fulfills our promise to provide that positive, responsible change.

Unfortunately, when the President submitted his budget this year, he punted, ducking all the tough choices.

My friends on the other side of the aisle who opposed the constitutional amendment to balance the budget said they agreed with the goal, but they did not want to change the Constitution to force balanced budget. Faced with a budget that will be balanced, these same Democrats say they do not like it. It is now clear that Democrats who opposed the balanced budget amendment really opposed balanced budgets period.

Out budget tackles the tough issues head on. Our budget problems will not go away. In fact, each year we avoid making tough choices, they get even more difficult.

While the committee's budget is tough, it also is fair. Overall, Federal spending will continue to increase, but the rate of growth will slow to allow revenues to catch up. Every part of the country is affected. No group or program is unaffected. It affects our urban areas, as well as our rural areas.

The critics will say the public will not accept it. Those critics are wrong. The American people are prepared for change as long as they know it was fairly and thoughtfully arrived at by their elected representatives. They are willing to put up with these changes because they know in the long run the changes are necessary to ensure the American dream—that each generation will do better than their parents, that America will remain the land of hope and opportunity.

This budget plan will make this country stronger for our generation, and for generations to come. A balanced budget will produce lower interest rates, higher productivity, improved purchasing power, reduced inflation, and accelerated long-term growth. With this proposal, we are setting the stage for a higher standard of living for all of our children and our children's children.

Total government taxes per household, measured in 1990 dollars, were $18,500 in 1994, nearly three times their level in 1950. Federal taxes as a share of median income have risen from 5 percent in 1950 to 15 percent in 1970 to 24.5 percent in 1995. If taxes today were at the same level as they were in 1970, the average family would keep $4,000 a year more of their take-home pay.

Americans are paying for the debt in other ways. Government borrowing competes with the private sector in the credit markets, forcing interest rates higher. Interest rates would be 2 percentage points lower if the budget were balanced. That means a 30-year mortgage on a $150,000 home costs $74,000 more today over the life of the loan than it would if the budget were balanced. Auto and consumer loans also would be more affordable.

Balancing the budget and the accompanying 2 percent interest rate reduction would create 4.25 million more jobs over the next 10 years, and increase per capita income by 16.1 percent. The Congressional Budget Office says a balanced budget would redirect resources from consumption to investment, increasing the Nation's capital stock and national wealth.

Federal Reserve Chairman Alan Greenspan testified to the Budget Committee in March that the economic benefits of a balanced budget would be startling. ''I think that productivity would accelerate,'' Greenspan said, ''the inflation rate would be subdued . . . the general state of financial markets would be far more solid, and the underlying outlook would be generally improved for long-term economic growth. Real incomes . . . would significantly improve, long-term interest rates would fall significantly, and they [most Americans] would look forward to their children doing better than they.''

The committee's budget is a gateway to a future filled with hope and opportunity. It presents a new vision of government. It begins to move authority out of Washington and will help empower every individual American. It gives the relief for America's families. It protects Social Security. It saves Medicare from bankruptcy, spends 80 billion more—almost 4 percent more while increasing per beneficiary Medicare spending from the current $4,700 to $6,400 per year.

By adopting the committee's budget today, we will have kept our word to the American people and met the challenge they placed before us. When I put my daughters to bed tomorrow night I will know that we have done the morally right thing and helped pave the way for prosperity for them and for all future generations.

Mr. SABO. Mr. Chairman, I yield 3 minutes and 30 seconds to the distinguished gentlewoman from New York [Mrs. LOWEY].

(Mrs. LOWEY asked and was given permission to revise and extend her remarks.)

Mrs. LOWEY. Mr. Chairman, I just hung up the phone on Minnie Wilensky from Queens County. She cannot even watch this debate because she cannot afford cable. You can talk about big numbers and little numbers and how we have to raise it and cut it. All she knows is that her copayments are going to go up and her premiums are going to go up and she will not get a cost-of-living increase in Social Security. And Minnie Wilensky, who is making constant choices about whether she buys the chicken or whether she cannot buy the chicken, because she lives on $11,000 a year, I just want to tell you the story because it is not a number in your statistics. Minnie lives in Queens County and she knows it is going to cost her more and she is going to pay more for the choice of doctor and more premiums and more deductibles, and that is what she knows.

Day after day we have heard how the Republicans have kept their promises to the American people. One after another the Republicans told us that promises made are promises kept. Well, Mr. Chairman, today we learn that Republican promises made are Republican promises broken, a promise broken to a person like Minnie Wilensky from Queens County. Now, Speaker GINGRICH and the Republican majority promised that they would not cut her Social Security benefits, but they are going to cut her COLA. They promised not to cut her Medicare, but they are going to raise her fees that she is going to have to pay. What is the truth? What does

the new budget say? The Republican budget does cut $24 billion from Social Security. Seniors who have worked hard their whole lives will lose hundreds of dollars in Social Security benefits. Social Security is a contract. The Republican majority has been saying that for years. They said they would not touch it. Well, they have, they have broken that contract into pieces. They are proposing the largest Medicare cut in history, close to $300 billion.

The bill will cost individual seniors over $1,000 more a year for Medicare benefits by the year 2002. How will this affect real people like Minnie Wilensky? She has a heart condition. She has glaucoma. She and so many other seniors in my district cannot afford what they are already paying in prescription copayments and deductibles. How are they possibly going to afford these increases?

As I mentioned, she lives on $11,600 a year. She was telling me, ''I am grateful for what I have got, but I have to make choices. If I have to buy more medicine, I cannot buy the chicken. If I have to buy more in a grocery store, I have to constantly make those choices.''

□ 1700

How can she possibly afford these increases? And she is also worried about her generation; she is worried about her grandchildren, not only her own generation. She worries that her grandchildren will not be able to afford to go to college. She told me that with the average increase of $5,000 which is proposed in this budget, they are not going to be able to go to college.

Mr. Chairman, the Republican budget breaks faith with the millions of American seniors, like Minnie Wilensky, who depend on Medicare and Social Security. This is how the Republicans kept their promise, cutting Medicare, cutting Social Security, cutting education.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from Mississippi [Mr. PARKER].

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

Mr. HOKE. Mr. Chairman, will the gentleman yield?

Mr. PARKER. I yield to the gentleman from Ohio.

Mr. HOKE. Mr. Chairman, I just wanted to say to the gentlewoman from New York, where did Minnie get this information about there is not going to be as much Medicare, their money is going to be cut, she is going to have to pay more? Where on Earth? Did you tell her this personally?

The other thing I would like to say, since you did not yield me any time, I will not yield you any now, but the other thing I wanted to say is simply this: You are complaining about a cut in Social Security that does not exist, and yet in 1993, you voted for the Clinton tax bill that actually did, in fact, cut Social Security by $26 billion. You cannot have it the both ways.

I thank the gentleman.

Mr. PARKER. Mr. Chairman, it will come as no surprise to anybody in this body that I rise to express my unbending and total support for the Kasich budget resolution reported by the House Committee on the Budget.

There is not a person in this body who does not have at the very core of their being the best interests of this Nation at heart. There is not a Member of this body on either side of the aisle who does not want this Nation to grow and to prosper and to achieve what it has always achieved, and that is being a world leader and standing for what is right.

The real question that we have is not whether we want what is best for this country, but how we can best achieve those goals. For a long time we have spent our time talking about programs and how much each of us cares about people. Politically, we all attack each other blindly.

For instance, in the past, it was not true when some Republicans attacked Democrats saying they were not patriotic for their stand on one issue or the other. It is equally untrue when Democrats point to Republicans and say they do not care. They do care. I think we all care.

But how do we get to that point where fiscal responsibility brings this Nation back into the mainstream? It would have been unheard of even a year ago for anyone to say that we would be moving toward a balanced budget by the year 2002.

I am in my fourth term and I had thought it would never happen. I had reached the point of believing it just could not happen. I think the key has been to have a date certain because it forces the issue. We are now in a situation where we must move to a date certain—2002—and the debate has shifted from not whether the budget should be in balance but how and what priorities should be established to get the budget in balance. That is a major shift in the thought processes that occur on Capitol Hill.

I want to express my appreciation to JOHN KASICH, chairman of the House Budget Committee, and all of the Republican members who invited me to work with them in developing this budget. There was a tremendous amount of give-and-take. And I believe we have developed a product that makes sense and puts us on that road. Granted, we have the Senate which has a different version. We have different versions here in the House. But I firmly believe that the path we are taking as members of the Budget Committee in passing out this piece of legislation is the correct path.

Now there are those that say, ''Well, the cuts are so horrendous—draconian in nature.'' Please understand that the amount of money the Federal Government spends will continue to rise. Each year it will continue to increase. The Federal Government will spend more money next year than it will this year. It will spend more in 2002 than it has ever spent before. What we are trying to do is slow down the rate of growth.

I know that a lot of discussion has taken place on programs such as Medicare. But the system is going broke. Something must be done to change the direction of Medicare or it will not be there. And it is important for the American people to understand that everyone must participate.

One of the major arguments that I had on the committee with other members, those on the Republican side, is that they wanted to exempt Social Security. I have a problem with that. I believe that senior citizens care about this country as much as we do, and I believe that they be given the opportunity to participate—that everyone should be treated the same. But, the Republicans won that argument. Social Security is untouched in this budget.

I am not suggesting elimination or the cutting of Social Security. What I want them to do is to participate in an equal way in which everyone is treated the same. That is fairness. I believe that instead of us trying to scare people and put them in a position of being afraid that the money they have come to depend on will be cut out, that they need to look at this process from the standpoint of purchasing power and the economic stability of our Nation.

When Alan Greenspan came to our committee, he made the statement that not since World War I has our economy ever experienced the pluses of a balanced budget, that we have never experienced what the positive aspects can be for this Nation if we are at a balanced budget. We need to look to the future. We need to look and see exactly what the pluses are going to be for everybody. And it is just like my friend PETE GEREN has said, it is like finding the cure for cancer—but nobody wants to talk about the cure. All they want to do is talk about the chemotherapy you have to go through in order to get to wholeness.

Well, there is pain in this budget. No one with any common sense in this country has ever felt or ever said that we can resolve our financial situation and get back into a surplus without pain. We did not get into it overnight, and we are not going to get out of it overnight. And we all have to accept some responsibility for that. This is the first step on that road.

Many people have said they have a problem as far as the tax decrease. But 2 years ago, we had a tax increase that I voted against. I did not feel that we should go in that direction. I felt that we should cut spending first. I believe that we need to roll it back. The bill 2 years ago was a tax increase of $246 billion over 5 years. The tax cut that we have in this package is $281 billion over 7 years. I believe this tax cut will relieve some of the pain during readjustment. But more than that I believe

that this budget puts in place a system where we are on the glide slope to a balanced budget, and that we can make a difference.

In the words of the ultimate Republican Abraham Lincoln, ''There are few things wholly evil or wholly good. Almost everything, especially of Government policy, is an inseparable compound of the two, so that our best judgment of the preponderance between them is continually demanded.''

Alan Greenspan said that all the talk about the next generation not having a better standard of living than the previous generation will be gone if we are on a line to a balanced budget. If successful, we will unleash the power of our economy, the most powerful now, the most powerful that has ever been in the history of the world. An economy that can do phenomenal astounding things. We have to release the restrictions placed on us by the deficit and the debt. If you look at fairness, everyone participates. It is a fair budget. It is a hard budget. But it has to be hard in order to make it work.

For a long time, there have been many of us who have been pushing for us to get out fiscal house in order. The amazing thing about it is that if we had done this 10 years ago, it would have been so much easier. We could have made the necessary changes—we did not do it. Many people blame Ronald Reagan and the early 1980's. That is, to some degree, true. There were problems back then—things were not handled right by either the Republicans or Democrats. But I think we need to go back further than that, back to the mid 1960's when we put entitlement programs on automatic pilot and Congress abdicated its responsibility.

Compound interest is a fascinating thing when we put all these entitlement programs on automatic pilot, we abdicated our responsibility. What happened was we just sat back and our debt reached a trillion dollars by the time we reached the 1980's. And when you start dealing with figures like that, you see growth that is devastating. Now we are approaching $5 trillion in debt.

We cannot sustain the debt that we have and the growth in deficit that we have. It cannot be sustained. And from a generational standpoint, when you look at our kids and our grandchildren, in order to maintain the programs that are in place, if the status quo exists, they are going to be paying from 75 to 84 percent of their salaries to the Federal Government just to maintain the programs that are there.

It has not worked. The status quo is destroying us. And just like when many Republicans believed we must throw more and more money at Defense, that wasn't the answer. We wasted a lot of money. The same is true of throwing more and more money at social programs, where a lot of them don't do any good. It is not working. We must change.

All of us care. All of us want to do what's right. All of us love this Nation. But I believe the real choice is whether we really want a balanced budget. Do we really want it? Are we willing to pay the price to get to that point? You will vote for any bill that you want. But, in the final analysis, the bill that has been reported out of the Budget Committee, is going to be the bill that is going to make it or not.

I believe it is going to make it this week. And if you really believe in a balanced budget, if you really believe that we must change the course of this Nation, if you really believe that we need fiscal responsibility to come back in and be an integral part of our decisionmaking, if you really believe we need to take the first step to let the American people know we are serious about this problem, then you must vote for this.

I know all the political arguments. I know a lot of people are going to be calling. I know that a lot of people are going to be upset. In fact, I think everyone is going to be upset before it is all over with. But it is about time. It is about time that everyone in this country got upset. It is about time that they realize we need to do something. It is about time they decided that they need to participate. The time has come. And I am very happy to be able to vote for this budget.

I am glad that I have been permitted to be here on this historic week, to participate in this process where we can actually make a difference—a true difference for this country where I can look at my children and say I had a part in changing the direction of this country. And I did not worry about the political ramifications and I did not worry about my political future—I did what I felt was necessary.

That is what I want each of you to do. I want you to search your heart and do what you feel is right. If you disagree, then disagree; you have every right to disagree. But if you are like me and you feel that the time is come to change the course of this Nation, I ask you to join me and proudly vote for this budget.

Earlier I quoted President Lincoln, let me close with these words from John F. Kennedy:

> . . . Democracy means much more than popular government and majority rule, much more than a system of political techniques to flatter or deceive powerful blocs of voters. . . . The true democracy, living and growing and inspiring, puts its faith in the people—faith that the people will not simply elect men who will represent their views ably and faithfully, but also elect men who will exercise their conscientious judgment—faith that the people will not condemn those whose devotion to principle leads them to unpopular courses, but will reward courage, respect honor and ultimately recognize right.

I ask each of you to please join with me. Let us pass the committee budget—it is the right thing to do.

□ 1715

Mr. SABO. Mr. Chairman, I yield 20 seconds to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Chairman, I just think it is important for me to respond to the gentleman from Ohio who asked me how Minnie Wilensky from Queens County knew about the increase in the deductible, the increase and the copayment, and I think it is very important that we be honest in this debate. I say to the gentleman, page 5, page 18 of your budget, Mr. KASICH, talks about——

The CHAIRMAN. The time of the gentlewoman from New York [Mrs. LOWEY] has expired.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Ms. WATERS].

Ms. WATERS. Mr. Chairman, the senior citizens in my district are in fundamental opposition to the Republican budget, and I rise to support them.

All is not well in America today. The wages of working people are stagnant. Corporations downsize or flee our shores altogether in search of cheap labor. Fewer workers have pensions to look forward to in old age and employers seek to squeeze employee health benefits.

Tragically, this budget does not address those fundamental problems. Instead, it would cut taxes for the rich, and—amazingly—it would pay for those tax cuts by cutting Medicare.

This Republican budget is an assault on the Medicare Program. We have a compact with our senior citizens. Between Social Security and Medicare, this country has reduced elderly poverty, tended to the sick, and assisted in long-term care for our mothers, our fathers, and our grandparents. With this budget, Mr. Chairman, all this could come to an end.

To our shock, this Republican budget would destroy years of trust between the Federal Government and seniors. The $283 billion in Medicare cuts would have several different consequences. Many costs that are currently paid by the Medicare Program would probably be shifted to Medicare beneficiaries in the form of higher premiums, deductions, and coinsurance payments, such as the proposed 20 percent home health coinsurance.

Let me share the story of my friend and constituent, Mrs. Pat Eastman. Mrs. Eastman is a World War II veteran. She is 82 years old and lives alone. Mrs. Eastman has numerous medical problems. While she is a veteran, she does not qualify for medical service through the VA because she is not 50 percent service-connected disabled. Mrs. Eastman has to pay someone to transport her back and forth to the VA for outpatient care. She has to pay a copayment for her medications. Recently, Mrs. Eastman was hospitalized for severe infections from Ecoli bacteria.

Since her discharge from the hospital, Mrs. Eastman has had to rely on the services of a visiting home nurse who comes to her home three times a week. Without these home health services, paid for by Medicare, Mrs. Eastman would have had to remain in the hospital or be transferred to a skilled nursing facility.

Mrs. Eastman has a long history of service to the Los Angeles community as well. She was a vote registrar. She sat on street corners and helped register people to vote. She continues to be a member of our California senior legislature. Pat Eastman has devoted her life to making her community and her country better.

It is estimated that approximately 3.8 million Medicare beneficiaries will use home health services, in 1996. Under current law, these services are covered by Medicare. If Republicans have their way, Mrs. Eastman and the other Medicare beneficiaries will have to pay an additional $900 out-of-pocket for home health services; this amount will rise to $1,200 in 2002. This 20-percent coinsurance will not save money or reduce Medicare costs. It will simply drive many Medicare beneficiaries into nursing homes because they will not be able to afford the home health services that would enable them to remain at home.

At age 82, after all the hoopla surrounding the 50th anniversary of V–E Day, this heroic World War II veteran should not be abandoned.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. TRAFICANT].

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

Mr. TRAFICANT. Mr. Chairman, these budgets are going to cut seniors, workers, farmers, pensions, economic development, community development, roads, bridges, highways, wastewater treatment plants, sewer projects, all in America. These budgets will still provide billions and billions of dollars for the defense of Japan, Germany, Europe, even money for Russia. There is not one penny, one penny in cuts, for either Israel or Egypt, not one penny. We have a budget in America, my colleagues, that will not touch Israel, will not touch Egypt, takes care of Japan and Germany, but no one in America is free from the ax.

I will have no part of it. I am going to vote ''no'' on every one of these budgets because to me they are not an American budget, and, by God, where is the Democrat Party?

Mr. Chairman, I say to my colleagues, ''I don't blame the Republicans. I commend you for some discipline. But what you're disciplining is the American people. We shouldn't be closing bases in America. Close the bases overseas. We got troops falling out of chairs over there without arm rests. Bring them home. Let them cash their check in America.''

I am not voting for any of this. None of this is worth my vote, and I think the Democrat Party better start working out a budget before we are a minority party for a damn long time.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas [Mr. BENTSEN].

Mr. BENTSEN. Mr. Chairman, let me start out by saying that my perspective on this is a little bit different than a lot of the other Members here.

Earlier today, when I was back in my office working on this, I had a chance to watch some of the debate, and I heard some of the Members on the other side of the aisle come back and say, ''Well, you voted to raise taxes that amount in your district time and time again.'' As one of the new Members here, obviously I was not here during the last bill, but let me go back to 1981, when I was a college student and we started down this road by spending too much money, not cutting spending, and cutting taxes primarily for the wealthy, and not being willing to pay for it. Yes, we ran up a $4 trillion debt, and that is not fair to the American people, but this budget is not fair either. We should balance the budget but not do it this way.

This is not fair. Just like 1981, Mr. Chairman, we are going to cut taxes for the wealthy, but now we are going to pay for it by cutting Medicare and Medicaid, and in particular cutting Medicare which people have paid for. We are going to change the rules on them. Many seniors are going to see themselves paying higher deductibles, higher premiums, higher co-payments. Over 2½ million Texans will pay more than $4,000 over the next few years for the same benefit. If that is not a cut, it certainly is a bad deal.

Seniors will definitely lose their choice under the Republican plan, the choice to choose their doctor. I do not think that is what they want. The Republican budget will also cut the Medicaid program by 184 billion over 7 years. This is a 30-percent cut that will not just hurt the poor, but it will hurt the children.

We heard a lot of talk about the children. My friend, the gentleman from New York [Mr. LAZIO], talked about his two children. I, too, have two young children who are preschoolers. Last Christmas my youngest daughter got sick. I rushed her to Texas Children's Hospital at 11 o'clock at night to see a doctor in an emergency room which is full of children from all walks of life in the Houston area. Texas Children's Hospital, which is the premier children's institution in the Southwest, funds 48 percent of their budget for Medicaid funds to pay for disproportionate care for neonatal costs, and this budget would cut it and would cut it across the board.

So we talk about the children and what we are doing to protect them, but we are going to cut the children under this budget, and we are going to cut it and use the money to pay for tax cuts for the wealthiest, and that is simply imprudent, and it is wrong.

This budget will not just cut seniors, but it will also cut the research that we do at our hospitals. How can we have a better health care system if we are willing to stop the research we do? How can we say we are going to provide better health care for Americans when we do not want to provide the dollars so we have residents so we can create more doctors? We have talked about the need for more primary care doctors, but we are not going to get them under this budget because we are going to cut the funding for it. That makes no sense whatsoever.

Let us balance the budget, yes. But let us do it fairly. This budget is not fair. It does not address the problems fairly. There is a tax cut for the wealthy which we cannot afford, and it makes the middle class pay for it.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Ms. ROYBAL-ALLARD].

Ms. ROYBAL-ALLARD. Mr. Chairman, I rise to denounce the Republican plan to pay for tax cuts for the wealthy by destroying Medicaid: our country's ultimate health care safety net.

To fund their $340 billion tax cut for the wealthiest Americans, Republicans intend to slash the Medicaid benefits of 32 million Americans, 65 percent of whom are children and the elderly.

Tragically, their proposals ignore the human costs.

Republicans say they are increasing the Medicaid budget by 4 percent. What they do not say is that this meager increase is insufficient to offset the rapid growth of the elderly, the young, and the alarming rise of health care costs.

Under their proposal, the youngest Americans will suffer grievously.

During 1988 to 1991, poor children receiving medicaid coverage increased from 54.3 to 63.6 percent. This trend is projected to continue upward into the 21st century.

At present, Medicaid offsets the loss of private health coverage during economic downturns, giving millions of children coverage when parents are laid off.

The Republicans budget proposal, however, makes no allowances for coverage during economic decline. Therefore, when parents lose their jobs children will suffer without health coverage.

Without sufficient Medicaid funding, more than 3.7 million senior citizens currently receiving health services from Medicaid will also suffer.

In my district families like Forest and Ruth Haver are concerned about their health care future.

The Havers, in their eighties, living on a fixed income, are worried that the cuts will make them unable to afford the health problems which have left Ruth homebound.

Steve, their only child and a local fire captain, is willing to do all he can financially.

He also worries whether that will be enough if his parents' benefits are cut.

The Medicaid safety net is vital to the health of older women, for it is women who bear the brunt of Republican cuts. Consider that: Women are 75

percent of all nursing home residents aged 65 and older and are more likely than men to have chronic disabling conditions; and, that women 75 or older have an average annual income of only $9,170—one-third the annual cost of most nursing homes.

To cap Medicaid spending at 4 percent, Republicans will leave millions of children, low-income elderly, and particularly women, without critical health services.

We must not sacrifice our Nation's children, seniors, and families to benefit the wealthy. I urge the defeat of the Republican budget resolution.

□ 1730

The CHAIRMAN. The Chair's math was in error. At the present time the gentleman from Minnesota [Mr. SABO] has 95 minutes remaining, and the gentleman from Ohio [Mr. KASICH] has 93.5 minutes remaining.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from Florida [Mrs. MEEK], a member of the Committee on the Budget.

(Mrs. MEEK of Florida asked and was given permission to revise and extend her remarks.)

Mrs. MEEK of Florida. Mr. Chairman, I am new to the Committee on the Budget. I commend the integrity and demonstrated brilliance of our chairman, Mr. KASICH. I commend the coolness and calmness under duress of my ranking member, Mr. SABO. I do not care, I am calling this entire thing the Kasich manifesto. He is behind all of this. He is a brilliant man, but he has not been to some of the places I have been, Mr. Chairman. He has not had those experiences.

I have heard today about misplaced compassion. There is no such thing as misplaced compassion. He met a couple in the hall that thanked him for trying to balance the budget. But he has not heard from the old lady in North Miami who said to me not ''Thank you, CARRIE MEEK,'' but ''Why? Why is it that the budget has to be balanced on our backs?'' I said, ''Well, I voted against the balanced budget amendment because I felt it would be balanced on your backs.''

Then as I talked to a young student who came here in a wheelchair to say to me ''I need help,'' and he asked me also, why? I ask Mr. KASICH, why? Why do we have to balance the budget on the backs of these people?

I hear all the numbers. I hear all the rebuttals. I see all the charts. But it is one thing that they do not answer: Why is the budget being cut the way it is?

Yes, we will work toward a balanced budget. But does it have to be done on the backs of poor people for the benefit of the rich? I want to say to each one of you, you cannot block grant your responsibility. You can block grant a lot of other things, but you cannot block grant your responsibility. You cannot block grant a method of providing quality care for the poor and the elderly population.

You have poor folks back home. You also have elderly people back home who cannot pay for the care they are going to need in the nursing homes. These are your mothers, these are your fathers, these are your disabled children. So you cannot balance that through a block grant program.

I feel that this is a concern which Congress has to keep. You cannot abdicate that responsibility. You cannot pass it off to the States. This is your responsibility, to take care of the people who are being taken care of through Medicaid. There is no other way.

I want you to say no to this budget, because what this budget does is it forgets about certain beneficiaries, laboratory services and x ray services, immunization, prenatal and nursing home care. You are thinking you can block grant Medicaid. You cannot do it. You want to save $5 billion over the next 7 years or so. Over $180 billion in cuts have to be absorbed by the States. I wan to say to you, Mr. Chairman, and the admirable Mr. KASICH, it cannot be done.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from North Carolina [Mrs. MYRICK] a former mayor and a member of the Committee on the Budget.

Mrs. MYRICK. Mr. Chairman, we hear a lot about what is wrong with this budget, and I would like to talk a little bit about what is right with this budget.

Mr. Chairman, we feel that we have a moral responsibility to leave this world better than when we found it, and part of this is taking on that responsibility for our children's future and looking at what we are going to leave them. In putting together this budget, it was not just quickly put together. There is much thought that has gone into this. It has gone by line by line and program by program, agency by agency, and said is it necessary? Is there a better way to do it? Is it worth spending our children's future?

I came here because of 6 grandchildren. In addition, I look after a 92-year-old elderly lady who has no family who is in a nursing home. So I am very familiar with what people are going through. We are handling that in our own family right now.

But we are doing a lot of things that are necessary in my district, and people are telling me it is necessary, we want you to do it. And I want to talk a little bit about some of the things the changes that need to be done.

We are cutting foreign aid by $29 billion and eliminating a lot of wasteful programs. We are keeping our promise not to touch Social Security. There are not going to be any changes in Social Security coming up. We are block granting job training, because there are 163 different job training programs right now. It is very confusing. They do not all work. So we are finding how all this can work together and saying let us take the duplication out and really make it reach the people who need the job training.

We are eliminating some departments, Education, Commerce, and Energy, because there is a lot of wasteful bureaucratic structure there. There are over 71 duplicative programs in commerce throughout Government. That is ridiculous. It is a waste of money.

We also are terminating and privatizing 284 programs, 13 agencies, and 69 commissions. Sure, there are good changes, but it is a better way to spend our tax dollars. Privatizing is the way to go. We are privatizing General Services, Public Broadcasting, other things that can carry their weight only the open market, and looking for a better way to deliver the services.

We are stopping a lot of the Federal subsidies to business and industries, things they do not need Government help on. They do it themselves.

So the bottom line is, we are looking at this responsibly. We care about what is going to happen. We care about where our children and our grandchildren are going to end up. And we want to make Government work better, and let the people at home make their decisions and let them keep the money in their own pocket. They can spend it better than the Federal Government can.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. BEVILL].

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

Mr. BEVILL. Mr. Chairman, the Committee on the Budget proposal to slash Medicare will put thousands of Alabama senior citizens in jeopardy. Many of them already have to choose between paying for food and paying for medicine. This dilemma will only get worse.

The Committee on the Budget has proposed to carve huge holes in the safety net which many elderly people depend on. Those who are teetering on the edge are more likely to fall through the cracks under this proposal.

Ruby Swann, of Glencoe, AL, broke her leg a year ago and had to have a knee replacement this year. She is a widow, 76 years old, who lives on her Social Security. She told me people like her are just scared to death over this proposal, and I believe her.

Jessie Box, a 78-year-old widow from Etowah County, depends on her Social Security. She suffers with arthritis. She had a similar experience. These women are not alone, and under the House Committee on the Budget's proposal, the average Alabama beneficiary will pay about $3,561 more out-of-pocket over the next 7 years. Those who use home health care will pay an estimated $900 more for their services in 1996.

I have voted for every deficit reduction bill in recent history here in the House. But I will not vote for this bill,

produced by the majority party, which will put the financial burden on those who can least afford it, our senior citizens. It is just not right, and my colleagues know it.

Mr. Chairman, I am strongly opposed to this, and I urge my colleagues to defeat this budget measure.

Mr. KASICH. Mr. Chairman, I yield 30 seconds to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. I would just like to point out to the gentleman that in Alabama, the amount of money it gets is $3 billion under our plan. By the year 2002 it will get $4.3 billion. I point out to the gentleman from Alabama that the per beneficiary amount is $4,800. Under our plan it goes to $6,361.

Mr. Chairman, only in this town do you call an increase in spending cut.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from Texas Mr. PETE GEREN.

(Mr. PETE GEREN of Texas asked and was given permission to revise and extend his remarks.)

Mr. PETE GEREN of Texas. Mr. Chairman, I thank my friend for yielding.

The low point in my service as a Member of Congress was March 17, 1994, when the balanced budget amendment went down by 18 votes. A dozen Members who cosponsored the balanced budget amendment were persuaded at the last minute to vote against it, and they did, and they brought it down.

It hit me that day that if a dozen Members were willing to suffer the embarrassment of voting against a bill that they had their name on, that they cosponsored, that forces behind deficit spending were so powerful that they would always win. The future would always lose. Political reality was that the status quo, the deficit, would always win. The arguments might change, but the results were always the same.

It hit me that day that what the cynics had always said was true, that everybody says they want a balanced budget, but no one is willing to do what it takes to get there. Everyone wants to go to heaven, nobody wants to die.

I concluded that we in Congress are doing nothing more than rearranging the deck chairs on the *Titanic,* and I wondered what we were doing here.

With those facts, it was simple and depressing arithmetic: The United States was going to go broke. Not now, not today, but later, and with certainty. Now little more than a year later we are going to pass a balanced budget. The cynics were wrong. We can do it. We will do it. The debate is not if, the debate is how.

My colleagues, this is a great day. I do not care if your greatest concern is education, transportation, defense, childhood nutrition, health care in general, Medicare specifically, the path we have been on is going to destroy it. There will not be less Medicare, there will be none. Eventually the debt on and the interest on it will destroy everything worthwhile that Government can do. That is simple arithmetic, and a year ago that seemed inevitable. Tomorrow we change course.

Who wins? All Americans. It is not the greedy versus the generous, men versus women, rich versus poor, young versus old, have versus have-nots. As some of my colleagues would characterize it, everybody wins. A balanced budget means a brighter today and it means a brighter tomorrow.

Is the coalition plan perfect? No. Is the Kasich plan perfect? No. There are differences in the two, but they agree on the most important point: They balance the budget. A year ago a balanced budget was a pipe dream. Tomorrow, thanks to some courageous Members, it is a reality.

Some of my colleagues attacked these balanced budget provisions as mean-spirited and cruel. As compared to what? Mr. Chairman, the present course is cruel. The status quo is cruel. To beggar the future, to condemn future generations to financial ruin, is cruel, it is wrong.

Balancing the budget is tough, harder than I ever imagined it would be. But it is not cruel, it is good, it is fair, it is the right thing to do, and tomorrow we will do it.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. FILNER].

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

Mr. FILNER. Mr. Chairman, I rise in strong opposition to the Republican budget resolution.

Mr. Chairman, I rise in strong opposition to the Republican budget resolution for fiscal year 1996.

I am filled both with awe and with sadness today. I am indeed awed by the tenacity, the discipline, and the enthusiasm of my colleagues on the other side of the aisle. Their zeal and determination in their quest for a balanced budget must be admired.

But I am also saddened. Would that they were a bit more compassionate, less greedy, more even-handed, less protective of special interests in their budget.

Let us take a closer look at this budget they are proposing.

Cuts for students from preschool through college, cuts for veterans, cuts for seniors, cuts for arts and culture, cuts for farmers, cuts for the working poor, cuts for middle-income Americans. Cuts for everyone except the wealthy and special interests.

Take one example: It seems that veterans—yes, our Nations' veterans—have been singled out for cuts beyond those proposed for other major national programs. I fail to understand how we can repay the very people who fought for our country with massive cuts to the medical care and benefits they were promised. Veterans Secretary Jesse Brown estimates that this budget will eliminate treatment for 1 million veterans a year and will require the closure of almost 40 hospitals. And, maybe saddest of all, it will cut programs to help homeless veterans get back into jobs and productive lives.

Another example: Of the programs targeted for elimination, over half are in education—from the smallest Cabinet Department which receives only 2 percent of the Federal budget. In fact, the Department of Education itself is scheduled for elimination under this proposal. Do we care about our children? Don't we know that a good education is the key to a good life?

Several million students will lose access to educational opportunities beyond high school due to reductions in Federal scholarship and grant programs. And with the elimination of the in-school interest exemption, the debt burden for students with loans could rise 20 to 50 percent.

This resolution attempts to control Medicare spending when it is widely acknowledged that Medicare can only be fixed in the context of overall health care reform. If this budget resolution becomes law, the result will be higher premiums, higher co-pays, and higher deductibles for senior citizens under Medicare. Already, many seniors are choosing between food and medicine, heat and in-home nursing care. In addition, reducing the Federal Government's COLA formula is a back-door way of cutting Social Security benefits.

Lower and middle-income Americans seem not to count in this budget. By contrast, the wealthiest Americans and corporations not only are spared the wrath but are rewarded with tax cuts.

We do not have to cut programs that are the heart of what our country stands for in order to balance the budget. I recently introduced legislation to close a glaring loophole for a few giant mutual life insurance companies. Do you know that these companies have been paying no tax on earnings from business activity since approximately 1986? My bill, cosponsored by Congresswoman HELEN CHENOWETH, would reduce the deficit and, at the same time, require no new funding, attack no one's programs, and raise no new taxes.

What it does is close a $2 billion loophole—that is $2 billion per year. Closing this loophole would require only that these companies pay their fair share—and, at the same time, the Nation's small insurance companies would be helped by our efforts and would receive significant tax relief.

I cannot in good conscience vote to slash money from the earned-income tax credit which says that if you work, you should not have to live in poverty. I cannot in good conscience vote to slash low-income heating subsidies, Head Start, college loans, veterans' health care—when $2 billion corporate loopholes exist.

If we pass this budget, we will be trading one deficit for another—we will produce a deficit of compassion, a deficit of spirit. As a country, we are losing our soul.

We will be telling our children, you don't matter. We will be telling our seniors, you don't matter. We will be telling students and veterans, you don't matter. We will be telling hard-working, middle-class Americans, you don't matter.

I would say to my fellow colleagues that we all do matter. I urge you to vote against this budget resolution.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. PETERSON].

Mr. PETERSON of Florida. Mr. Chairman, I was 1 of the 72 Democrats

who supported the balanced budget amendment earlier this year. Then, as now, I firmly believed that we must put our fiscal house in order. We must control spending. We must reduce the deficit. If we do not, quite simply the quality of lie of all citizens, rich, poor, it matters not, we are all in this together, we all lose.

Let me say again, unequivocally, that to preserve the American dream, we must balance the budget. But, as with all things, there is a right way and a wrong way. Today I rise in support of the alternative budget supported by my colleague from Texas, Mr. STENHOLM, and the gentleman from Utah, Mr. ORTON.

□ 1745

A level-headed approach to deficit reduction, it requires sacrifices from everyone. Our friends on the other side have couched their arguments essentially without detail, looking only toward the end product, which is the balanced budget.

Well, now that we agree on the end, let us look at the means. The Democratic alternative balances the budget and reduces the national debt $160 billion lower than the Republican plan. In the process of balancing the budget, however, we restore funding to guaranteed student loans, areas of education, health research, and economic development.

So we can all agree on the benefits on deficit reduction for future generations. The Republican plan, however, would take and place that same generation at risk by cutting student loans, underfunding Head Start, abolishing the Department of Education, and cutting funding for immunization and child care.

Under the Democratic plan, everyone is asked to sacrifice, but we also recognize the need to invest in America and in our future.

The real choice tomorrow will not be between balancing the budget or continuing deficit spending. The choice will be how do we want to balance the budget.

I say we have a responsibility to act responsibly and to support the alternative budget proposed by the gentleman from Texas [Mr. STENHOLM] and the gentleman from Utah [Mr. ORTON].

Mr. KASICH. Mr. Chairman, I yield 2 minutes and 30 seconds to the distinguished gentleman from Cleveland, OH [Mr. HOKE], a member of the Committee on the Budget.

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

We are going to spend $11.5 to $12 trillion over the next 5 years. I have never seen from the other side a glass more half empty than in the characterizations that we have heard about it. It is just, it is stunning. Let us talk about some of the positives.

Church bells should peal from all over this Nation tomorrow as we do something that has not been done in 26 years. This is a cause for a celebration. What does it mean? It means that our streets are going to be safer. It means that there are going to be greater opportunities for our children. It means that there will be more jobs. We are saving Medicare. We are preserving the blessings of liberty to ours and to our posterity. This is a time to celebrate.

I was asked by the chairman of this distinguished committee to head up the internatonal affairs function working group, and I want to report to this House and to the American people that we have done exactly what they wanted to do. We have done with foreign aid exactly what the American people have called on us to do for a long time, and that is to make some significant, significant realignments with respect to what we are doing.

We are talking about a reduction of $29 billion over 7 years from programs that are in the international functions. It means about a 22 to 23 percent reduction in spending in that area.

Let us talk specifically about some of the things that we are doing. We are reducing subsidies for the Export-Import Bank and for the Trade and Development Agency, and we are privatizing the Overseas Private Investment Corporation, that is OPIC. That is commonly known to many people as corporate subsidies or also known as corporate welfare.

We are ceasing supporting the International Development Agency, IDA. We are reforming the Multinational Development Bank. We are eliminating the United States Information Agency's cultural and educational exchanges, and we are terminating the overseas nonmilitary broadcasting.

We are also reforming and we are restructuring the State Department by absorbing ACDA, the Arms Control and Disarmament Agency and the Agency for International Development. We are completely revamping. In fact what we are doing with the State Department, we are doing exactly what the President's advisors had said to do, and then backed away from it the very last minute.

We are making the changes that America wants and we are doing it not just for this Congress but for the future generations, for the children.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE. Mr. Chairman, I thank the gentleman for yielding time to me and very ably leading the Committee on the Budget. My remarks will warrant no applause and certainly arouse not much interest other than simply some boredom. Because I come simply to tell the truth about Medicare, part A and part B.

When you get your form in the mail and senior citizens look at it, they see part A and part B. The hospital insurance program, part A, pays for in-patient hospital care and other related care for those age 65 and older and for the long-term disabled.

Hospital insurance is financed primarily by payroll taxes with the taxes paid by current workers and their employers used mainly to benefit current beneficiaries. Income not currently needed to pay benefits and related expenses is held in the HI Trust Fund. So those working today pay for those needing today.

Why is it in trouble? Interestingly enough, it is in trouble for a good reason. They are increasing the number of elderly, our elderly population is growing. What do the Republicans want to do? Cap the program at 5 percent growth when the number of beneficiaries are growing in proportion. What kind of a reasoned brainstorm is that?

In 1994, 32 million seniors and 4 million disabled cost $104.5 billion, only $95.3 billion was put in of 141 million workers. The real issue is that what the medical trustees have suggested is the reason we have some sort of short range financial inadequacy is because seniors are growing, elderly populations are growing. Let us fix Medicare, not cut it.

My constituent, Viola Smith, 71 years old, Houston resident, arthritic Medicare recipient has said, Please, do all that you can to stop the harsh cuts of the Medicare program. I will not make it without my benefits.

Folks, this is smoke and mirrors. The reason why we are talking about financial instability is because our senior population is growing. If you cut $283 billion with a growing senior population, what sense does it make?

I am here simply to tell the truth. Let us fix Medicare and let us not break it.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Michigan [Mr. DINGELL].

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

Mr. DINGELL. Mr. Chairman, we are confronting here an interesting exercise in which relatively few choices exist with regard to the Members of this body. The measure before us, the base measure, is fiscally irresponsible in the extreme. It places the responsibility for drawing down the deficit squarely on the backs of the most vulnerable portions of our society: children, veterans, senior citizens.

Here are some of the cuts that are proposed: $280 billion reduction in Medicare. This will require senior citizens to pay an additional $1,060 in out-of-pocket expenses in the year 2002.

Earlier today a Member on the other side of the aisle asked how anyone could characterize Medicare cuts as being draconian. I would simply quote that the distinguished current chairman of the Committee on Commerce charged that these cuts in the last session were draconian. These reductions are, those reductions were two-thirds below those suggested today.

The resolution targets seniors by cutting senior citizens COLAs by $24 billion between fiscal year 1999 and the year 2002. This will reduce the average

senior's benefits each year by about $240. The resolution before us also reduces Medicaid by about $184 billion. These changes will limit access to health care for many older Americans and threaten their financial security. They will also result in seniors being ejected from nursing homes.

It is clear that the Nation has to reduce the budget deficit. It is a threat to our long-term economic strength. However, attacking the most vulnerable, dealing with those who have concerns and who indeed are our future is unwise. Reducing the educational opportunities of our youngsters is perhaps one of the most foolish kinds of raids on good investment practices and good economic policies this country can make.

The benefits, however, that will be accrued from this proposal are those few in this country who already have plenty. Better than half the benefits in the $350 billion tax cut package that are before us in this legislation or will later come will go to Americans earning more than $100,000 a year.

During today's debate, my colleagues on the other side of the aisle have frequently asserted that the buildup of the national debt over the last 14 years is the fault of the Democrats. Nothing is further from the truth. An examination will show that my Republican colleagues and indeed Presidents Bush and Reagan submitted and supported budgets wildly out of balance, and they made inaccurate assumptions and included asterisks to indicate that there might be some savings appearing at some future time.

The Democratic Congress has cut every one of those budgets save one. Indeed the Congress saved some $49 billion that was suggested for expenditure by the prior administrations.

I urge my colleagues to reject this outrage.

Mr. Chairman, I rise today in opposition to House Concurrent Resolution 67, the budget resolution for fiscal year 1996.

This measure is fiscally irresponsible in the extreme. It places the responsibility for drawing down the deficit squarely on the backs of the most vulnerable in this Nation—children, veterans and seniors.

The harsh cuts that have been proposed include:

A $280 billion reduction in Medicare. This will require seniors to pay an additional $1,060 in out-of-pocket expenses in 2002.

Earlier today a Member on the other side of the aisle asked ''How anyone could characterize the Medicare cuts being proposed as draconian?'' I would remind him that the distinguished chairman of the Commerce Committee, the committee charged with making these cuts, characterized the Medicare savings included in the 1993 budget as draconian. These reductions were a full two-thirds below those being considered today.

The resolution also targets seniors by cutting Social Security COLAs by $24 billion between fiscal year 1999 and fiscal year 2002. This will decrease the average yearly benefit by $240.

The resolution before us also reduces Medicaid by $184 billion.

These changes will limit the access to health care for many older Americans and threaten their financial security. They will also result in seniors being knocked out of nursing homes.

We clearly must work to reduce the deficit which poses a threat to our long-term economic strength. However, as we work to prevent future generations from being saddled with enormous debt burdens, it is imperative that we proceed in a responsible and fair manner. The budget resolution that the majority has introduced clearly does not meet this standard.

As I mentioned the cuts in this resolution fall hardest on those who most deserve our support. Yet, the benefits are localized to the lucky few in this Nation who already have plenty. Better than half of the benefits of the $350 billion tax cut package that has been included go to Americans earning more than $100,000 a year.

During today's debate, my colleagues on the other side of the aisle have frequently asserted that the buildup in the national debt over the last 14 years is the fault of the Democrats. I believe an examination of recent history shows that the memories of my Republican colleagues, with respect to this matter, are very convenient.

For 12 years, Presidents Reagan and Bush submitted budget proposals with rosy economic scenarios, inaccurate assumptions and asterisks instead of savings. While both called for a balanced budget, both submitted budgets grossly out of balance and left it to Congress to cut their requests. Congress did so in every year save one. In fact, the Congress appropriated almost $30 billion less than both Presidents requested.

Now we are hearing that the administration is not committed to deficit reduction. This strikes me as peculiar indeed in light of the fact that our President, unlike his predecessors, had done more than just talk about deficit reduction.

Two years ago when the President came forward with a very successful budget plan, a Republican alternative was nowhere to be found. Instead we heard fearful cries that the Clinton budget would lead to near term economic calamity.

Our distinguished speaker asserted that the budget plan would lead to a recession and actually increase the deficit.

And, our majority leader classified it as job-killer in the short run.

Despite the unwillingness of a single Republican to vote for the plan, it was passed and signed into law. The successes it has contributed to speak for themselves. Better than $700 billion in deficit reduction; the creation of close to 7 million jobs; and a tax cut for 20 million low-income working families. Yet, only the richest 2 percent have been asked to pay more in taxes.

Now we are being asked to consider a package that takes a completely different approach. An approach, which I might add mirrors the failed supply-side economic policies of the Reagan and Bush years.

It targets those who have been hurt most by trickle down policies—the low-income and middle-class families of this Nation. Over the past 15 years this group has seen their annual incomes stagnate and in many cases decline. The wealthy however have enjoyed unprecedented gains.

Mr. Chairman, this Voodoo Economics II budget plan does not represent a constructive and sound proposal for bringing the deficit down further. I urge my colleagues to vote against the resolution.

Mr. KASICH. Mr. Chairman, I yield 30 seconds to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, only in Washington is an increase in spending a cut. In Michigan, to the gentleman that just spoke, we are going to spend 44 percent more in Medicare, the per beneficiary is going to go from $4,600 to $6,100. The gentlewoman before talked about it being a cut when we are increasing Medicare in Texas 53 percent. The per beneficiary is going to go from $5,000 to $6,600 per beneficiary.

Only in Washington is an increase in spending a cut.

Mr. KASICH. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Washington [Ms. DUNN].

(Ms. DUNN of Washington asked and was given permission to revise and extend her remarks.)

Ms. DUNN of Washington. Mr. Chairman, I rise in favor of the Kasich budget.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from the State of New Jersey [Mrs. ROUKEMA].

(Mrs. ROUKEMA asked and was given permission to revise and extend her remarks.)

Mrs. ROUKEMA. Mr. Chairman, I rise in, qualified, support of House Concurrent Resolution 67, the Budget Committee's version of a fiscal year 1996 budget resolution in this historic debate we are holding today.

For the first time in more than a generation, the House of Representatives is debating a series of budget resolutions that all share a common trait: the Federal Government's budget will be balanced by the year 2002.

The goal of a balanced budget is not an abstract exercise that some economists or ''green-eyed shade types'' thought-up in their ivory tower.

It is an essential economic tool to get the savings and capital investment we desperately need for research and development, and new plant and equipment to rebuild the American economy; keep us competitive in the global economy and create the good jobs at good wages we need for this generation and those to come.

Obviously, the various budget plans we will consider this week have different funding priorities—but that is exactly what the democratic process is all about, and it is a tribute to the diligence of many Members of Congress that we have several different paths we can choose from in order to reach the goal of a balanced Federal budget.

Earlier this year, as I have repeatedly in the past, I voted in support of a balanced budget amendment to the Constitution. I did so because I believe that our country's long-term economic health demands that the Federal Government's fiscal house be put in order.

While the balanced budget amendment was narrowly defeated in the Senate, the need for Congress to do the right thing, and enact legislation that brings the budget into balance, remains as strong today as it was then.

President Clinton's own budget plan, which was released only 4 months ago, projects $200 billion annual budget deficits as far into the future as the eye can see.

This, despite his own successful efforts in 1993 to enact a $500 billion deficit reduction package on top of the $500 billion deficit reduction package that President Bush negotiated in 1990.

An objective analysis of this situation can lead to only one conclusion: our current budget is fundamentally and completely out-of-whack.

Our interest payments on the public debt, currently exceed $200 billion a year, and are projected to increase to a mind-boggling $310 billion within the next 4 years.

If nothing is done, our country is headed for a fiscal disaster.

At the same time, in order to avoid this calamity, balancing the budget will require everyone in the United States to share some of the sacrifice associated with reducing the Federal Government's projected increases in spending by roughly $1 trillion over the next 7 years.

While I recognize that the opponents of House Concurrent Resolution 67 can point to this detail or that detail as unacceptable, but the fact remains that the Budget Committee's plan does not give anyone a ''free ride'' as we struggle toward a balanced budget.

The defense budget will have to take its fair share of the necessary spending reductions. No department can be exempt.

The domestic discretionary budget, which provides funds for most Federal education, housing, environmental, and health programs, will have to make due with $190 billion less over the next 7 years than originally anticipated.

The non-health care entitlement programs, such as Federal employees' pensions, crop subsidies, and welfare programs to name just a few, are facing $220 billion less in funding than originally assumed.

And Medicare and Medicaid, the Federal health care programs for the elderly and low-income respectively, will be asked to make due with $470 billion in less spending than current budget trends allow for.

Without question, this area of savings raises the most concern, and I must state my healthy skepticism about how much can, or should, be accomplished in the near-term.

Some of the recommendations that have been discussed in recent weeks will be subject to intense analysis by this Member of Congress as the House Ways and Means Committee wrestles with the reconciliation instructions it will receive from this document.

But, absent some significant reform what will happen to the Medicare and Medicaid Programs?

Well, for the second year in a row, the trustees for the Medicare Program have concluded that the program will go bankrupt in 7 years if nothing is changed.

Clearly, strong action and bold leadership is needed to ensure that our elderly will be able to receive necessary medical treatment through the Medicare Program, and that Medicare will be there for many hard-working families who will become eligible for Medicare in the next 10 or 20 years.

I, for one, support the establishment of a bi-partisan blue ribbon medicare commission—modeled after the very successful Greenspan Commission on Social Security in the mid-1980s—to make recommendations for preserving and protecting this vital program, which the Congress should enact confident that there is not any hidden political agenda to the recommendations.

All too often, members have implied that there can be short-term ''quick fixes'' to the program's current structure. There are no easy, quick fixes here.

In talking about preserving and protecting Medicare's long-term solvency, let us do it right with the least amount of partisan wrangling as possible.

While the Budget Committee's plan does call for some dramatic changes to these programs, we must keep in mind that the alternative is completely unacceptable: a bankrupted Medicare Program that does not help the elderly and is not there for anyone else either.

With respect to the ongoing efforts to provide middle class families with some tax relief, I supported H.R. 1215 earlier this year because it contained many elements, such as expanded individual retirement accounts, capital gains tax relief, expanded capital investment deductions for small businesses, of a ''Save and Invest in America Agenda'', which I have long advocated.

Indeed, I was one of a small group of Republicans that petitioned our leadership to defer any tax reductions until we had certified that the budget was, in fact, going to be balanced. Unfortunately, these preconditions are not included in the Budget Committee's plan.

It is for this reason that I strongly prefer the budget plan drafted by the Budget Committee chairman in the other body, Senator PETE DOMENICI.

However, we must be mindful that the House Budget Committee's changes in the Tax Code do result in lower Federal revenues in the short-term, which in turn requires that the Congress cut spending further in order to offset these losses.

Currently, the Budget Committee plan provides for $350 in additional spending cuts over 7 years to compensate for the tax relief package.

Perhaps when the conference committee meets to reconcile the House and Senate budget resolutions, they can reach a compromise that provides needed ''Save and Invest in America'' tax changes without requiring almost $400 billion in additional spending cuts to compensate for them.

Nevertheless, I will vote in support of House passage for this measure because it is important to keep this process moving forward, notwithstanding these concerns.

In conclusion, Mr. Chairman, approving the Budget Committee's proposal represents the first step in our annual budget process. The 13 regular appropriations bills, combined with an omnibus budget reconciliation package, will be where the nitty-gritty details of this budget plan are hashed-out.

That process will not be without difficulty, but as we prepare to enact legislation that balances the Federal budget we should not kid ourselves into thinking that it will be easy to do. At the same time, we should acknowledge the terrible cost to our Nation if we do nothing.

Balancing the Federal budget is essential to protect our Nation's long-term financial health, and to ensure that the country our children and grandchildren inherit is as great as the one our parents gave us.

Mr. KASICH. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. GALLEGLY].

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

Mr. GALLEGLY. Mr. Chairman, I stand in strong support of this budget.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. MENENDEZ].

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

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

Mr. Chairman, why are the Republicans proposing a cut of $282 billion to Medicare?

They tell us it is to save Medicare from bankruptcy. But nobody has asked why the plan to save Medicare is in the budget. Could we not save Medicare with another bill?

In fact, they tried it yesterday. Their solution was to vote on a bill that would ask the Medicare trustees to come up with a plan to save Medicare from bankruptcy. But if they are asking the trustees to come up with a plan, what is it that we are voting on today? Do they have a plan, or do they not?

It turns out that one of the trustees has already given an estimate of how much spending would have to be reduced in order to save Medicare from bankruptcy. Asked during testimony before the Senate Budget Committee how much it would take to make the fund solvent by 2002, public trustee Stanford G. Ross answered that it would take about $130 billion in cuts.

So again, why are the Republicans proposing a cut of $282 billion to Medicare?

What are their plans for the other $150 billion?

The answer is, they are giving it away through tax cuts to the wealthy.

Once again, they are cutting an extra $150 billion from Medicare to pay for tax cuts for the wealthy. This while some Republicans are busy telling seniors that Medicare isn't sacred, and that they should tighten their belts.

Mr. Chairman, my mother knows just what it means to have to tighten her belt. She has worked all her life, for years and years in a factory in New Jersey. Today, Medicare pays for her health care. What do such huge numbers in the Republican budget mean to her? Lower coverage, higher copayments, and higher out-of-pocket expenses overall. On average, over $1,000 a year more from her pocket.

My mother is lucky. If increased health care costs make it impossible to make ends meet, she has a family she can turn to for help.

But what happens to those seniors who do not? Do they just tighten their belts a little more?

Who are tightening their belts with this plan, Mr. Chairman? How does a capital gains tax cut tighten anyone's belt? The top 12 percent of earners in this country are going to share in over 75 percent of the benefits from that tax cut, thanks to the extra $150 billion seniors are forking over. That is what this budget is all about; seniors tightening their belts, while Wall Street wonders take their swollen checks to the bank.

Mr. Chairman, let me say to my Republican colleagues, they cannot tell my mother or any other senior citizen in New Jersey or in the Nation that this is not going to cost them one single dime more from their pocket. It is going to cost them very significantly, no matter what they read.

As it relates to the other thing they keep referring to, the 1993 deficit reduction vote, let me say that in my district, that meant over 50,000 families in my district got a tax cut, so they should keep reading their figures, but be honest to the seniors in this country. It is going to cost them more, and they are cutting in a manner that is disproportionate and unfair to people who have worked a lifetime. Vote against this budget.

Mr. KOLBE. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. SMITH], a distinguished member of the Committee on the Budget and chairman of one of our task forces.

Mr. SMITH of Texas. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I think it is relevant to note that my colleague who just spoke voted for the Clinton tax hike of 1993, and it cost his district $431 million. I think it is also regrettable he voted against the balanced budget amendment.

Mr. Chairman, on the Committee on the Budget's way to balancing the budget in 7 years, and increasing the amount that Medicare beneficiaries are going to receive by 33 percent, we have also made Congress and Government tighten its belt first. For example, we have eliminated 3 unnecessary Cabinet departments, we have stopped 284 big Government programs, we have eliminated 69 wasteful commissions, and eliminated 13 agencies, as well. We have also eliminated the favorable pension treatment Members of Congress and congressional staff used to receive. We make permanent the one-third cut in congressional committee staff. We kept our promise. We made permanent a 15-percent cut in White House staff. We helped the President keep his promise.

Mr. Chairman, we also discarded needless bureaucracy. For example, we ended 69 unnecessary big Government commissions, including the Fasteners Advisory Commission, the Dance Advisory Panel, and we also reduced all Government agency overhead and indirect cost.

Mr. Chairman, the House has a historic opportunity we have not had in a quarter century. For the first time in 25 years, we can give our children a better future, restore the American dream, and end the slide in living standards. Finally, after too many unkept promises, too many tax increases, too many false starts, and too little will to do the right thing, Congress will keep its word. This week we have a real life proposal that restrains the growth in Government's budget to increase the size of the family's budget.

Since 1969, the last time our Federal budget was balanced, this Government has run up a $4.7 trillion debt. Our annual deficits of $176 billion plus raise interest rates by an average of 2 percent. That means our deficit costs the typical homeowner tens of thousands of dollars. It also slows growth, closes small businesses, and destroys jobs.

In 1950 the Government took $1 out of every $20 earned by the American family. Today it takes $1 out of every $4 our family has earned. The combination of local, State, and Federal taxes now consumes 40 percent of the typical family's income, an all-time record high. That is wrong. Remember, it is not the Government's money to take, it is the family's money to keep.

A lot of scare tactics and demagoguery are being used today. Some on the other side of the aisle have tried to frighten seniors, students, and others. These naysayers turn American against American, grandparent against grandchild, employer against employee, and retiree against worker, but the American people know better. The people who do the work, pay the taxes, raise the children, and care for the grandchildren will not be divided, one against another. It is not the worker versus the boss, or the young against the old, it is the working and earning class against the taxing and spending class.

This past November the working and earning class spoke loudly and clearly.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Massachusetts [Mr. OLVER], a member of the committee.

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

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

Mr. Chairman, Republicans are cutting Medicare for 35 million American elder citizens and giving tax breaks to the wealthiest Americans and the most privileged Americans. This budget resolution includes, on the one hand, $280 billion in cuts in Medicare for elders, and on the other hand, $340 billion in tax cuts, mostly going to the richest Americans.

The cold numbers are almost too large to understand, but I met with Ruth Jackson on Monday. She lives in Holyoke, MA. She is 77 years old. She has diabetes. Her eyesight is too poor to be able to give her own insulin shots.

She has arthritis. she moves around poorly, with a walker. She lives in the smallest public housing unit available, and this grandmother is the rock on which two of her grandchildren, a grandson in fifth grade and a granddaughter in fifth grade, depend in their broken family. One of them actually lives with her every day. She lives on Social Security and has nothing else. She has a visiting nurse who comes in and provides her 7 days a week for 15 minutes or half an hour an insulin shot. She has 2 to 4 hours a day of personal care.

Mr. Chairman, this Republican resolution increases her Medicare costs by about $4,000, and cuts her home health care. She cannot live independently. She cannot be the stable base for her grandchildren if she is forced into a nursing home. There are millions of Americans 72, 77, 85, mostly surviving women who are like Ruth Jackson, one way or the other. They lose their personal care, housing, home heating, drugs under this resolution.

Mr. Chairman, the Republicans promised to give big tax cuts for the wealthiest Americans and the most privileged Americans, so they are keeping a promise that every American working person knows, that the rich are going to get richer under this deal. In fact, we all, deep in our hearts, understand that these Republican policies do in fact make the rich richer.

However, are we Americans willing to take hundreds of billions of dollars from our elders on Medicare, our most vulnerable and poorest elder citizens, our unemployed and our very poorest, whose only medical care comes from Medicaid, so that those richest Americans can have a tax cut, and therefore be a great deal richer? I hope not. I hope we will vote against this resolution, and vote for the coalition resolution in its place.

Mr. SHAYS. Mr. Chairman, will the gentleman yield?

Mr. KOLBE. I yield 30 seconds to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I would like to point out to the gentleman that we are spending more money on Medicare. In Massachusetts, we will be spending 40 percent more in the next 7 years on Medicare. The amount per beneficiary is going to go up from $5,900 to $7,814. Only in Washington, only in Washington, when you spend

more money, do people call it a cut. We are going to improve this system.

Mr. SABO. Mr. Chairman, I yield myself 3 minutes so I can ask the gentleman from Connecticut a question.

The CHAIRMAN. The gentleman from Minnesota [Mr. SABO] is recognized for 3 minutes.

Mr. SABO. Mr. Chairman, I am just curious. Clearly these Medicare cuts, whatever they are, in the gentleman's resolution are going to pay for a substantial tax cut, but I am just curious, he has not given me my Minnesota number. Give me my Minnesota number. Then I would like to hear the Connecticut number.

Mr. SHAYS. Mr. Chairman, will the gentleman yield?

Mr. SABO. I yield to the gentleman from Connecticut.

Mr. SHAYS. Mr. Chairman, let me just ask the gentleman, does he not understand when you are spending more money, you are spending more money?

Mr. SABO. I fully understand what the gentleman is saying.

Mr. SHAYS. I just need to know that that is the case.

Mr. SABO. I would just simply say to the gentleman, Mr. Chairman, I am amazed to hear how simple and easy it is going to be to modify the Medicare Program.

I am just curious, what is the number for Minnesota?

Mr. SHAYS. If the gentleman will continue to yield, in Minnesota the gentleman has an amount of money for Medicare now of $2 billion 429.

Mr. SABO. What is the per recipient number?

Mr. SHAYS. It will go up $3 billion 400. It will go up 40 percent.

Mr. SABO. Just so the gentleman knows my question, what is the per recipient number in Minnesota?

Mr. SHAYS. The per recipient number in Minnesota, given that they are getting 40 percent more in the next 7 years, it is presently $3,840. It goes up to $5,000 per beneficiary.

Mr. SABO. Mr. Chairman, I would ask the gentleman, what is the number in Connecticut?

Mr. SHAYS. If the gentleman will yield further, in Connecticut we are given from the Federal Government in Medicare $2.5 billion, and it goes up to $3.6 billion. That is a 40 percent increase. We are equal. Per beneficiary it is $5,135, and that will go up to $6,782 per beneficiary, per beneficiary.

Mr. SABO. Mr. Chairman, I am just curious how the gentleman from Connecticut is going to deal with this significant difference in cost between the State of Minnesota and the State of Connecticut. We provide good quality health care, substantially less, and what I hear is the recipients, the reimbursement in Connecticut is substantially higher than it is in Minnesota.

Mr. SHAYS. I want to make sure I understand the gentleman. The gentleman says in Minnesota he provides good health care. I think we do in Connecticut, as well. In both instances, we are getting 40 percent more in the next 7 years.

Mr. SABO. The gentleman from Connecticut is receiving, as I heard, over $1,000 more per recipient.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. REGULA], chairman of the Subcommittee on the Interior of the Committee on Appropriations.

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

Mr. REGULA. Mr. Chairman, let me preface my remarks by saying that I applaud the hard work that has gone into producing this budget resolution, a resolution that puts us on a path to a balanced budget. I want to particularly recognize my colleague from Ohio, the chairman of the Budget Committee, Mr. KASICH, for his unwavering dedication to the balanced budget objective. He has never lost sight of the finish line and while I may not personally agree with all of the assumptions in this resolution I plan to support this budget because I too believe the goal of a balanced budget must be paramount. I would like to discuss one of the aspects of the proposed budget resolution that concerns me and that is the assumption that the functions of the Department of Energy should be phased out. Many of these functions are important to the future of this Nation. It is our responsibility to do these in the most cost-effective way possible.

The argument for phasing out the Department is based on the assumption that it was solely created to deal with an energy crisis the country experienced in the 1970's. The crisis no longer exists and therefore the rationale for the functions of the Department no longer exists.

It is unwise, for us as a nation, to be so complacent as to assume that another energy crisis is not only not a probability, but not even a possibility. Just 4 short years ago—in the action Desert Storm—we put over 400,000 American men and women into harms way to protect the availability of energy resources that we are once again taking for granted.

Much of the work the Department or its successor organizations is doing, in partnership with American industries, is the very reason we can hope to avoid a future energy crisis and, I would argue, that the money spent on those research, development, and demonstration projects is far more cost effective than putting American lives at risk to protect Persian Gulf oilfields.

A recent op-ed piece written by former President Reagan's Energy Secretary, Don Hodel, ''Forebodings of Another Oil Shortage,'' put it starkly:

> America is sleepwalking into a disaster. Within the next two years, we will experience another oil shock.

According to the former secretary the threat of this crisis once again comes from the unstable Persian Gulf which currently supplies 44 percent of United States oil imports. The recent DOE annual energy outlook projects this figure rising to more than 65 percent by the year 2010. Saudi Arabia alone supplied almost 19 percent of the United States import market last year and provided over 25 percent as recently as 1992. The stability in that region is once again in question.

In February of this year the President concurred with the Department of Commerce's finding that the Nation's growing reliance on imports of crude oil and refined petroleum products threaten the Nation's security. In 1993 U.S. oil imports surpassed the 1977—a time of crisis—record level by 1.8 percent. The warning signs are clear and yet today we are sending signals that either we do not believe a crisis is a possibility or that energy is not a critical commodity.

My second point relates to the actual programs and mission of the Department or its successors and their impact on our international posture in terms of maintaining and improving our global competitiveness and our goal of continuing to grow the economy. To be truly strong, the American economy must be efficient, clean and fueled by stable and affordable supplies of energy. Assuring this supply and improving efficiencies and environmental performance of our energy resources is one of the important missions of our energy policy. Many of the energy programs are cost shared partnerships with U.S. industries that hold the key to achieving these goals.

Just last week I received a letter from one of the participants in just such a partnership. The company, a small one located in Cleveland, OH is attempting to develop and commercialize a process for the recovery of usable materials from salt cake, a waste produced by the aluminum industry. Commercialization of this technology would not only reduce the operating costs in the aluminum industry through reduced energy expenditures, but it would also eliminate the 550,000 tons of salt cake that are presently being landfilled in the U.S. each year. This small company is cost sharing in excess of 70 percent of the total project cost with the Department. As the President of this company concluded in his letter to me, this research is ''critical to the development of new technologies by American companies such as ours.''

Despite the fact that each of us is heavily reliant on energy in our daily lives, it is one of those luxuries that is easy to ignore as long as it is plentiful and reasonably priced. In the not too distant past, energy was an afterthought in economic planning. Today, energy is a principal factor in any business strategy and American businesses today are cognizant of the importance of energy in their bottom line and are constantly working to reduce energy costs to maintain or improve their competitiveness.

Transportation is one good example. It is a key industry and a key component in our overall energy equation accounting for 27 percent of our total energy consumption and 66 percent of the total petroleum use. Moreover, 97 percent of the transportation sector's energy demands are satisfied by petroleum. Clearly to reduce our dependence on oil imports it is imperative that we change the transportation sector's energy demand patterns. The programs funded in my subcommittee's jurisdiction, in partnership with DOE are addressing that issue. These programs are projected to reduce oil imports by 2.3 million barrels a day by the year 2000 cresting a savings for drivers and a trade deficit reduction of $47 million per year.

Energy use is an environmental issue as well. The production and use of energy cause more environmental damage than any other human activity in the world today. Without significant changes in energy sources and consumption patterns, the problem will worsen. Without cleaner energy sources and technologies, worsening environmental problems can be expected to lead to regulatory actions that can severely hamper economic growth.

I have repeatedly said during my subcommittee's hearings that what the November election was about was not abolishing government, but making it work more efficiently and more effectively. I am persuaded that many Departments and Agencies a healthy dose of streamlining and downsizing and I am equally persuaded that they are getting the message. For example the Secretary or DOE recently announced a proposed $14 billion contribution to deficit reduction over the next 5 years. I applaud these initiatives and I am committed to working with the Agencies such as DOE or its successors to make those promised savings a reality.

I believe there are core, fundamental missions in the field of Energy. With respect to the programs I am most familiar with those missions involve promoting, in partnership with U.S. industries, fundamental science and technology advances which will help keep us competitive in a global economy and which provide the long-term basis for economic growth, job creation and improved quality of life; and enhancing our energy security by helping safeguard against energy supply disruptions and their associated threats to the United States.

These missions can be accomplished in streamlined Departments, and Agencies but may be lost in a costly realignment that could be necessitated by their complete dismantlement. Energy is the lifeblood of a strong expanding economy that is essential if we are to be successful in balancing the budget.

Public-private partnerships can do much to reduce the cost of government while maintaining our technological leadership and making our programs very cost effective.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Kansas [Mr. BROWNBACK], a very hardworking member of the committee.

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

Mr. BROWNBACK. Mr. Chairman, I would just like to make a couple of quick comments and then talk briefly about the agency elimination that we have been talking about in the overall budget package.

Mr. Chairman, I hear a lot of comments about, well, we are cutting taxes and that is wrong, we should not be cutting taxes, that the American people need to pay all this money into the Government.

I make the simple point, and I ask the American people that are watching and listening, do you know how long today you work to pay the taxes at all levels, Federal, State, local, all levels combined?

The answer is, you work until May 5. You just passed Tax Freedom Day that you work. I think if you get back a little bit of that, that is your money, and you are working hard enough and long enough for the Government.

The other thing I hear a lot is people saying, well, we are not spending enough on Government programs. Indeed, many of these programs are very good programs, very worthwhile programs. But I simply point out that around the turn of the century, the Federal Government as a percentage of this economy was roughly 3 percent of this economy. That is what it was. It was 3 percent. Now it is 23 percent of this overall economy.

Overall I would like to point out, we are eliminating in our budget package three Cabinet level agencies, or propose, Departments of Commerce, Energy, and Education. We are following a process and a procedure here.

This is not just a thing of, OK, we are going to go in and eliminate them completely and they are out of there, they are gone. We are thinking this through and asking the questions of how can we do this better? How can the American people get these services? We are going through a process of asking, can we localize these services, send it back to the State and local units of government?

Do we privatize? Are these services that can be done better in the private sector? Can we be more efficient by doing it there? Can we consolidate, within other Federal agencies and programs, services that are currently done somewhere else? We have 17 agencies doing trade promotion. Do we need that many of them? Can we consolidate?

What can we eliminate? What services and programs have done their job and it is time to move on, particularly at a time that we state clearly and unequivocally to the American people, we are broke.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. JOHNSTON].

Mr. JOHNSTON of Florida. Mr. Chairman, I would like to talk about Medicaid. I have a homemade chart up here dealing with where we are today, with where we will be in 7 years under the Republican program. I have entitled it ''Unfunded Mandates.''

The bottom line here is where the Republicans go today at $120 billion up to $150 billion. The next line, though, is growth plus inflation. We go up here, so we start out at 4 percent behind.

Let me draw another line here. This line here is Texas, New York, Florida, Arizona, and the growth States. The average growth State is between 10 and 13 percent. When you have block grants to these States to take care of Medicaid patients, this is a gross unfunded mandate. You are sticking the States worse than anything we have ever done.

Most people think Medicaid is for the indigent. Over half of the payments for Medicaid go to senior citizens for nursing homes, and when you are in these States in the South, this is an exploding figure.

The gentleman from Connecticut [Mr. SHAYS] can get up and give us any number he wants to, but that number will not anywhere match the figure that these growth States are going to have to pay from today until 2002. I think it is grossly unfair. I think it is a demagogical denial here of what you are doing to these States that have exploding populations, and they are going to go bankrupt before you ever talk about the Federal Government.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the gentleman from Florida [Mr. MILLER], a distinguished member of the Committee on the Budget and the Committee on Appropriations.

Mr. MILLER of Florida. Mr. Chairman, we have heard nothing but distortions and scare tactics coming from the Democrats about Medicare, but I am not surprised. The sad fact is they have no ideas of their own and no plan to restore Medicare to solvency. They have nothing left to do but misrepresent Republican plans to save Medicare from bankruptcy. That is bad news for America's seniors.

According to today's Washington Post, the Clinton White House and the congressional Democrats have made a conscious political decision to defend the status quo, to delay change and distort the facts. Like Nero was watching Rome, the Democrats are fiddling, polling, and politicking while the Medicare trust fund burns. That is just sad and it is dead flat wrong.

Here is the bottom line. The Republican budget resolution restores Medicare, saving the trust fund from bankruptcy. In 2002, Medicare spending will be $1,600 higher for each beneficiary under the Republican plan. Under the Democratic budget, in 2002 the Medicare fund goes bankrupt, zero, it is broke.

Don't be confused by the Democrats' distortions. Restoring Medicare has nothing to do with the tax provisions in the contract. Yes, we return a small portion of each working American's hard-earned tax dollars to the family budget, but with or without the tax cuts, Medicare will go bankrupt if we follow the Democrats' status quo plan.

That is not DAN MILLER speaking or NEWT GINGRICH speaking, this is the public trustees of the Medicare Program, including members of the President's own Cabinet.

Here is what the trustees say: ''The Medicare Program is clearly unsustainable in its present form. It is now clear that Medicare reform needs to be addressed urgently.''

One more time: There are two choices. Under the Republican budget resolution, in 2002 the Medicare spending will be $1,600 higher for each beneficiary, restoring the Medicare trust fund to solvency. Under the Clinton Democrat budget, in 2002 the Medicare trust fund goes bankrupt.

Let's save Medicare. Support the Republican budget resolution.

Ms. SLAUGHTER. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Mr. Chairman, why are the Republicans proposing to slash Medicare and Medicaid to pay for tax cuts benefiting America's most privileged?

Throughout the afternoon, we have seen abject efforts of denial of the cuts by the gentleman from Connecticut [Mr. SHAYS], the task force Chair, jumping up and citing increased funding and saying only in Washington could this be determined a cut. I have never heard a more blatant distortion on the floor of this House.

The fact of the matter is that the funding does not keep up with the increasing costs in health care. Let me cite a figure that might be of interest to the gentleman from Connecticut himself, because under the cuts proposed, in Connecticut each senior citizen will pay more out of pocket, $3,885 cumulatively through 2002, under the plan advanced. That to the seniors of Connecticut I would suggest is a real, real cut, one that hits right in the pocketbook. The Medicaid figures are even worse.

In the Republican cuts for Medicaid in the out years, they allow a 4 percent adjustment in Medicaid funding. There will be a 3-percent growth in enrollment in Medicaid, which means they allow the cost of medicine to go up 1 percent per year.

What do we know about Medicaid and medical inflation? It is rising at an amount dramatically higher than that, and it is going to rip benefits away from the children and the disabled and the elderly that depend on Medicaid funding.

This chart reveals what a vicious hit it will be to kids. An additional 6.7 million kids will lose their coverage under the Medicaid proposals advanced in the Republican budget. That to the gentleman I would suggest is a very real, a very meaningful cut to children.

For senior citizens it is equally devastating. Seniors receiving long-term care in nursing homes across this country will find the costs of their care rising much faster than the Medicaid payments to fund them. In fact, if you look over 5 years, an additional 1.7 million senior citizens requiring long-term care assistance will be deprived of Medicaid coverage under their plan. Those are real cuts.

You may in budget chicanery try to gloss over what you are doing to people, but let me tell you, you are taking coverage away from children and you are taking coverage away from senior citizens in nursing homes, and you are doing it primarily to pay for tax cuts for the rich.

Mr. Chairman, at this point in time I yield to the gentleman from Connecticut, if he would like to ask me any questions about North Dakota. Does the gentleman from Connecticut care to respond?

Mr. SHAYS. Mr. Chairman, I will be happy to use some of the gentleman's time to correct some of his comments.

Mr. POMEROY. If the gentleman does not have a question about North Dakota, I will reclaim my time.

The gentleman's own seniors in Connecticut will lose $3,800 under their proposal, a fact he ought to be aware of.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. SMITH].

Mr. SMITH of Michigan. Mr. Chairman, this budget is not just about the Federal Government's fiscal strategy, the way we keep our books. It is about America's future. It is about creating job growth and opportunities for our kids and our grandkids, about making our communities a better place to live and work and raise our families. Certainly it is about our future prosperity and our future safety.

Mr. Chairman, 2 years ago in 1993, this House, this Chamber, passed a large tax increase, approximately $248 billion over the 5 years of the budget. The decision from our conference was, should we give some of that tax increase back, and should we do it in a way that is going to stimulate job growth? We did that. One of the elements was my neutral cost recovery bill, that allows businesses to deduct the cost of the tools and equipment they buy as a business expense.

Let me tell Members what economists say is going to result from that kind of Tax Code change. They say the GDP of this country will increase almost $3 trillion, it will increase 3 million jobs with an average salary increase of $3,540.

Mr. Chairman, as we look at how we are cutting this budget, everybody is going to realize some pain. I hear so much talk about criticizing the cuts. It is so much easier to tear down a house than it is to build a house. We are trying to build that house in a budget that is going to help future generations. I would hope all Members would contribute in a positive way to how they think we can improve this budget, not simply criticize every element of every cut, Mr. Chairman, as we look at transportation, as we look at the infrastructure we have built over the years.

Ms. SLAUGHTER. Mr. Chairman, I yield 2 minutes to the gentlewoman from California [Ms. WOOLSEY].

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

Ms. WOOLSEY. Mr. Chairman, earlier this year, I visited school lunch programs in my district, and learned something which the authors of this budget obviously have not thought about. Because child after child said to me, ''Congresswoman WOOLSEY, I can't concentrate when I'm hungry.'' ''I can't learn when I'm hungry.''

Obviously, first-and-second graders know better than the authors of this budget that, if you enter the classroom hungry, you will not be ready to learn.

During one of my visits, a teacher in Marin County—one of the most affluent counties in America—told me that, recently, she had a class lesson asking her 1st grade students what their top three wishes were, and why, the top wish of two-thirds of her students was for more food for their family, because they were hungry.

Well, get ready to have trouble concentrating and learning, and get ready to be hungry, because this budget cuts $19 billion form nutrition programs in order to pay for a tax break for wealthy special interests.

Members on the other side argue that taking $19 billion away form child nutrition programs is not a big deal, in fact, they claim they are not even cutting child nutrition programs, but simply reducing the rate of increase. We hear Republicans say over and over again that ''only in Washington do people call a reduction in the rate of increase a cut.''

Well, the children in Marin County, who wish for food for their families, would see it differently. They would say that only in Washington do people call ''taking school lunches away from children a ''reduction in the rate of increase.''

I urge my colleagues to vote against this budget resolution.

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Mr. KASICH. Mr. Chairman, I yield 2½ minutes to the gentleman from Michigan [Mr. HOEKSTRA].

Mr. HOEKSTRA. Mr. Chairman, I thank the distinguished chairman for yielding me this time.

I have been sitting here now for a couple of hours and I was waiting and wondering when the school lunch debate was going to come up. And you are absolutely right that only in Washington would we describe a 4½-percent increase each year for the next 5 years

as a cut. It is unbelievable. We are increasing funding for the school lunch programs and we are calling it a cut.

But I think it is important as we take a look at what we are actually doing here. We are doing something that is important for the future of our children. This House has used this card for the last 25 years to build up a $4.7 trillion deficit for each of our kids. That is totally inappropriate. We need to get spending under control, and we are doing it. We put together a plan to get a balanced budget within 7 years. It is the right thing to do; it is the thing that we have to do for our kids.

What we are tying to do in this plan is we want to get the Federal Government away from so many things that happen in the private sector. It is not important to have a Federal bureaucrat between a child and their school lunch. It is not important to have a Federal bureaucrat between a landlord and their tenant. It is not important to have a Federal bureaucrat between a customer and a vendor. That is not the right place for the Federal Government to be. Those things happen very effectively and efficiently in the private sector. We reach out and we help those that need help. but we do not need to have Federal bureaucrats in all of these places, it is not the right way to go, it is not the right direction.

What we are doing in many of these areas is we are fixing programs that are broke. Job training, we are going at an area where, yes, we have to educate and train people.

This Congress has put together 153 different training programs, 153 different Federal bureaucracies of Federal bureaucrats between an individual who needs skills and an education process. It is absolutely ludicrous to have 153 programs. We are going to put that into four block grants. It is going to be efficient and much more effective than the system that we have today.

Mr. SABO. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California [Mr. BROWN].

(Mr. BROWN of California asked and was given permission to revise and extend his remarks.)

Mr. BROWN of California. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, the proponents of this budget plan argue fervently that its end result—a balanced budget by the year 2002—will produce economic prosperity and better living standards for all Americans. It will not. What the plan will do is simply substitute for the budget deficit an investment deficit that will guarantee the long-term decay of our economy and our society.

I am most familiar with the impact of the Republican budget plan on the civilian research programs under the Science Committee's jurisdiction. The Republican plan would force those R&D programs to decline by almost $25 billion over the next 5 years. To put that number into perspective, public investment in civilian R&D programs in our committee's jurisdiction would fall 25 percent in absolute terms, or 35 percent in real dollars, in just a few years.

I have included along with my statement a budget table showing the effect of this budget plan on committee R&D programs.

The Budget Committee report accompanying this bill makes it very clear how these cuts should be absorbed. They would have us eliminate most civilian applied research and technology development and demonstration work at every Federal department and agency. Many worthwhile science programs would suffer huge cuts or be terminated and, inevitably, Federal research labs would also have to close.

The Republicans reason that massive public disinvestment in R&D is good for the country because the private sector will pick up the slack and make these investments on its own, provided they get the deregulation and the tax breaks the Republicans have promised. This reasoning is naive and foolish. Deregulation and tax relief have not succeeded in raising private R&D investment in the past, and there is no evidence that it will work in the future.

In fact, even with an R&D tax credit in place, the private sector has been reducing its long-term R&D investment over the last 10 years in response to global competition. A recent survey of corporate R&D investment conducted by the Industrial Research Institute shows that U.S. corporations have reduced their long-term R&D from 20 percent to 8 percent of their R&D spending in the last 10 years. The remaining 92 percent of their R&D spending goes to short-term applied research with immediate commercial application.

The private sector is reducing their long-term R&D investment. If the Government also withdraws support for long-term R&D, as this budget implies, the consequences will be devastating and irreversible. The R&D infrastructure of the United States will be devastated. The result will be fewer scientists and engineers, less innovation and declining competitiveness in world markets. I, for one, do not believe the American people want to throw away their future simply for shortsighted political considerations.

Mr. Chairman, time and again today, my colleagues have warned us that we must not pass on a legacy of debt to our children and grandchildren. I agree, but we are also obliged to undertake those essential investments in new knowledge and better educated human resources that will guarantee them a bright future. This budget fails to do that and breaks faith with future generations.

The chart referred to follows:

KASICH-WALKER BUDGET ASSUMPTIONS—CIVILIAN R&D PROGRAMS IN THE JURISDICTION OF THE HOUSE SCIENCE COMMITTEE

[Budget authority (BA) in millions of dollars]

Budget Function	Subcmte	Agency	Budget Assumptions	FY96–00 Change in BA [1]
250	Space	NASA	Cut Human Space Flight	−3,064
			Cut Science, Aeronautics, & Technology	−4,790
			Increase Mission Support	117
			Increase Inspector General	2
250	Basic Research	NSF	Eliminate social R&D	−583
			Cut academic infrastructure investment	−750
			Cut major research equipment investment	−479
			Cut S&E; Headquarters relocation	−75
			Cut education and human resources	−30
250	Energy & Envir	DOE	Prioritize General Science Activities	−270
270	Energy & Envir	DOE	Reduce Energy Supply R&D	−4,743
			Reduce Fossil Energy R&D	−1,595
			Reduce Energy Conservation Research	−1,960
			Eliminate clean coal technology program	−864
300	Energy & Envir	NOAA	Reduce Ops, Res, & Facilities	−1,369
300	Energy & Envir	EPA	Terminate environmental technology program	−325
			Reduce Office of R&D budget	−100
370	Technology	DOC	NIST—Increase intramural R&D	149
			NIST—Eliminate extramural R&D (ATP, MEP)	−2,625
			NIST—Increase construction funding	32
			Eliminate Technology Administration	−47
400	Technology	DOT	Eliminate Intelligent Vehicle R&D program	na
			Eliminate High Speed Rail R&D program	−100
400	Space	DOT	Rescind funds for NASA Wind Tunnel	−400
800	Basic Research	OTA	Eliminate OTA	−104
Total, Science Committee				−23,973

[1] FY1996 through FY2000 cumulative change in new BA relative to FY1995 budget freeze.

Source: House Budget Committee. Democratic staff of the House Science Committee.

COMMITTEE ON SCIENCE—SUBCOMMITTEE ALLOCATIONS

[Dollars in millions]

Subcommittee	Actual FY 95	Pres. FY 96	Walker FY 96	Walker FY 97	Walker FY 98	Walker FY 99	Walker FY 00
Space	$14,470	$14,267	$13,395	$13,130	$12,543	$12,043	$11,578
Basic Research	$3,325	$3,414	[1] $180	$3,199	$3,232	$3,270	$3,331
Technology	$1,421	$1,717	[2] $645	$350	$360	$371	$382
Energy/Envir.	$8,018	$8,579	$6,200	$5,841	$5,645	$5,464	$5,312
Totals	$27,233	$27,977	$23,620	$22,520	$21,780	$21,148	$20,603
Walker vs. FY95 (percent)			−13.3	−17.3	−20.0	−22.3	−24.3
Walker vs. Clinton FY96 (percent)			−15.6	−19.5	−22.2	−24.4	−26.4
Walker vs. Baseline[3] (percent)			−15.8	−22.1	−26.8	−31.0	−34.7

[1] Includes $26 million in authorized FEMA earthquake programs.
[2] Includes $302 million in authorized FAA R&D.
[3] Baseline assumes 3 percent annual inflation from 1995–2000.

Source: Chairman, House Committee on Science.

Mr. SABO. Mr. Chairman, I yield 30 seconds to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK of Florida. Mr. Chairman, this budget recommends that we eliminate the Department of Commerce. It just does not make sense in that we need to develop jobs in this country. If we are ever going to get to the point where we can develop jobs, we need the Department of Commerce. During the last 2 years the Department helped Americans secure $24.6 billion of foreign contracts, and for every dollar spent on the entire budgets of the Department it has returned $6 to the American economy. That is developing jobs, Mr. Chairman.

Mr. KASICH. Mr. Chairman, I yield myself 15 seconds.

Mr. Chairman, the reason why we are calling for the elimination of the Commerce Department is its functions are performed in 71 other entities of the Government, and we think it makes more sense to consolidate that, save the bureaucracy, and give taxpayers some of their money back.

Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WALKER], the distinguished chairman of the Committee on Science.

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

I was interested in the discussion we just had on the cuts in the science budgets, and I think it is very important to understand what has happened over the last few years in the name of science. Much of what we have had in the science research budgets of this country have been in a State where many of them have been nothing but corporate welfare, and what we have done is done things in the name of R&D, in the name of science, and then found out that where they were going to was to the richest corporations in the country.

What we have attempted to do is prioritize science in this budget. We have attempted to protect the basic fundamental research of this country, and we have done so in the budget. In fact, basic research actually has a nominal increase over the 7-year period from $7.092 billion this year to $7.101 billion in 1996. This includes places like the National Science Foundation and a lot of programs in NASA and the Department of Energy.

But where we have the direct industrial and commercial subsidies, we eliminate those. What we are saying is let us have real research and development in this country; let us not subsidize our biggest corporations and call it R&D. And the fact is if you take a look at the chart, the corporate welfare sections of the budget are where we take the biggest hit.

Out of the total budget over the next several years, we are going to spend over $111 billion in the science areas. Out of $111 billion we ought to be able to get some quality science. The problem is we have not been getting quality science in too many instances. What we have been getting is big companies coming in and ripping off taxpayers' money in the name of things they wanted to do anyway. We cut that out. We just say no more. We are going to eliminate corporate welfare and concentrate on those things that the Federal Government can do best for the economy, the basic science and fundamental research.

So if you take a look at that, what you find is over the next several years we will go from $26 billion we are spending each year on some of these programs down nominally to about $23.7 billion. Two-thirds of the cuts, that is about 9.1 percent, about two-thirds of that entire cut comes out of corporate welfare cuts.

If the country wants to have real science I think that is exactly right, but the country does not want to do research and development and then find out that they did not get real research and development, and this is the example of exactly where we think we should go. We have prioritized science toward basic fundamental science.

Sure, we are going to have some applied science; we are going to do some developmental work and demonstration work. There is actually a line on which we can do the kind of research that this country needs. But we ought not be funding things that companies otherwise would do on their own.

And so this budget I think is a lean budget, but it is one that makes sense for science. It prioritizes science toward those kinds of things that science ought to be doing.

The Government is best at doing basic research, and that is where this budget puts its emphasis.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to my good friend and colleague, the gentleman from Minnesota [Mr. VENTO].

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

Mr. VENTO. Mr. Chairman, I rise in opposition to the Republican budget resolution.

Mr. Chairman, I rise in strong opposition to the Republican budget proposal we have before us today. This is a measure which seeks to pay for the Republicans' tax cuts for wealthy individuals on the backs of those in need, children and the elderly, at the expense of sound education, health and welfare benefits. We need to be concerned about the deficits, both the fiscal and human deficits, not just the bottom line.

I am deeply concerned about our budget deficit and throughout my career, I have supported numerous efforts aimed at streamlining the Federal Government, reducing spending, eliminating waste and responsibly increasing revenues in an equitable way. Over the past 2 years, we have made steady progress in cutting the deficit with nearly $600 billion in deficit reduction over a 5-year schedule beginning in 1993. We passed the deficit reduction bill last year without a single Republican vote.

While I support reducing the deficit through cuts in some programs, the Republican budget proposal centers on cutting off programs which invest in the American people, while providing tax benefits to corporations and wealthy individuals. In 7 years, in the framework of this bill, or House Concurrent Resolution the deficit is due, $300 billion. That is the GOP way to solve the deficit. First things first, tax breaks for the wealthy Americans, political promises made and kept 75 percent of the benefit to corporations and investors in the final GOP tax policy. One of the most important investments our country can make is in education. But other policies receive short shrift. Every dollar for education is an investment in our people in the future of this country and our national economy. The Republican approach for the education of the people of our Nation is mind-boggling. Their blueprint for the future not only abolishes the Department of Education, which would leave the U.S. as one of the few industrialized countries in the world without a national department or ministry of education, but proposes to make atrocious cuts which counter any pretense of deliberate consideration of public policy. This budget proposal calls for the elimination of about 130 Education department programs, including Goals: 2000 school reform programs, Chapter 1 Compensatory Education Concentration grants—which provide funding for areas with high levels of low-achieving children—and bilingual and immigrant education programs.

The proposal will eliminate funds used to make schools across the country safer and drug free and will dramatically increase costs for working families by charging all students interest on their loans while they are in school. These actions are not just thoughtless, they are policies ignorant of the problems and needs of American people today and tomorrow. At a time when jobs demand more preparation, cutting education funding is indeed a losing proposition. We need to support education as a budget priority and this bill before the House has it backward. We need smart people and smart hardware to face the future needs of our Nation. That won't happen with a negative and indifferent national policy.

This proposed budget pulls the rug out from under state and local governments, shifting responsibility away from the Federal Government for welfare and child nutrition and by advocating deep cuts in community development, notably the Community Development Block Grant. The Republican answer is that cost burdens should be shifted to State and local governments and the non-profit sector, which are already operating on overload today. In other words, a trickle-down tax increase pushed upon the States.

A provision of the budget resolution which deeply concerns me is the proposal to zero out the funding for the Low-Income Home Energy Assistance Program, otherwise known as LIHEAP. As a Member from Minnesota, a State that works and strives to meet people's needs with a warm heart. Minnesota is one of the coldest States in the Nation, I am alarmed by the potential impact of this ill-advised action. In 1994, approximately 6.1 million households received aid to help cover heating costs nationwide. Nearly half of these households contain elderly or handicapped persons—often on fixed incomes—and about 80 percent earn less than $10,000 a year. Where are these people to turn when they no longer can afford to heat their homes? This pattern is repeated because of the tenuous situation that many poor face today.

The Republicans are cutting funds for programs which provide basic housing for Americans in dire need of assistance. They will reduce housing assistance for the elderly, for persons with disabilities, and for other low and moderate income families, they would eliminate funding for most preservation activities, and reduce funding for the operations and modernization of public housing. All of these proposals mean it will be more difficult for people to find decent safe affordable housing, in this time when affordable housing is dwindling, and the demand is growing. These proposals serve notice that the unique programs that are designed to take the necessary step for our most vulnerable citizens and to help working people help themselves, today are serving as targets for political potshots.

On the environmental front, in addition to cutting funds for sewage treatment, safe drinking water facilities, soil and water conservation programs and hazardous waste cleanup, the Republican budget blueprint advocates allowing oil and gas exploration and drilling on the Arctic National Wildlife Refuge as a way to increase revenues. The Arctic Refuge coastal plain is a priceless and irreplaceable treasure. The fate of the coastal plain and its value to present and future generations as an undisturbed, fully-functioning ecosystem have been the subject of a complex and highly contested debate for more than a decade. The resolution of this debate must not be obscurely foreordained through a backdoor effort in the Federal budget process. It deserves full consideration in the glaring light of public scrutiny.

One of the biggest ironies in the budget resolution is the treatment of Medicare. In the absence of any real health care reforms, Republicans suggest simply slashing Medicare by $288 billion over the next 7 years. This is a 27 percent cut. This will mean fewer benefits, higher out-of-pocket costs for seniors, and less choice of doctors. For my home State, Minnesota, it has been projected that the Republican budget proposal will cost each senior an additional $3,557 over the 7-year period from 1996 to 2002. Nearly 83 percent of Medicare benefits go to seniors with incomes of $25,000 or less, and the proposed reductions would have a devastating effect on these people. Likewise, Medicaid funding, the only major Federal source of funding for long-term care, is cut 30 percent by the year 2002. Together Medicare and Medicaid cuts account for nearly a third of all savings in the bill. The GOP puts this in place without a clue of how this cut will be attained. Health care/Medicare doesn't exist in a vacuum. The GOP was quick to demagog health care reform in 1993–1994. Now they seek no reform, only a Medicare cut that will result in a second-rate health care program for older Americans.

In the last Congress, the Republicans refused to support meaningful comprehensive health care reform, saying there was no crisis in health care so why make changes? Today they have conveniently discovered the Medicare Trustees Annual Report and tell us there is a crisis. Actually the 1995 suggests an improvement over 1994. The GOP Congress is going to solve this health care crisis by cutting benefits to seniors and reimbursements to health care providers while providing a generous tax cut to wealthy Americans and a funding increase for defense. This is not the approach that will protect Medicare and the elderly and help rationalize and regularize the health care system.

The Medicare cuts are supposed to save the program from a projected revenue shortfall in 2002. However, the cut they want to take from Medicare to offset the loss of revenue resulting from the Republicans' tax cuts for wealthier Americans, is $353 billion over the next 7 years. Despite the political rhetoric, the main beneficiaries of these tax changes are the wealthiest members of our society and corporate America, with the wealthiest 1.1 million Americans receiving a $20,000 tax break. Further, the budget proposal includes a tax increase which could total as much as $42 billion, including $17 billion in personal tax increases which result from the 0.6 percent adjustment in the Consumer Price Index. The indexing of income tax rates and brackets are reduced to middle income Americans, not mind you in the tax package but hidden in this budget package, and Social Security benefits are cut with the same COLA sleight of hand. In fact $24 billion in just 3 years is picked from the pockets of Social Security recipients.

Even as student loans, housing, and Medicare are being cut, the Republican budget would increase budget authority for defense to $288 billion and defense outlays to over $280 billion by 2002—billions more than President Clinton has requested. These large spending increases for the Pentagon are questionable not only because we no longer face the threat of the cold war, but also because the Pentagon has admitted its finances are in complete disarray. In fact, the annual financial statements of 28 of the Pentagon's 36 departments are so riddled with flaws and inaccuracies that the GAO has declared them completely worthless. The Pentagon's own Deputy Inspector General recently stated that the Department of Defense pays private contractors $500 million dollars it does not owe them every year, and DOD cannot account for $15 billion it has spent over the past decade. Republicans apparently have no qualms about pouring billions more taxpayer dollars into a black hole at the Pentagon, even as they cut funds for cost-effective social programs which result in economic benefits in the future. I fail to understand why in this time of fiscal stringency that the Pentagon receives $60–$70 billion more.

Mr. Chairman, forging our economic priorities into the next century has been a focal point of the ongoing debate. I have grave concerns about the direction that this budget is taking. We ought to be offering hope by acknowledging the reality that the Federal Government must remain a partner for supporting the basic needs of our citizens, not abandonment. However, what I am seeing is an erosion in support for working families and an eradication of support for those who cannot make ends meet in order to give folks making $200,000 or more a tax break. Republican priorities do not signify political courage, as they would have us believe, but political pandering. Republican priorities are focused on change at the bottom line, producing enough money for the Republican tax breaks for well off Americans, not empowering families. I urge my colleagues to oppose this distorted GOP resolution. And when the political reality meets the public outrage the tax breaks will stand and the tax cuts and programs and actions will falter; the secret plan to cut Medicare, a better kept secret than the Dead Sea scrolls, will evaporate in the public outrage at denying much-needed justified programs and responsibilities.

Mr. SABO. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from West Virginia [Mr. MOLLOHAN].

Mr. MOLLOHAN. Mr. Chairman, I thank the distinguished gentleman from Minnesota for yielding time to me.

Mr. Chairman, I rise in strong opposition to the fiscal year 1996 Republican budget resolution. Before we vote today, I believe it is vitally important for the American people to understand just what this budget resolution really does, whose interests it really serves, and whose it abandons, whose taxes are cut on the one hand, and whose benefits are cut and eliminated on the other.

Simply stated, this resolution proposes a major reallocation of resources among the people of America. If you are a middle- or lower-income American, can lose big under this resolution. If you are a high-income American, you win big under this resolution.

First, the resolution would slash spending for discretionary programs by $635 billion over the next 7 years, cut Medicare by $288 billion, and reduce

Medicaid by $187 billion. That takes money out of the pockets of average Americans.

And second, as if to add insult to injury, money taken out of the pockets of middle- and lower-income Americans is immediately used to pay for a tax cut for the wealthiest Americans.

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Mr. Chairman, when put in this perspective, it should become clear that the proposal we are voting on today would literally take from the poor to give to the rich.

Let us talk about the spending cuts contained in the plan. The question is how seriously should they be taken? How seriously should we take those spending cuts? And the answer is very serious. Many vital programs will be eliminated if this budget resolution, the one we are voting on here today or tomorrow, is enacted, and many others will be cut as much as 40 and 50 percent.

Imagine the average American family for a moment, if you will, husband and wife, both working struggling to make ends meet, two or three children. How will they be affected by the cuts proposed in this resolution? Well, if the children in this family are receiving nutritional subsidies at school, they will see large cuts due to this resolution. For college-age children in the family, this resolution proposes to increase costs for a 4-year college loan by $5,000. If the father or mother relies on mass transit to get to and from work, this resolution will, at the least, cause the fare to go up, and in rural areas across America, certainly in my State and, I imagine, many others, may even eliminate mass transit service. If either parent should be laid off or lose his or her job, this resolution greatly reduces the resources available for additional job training, and if there is an elderly grandparent, this resolution will make cuts, real cuts, to programs which fund long-term care.

Believe me, Mr. Chairman, I could go on and on. And so while the Republican proposal may not impose a tax increase on middle-class America, it certainly eliminates many of the resources the average American family currently relies on and has available to it.

And where do those resources go? To pay for a tax cut for the wealthiest Americans, Americans who do not need to take out loans to go to college, who do not depend on mass transit to go to work, who do not have children who rely on school lunches for their daily nutritional needs.

If fact, the tax cut which is proposed under this resolution will cost the American people close to $400 billion over 7 years, $700 billion over 10 years, and 51 percent of that tax cut goes to Americans making over $100,000 a year.

Mr. Chairman, where do those resources go? To pay for a tax cut for the wealthiest Americans. Americans who don't need to take out loans to go to college, who don't depend on mass transit to go to work, who don't have children who rely on school lunches for their daily nutritional needs.

In fact, the tax cut which is provided for under this resolution will cost the American people close to $400 billion over the next 7 years—$700 billion over the next 10 years. Fifty-one percent of the tax cuts in this Republican proposal will benefit those Americans making over $100,000 a year—with more than 20 percent going to the top 1 percent of families making over $350,000 a year.

Well, this completes the picture—a major shift in resources from the middle and lower income folks to wealthy America.

So each and every American must decide if this resolution—this Republican agenda—is in his/her own best interest. Someone will benefit from this proposal—it is just important to know who that someone is.

I urge my colleagues to vote ''no'' on this resolution.

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, as a member of the Budget Committee I can say we worked tirelessly to produce a budget that is fair and equitable.

The result is a balanced budget in 2002—just as we promised.

To those who oppose this plan I say, what is your alternative?

Contrary to what many opponents would like to have you believe, the Republican budget is a very Senior friendly budget.

First, as we promised, Social Security is off the table. No cuts at all to Social Security.

This is the only area of the budget we exempt from cuts.

And with Medicare, we simply slow the growth to 5 percent a year.

This means we will increase Medicare spending over 7 years, from $4,700 per beneficiary today to $6,300 per beneficiary in 2002. This preserves the solvency of Medicare.

Now lets look at the rest of the budget. We freeze defense, and make clear that defense spending will continue to undergo the kind of scrutiny of other aspects of the budget.

Third, we reduce all discretionary spending, including foreign aid.

We abolish three Cabinet agencies: Commerce, Energy, and Education.

This plan also eliminates 283 programs, 14 agencies, and 68 commissions.

Overall this budget simply slows the growth in spending to just over 2 percent a year. The difference is that under current forecasts we grow over 5 percent a year.

Now, what does all this mean to American families. It means a higher standard of living.

It means families will pay less for their home mortgage because of lower interest rates. It means more families will be able to afford college for their children.

This week's Time magazine has an excellent article on this topic.

It explains how balancing the budget can help revive the American Dream.

The article talks about how lower deficits mean lower interest rates, and therefore more job creation by U.S. business.

The article provides one very specific example of a young couple who are considering a new home.

Under a mortgage rate of 8 percent, they would pay $734 a month on a $100,000 mortgage. If interest rates are 1 percent lower, this payment is cut to $665.

This would save $28,000 over the life of the mortgage. This would be enough to put one of their future children through a year of college.

Similarly, I have been using the example of farmers, because there are reductions in agriculture subsidies in this budget.

However, it is estimated that a 1.5-percent reduction in interest rates would save the farm sector over $10 billion in interest payments on their debate over 5 years. This more than offsets the reduction.

These are examples of what it means to balance the budget. This is not just an exercise in accounting. It really matters. It will make a difference in the lives of every American.

It will particularly, make a difference in the lives of our children and grandchildren. I urge my colleagues to join me in supporting the first balanced budget in 33 years.

Mr. Chairman, recently, I received a letter from a young father in Denver. He wrote on behalf of his 1-week-old daughter and asked that I address my response to her. His letter spoke of the massive debt she is inheriting. He spoke of how our generation is spending now, and hoping that later she, and the rest of our children and grandchildren will pay the bills.

DEAR MR. ALLARD: Last week my daughter was born to my wife and I. As I understand it, she is now responsible for at least a $20,000 share of our national debt. As the recent commemoration of the fiftieth anniversary of D-Day demonstrates, our nation has long been mindful and thankful of the sacrifices born by past generations. Sacrifices which preserved and made possible the liberties and benefits of today. My daughter, in contrast, faces the opposite.

Instead she must sacrifice in the future, to pay for the liberties and benefits of the past generation. I ask you this question because she will look to me for the answer: Which benefits enjoyed by past generations should she keep in mind as she toils to pay their costs? What entitlements, what projects enjoyed by your generation will make her sacrifice noble and worth it all? What should I tell her? What would you tell her?

In 2002, this child will be 7 years old. I hope by then we can guarantee her a balanced budget and secure future. Tomorrow this House will decide the answer.

Mr. Chairman, I rise in strong support of this historic budget document.

Throughout the process I had the privilege of heading up the Natural Resources—Science Task Force. I was joined in this effort by SAM BROWNBACK, and BOB WALKER.

This task force included Agriculture, Interior, Energy, and science programs. Obviously, many of the issues impact the West, including my constituents in Colorado.

This is a good budget for the West. Sure, we make a contribution to the reductions, but that is fair. I meet with constituents almost every weekend. They want a balanced budget and they are willing to do their part.

This is a balanced budget. Urban and rural areas are both called on to contribute.

The payoff will be substantial.

This budget produces a balanced budget in 2002—just as we promised.

This will be the first balanced budget in 33 years. That's right, 1969 was the last year the Federal Government balanced its books.

Let me go over the highlights of our working group's proposals:

AGRICULTURE

We phase down farm subsidies, this is already a declining baseline.

To offset we reduce regulation, this will be done in the Farm bill and elsewhere, we are also reducing the tax burden on farmers with the capital gains tax cut and estate tax relief.

I think it is very important to note that farmers will benefit greatly from a decline in interest rates that will result from this balanced budget.

It is estimated that a 1.5-percent reduction in interest rates means that farmers will save over $10 billion in interest payments on their debt over the next 5 years. This more than offsets any reduction in subsidies.

ENERGY

Both the Energy Department and the Commerce Department are eliminated.

The power marketing Administrations are privatized, but they are sold only to the preference power customers, giving more power to our constituents and protecting against any rate increase.

The naval petroleum reserves at Elk Hills are also sold, this is the 10th largest oil field in the country and there is no reason for the Federal Government to own it.

Reseach functions are privatized, and all nuclear cleanup activities will continue at current levels.

INTERIOR

There will be a moratorium on new Federal land purchases. We own enough land already. In many States out West, more than one-third of the land is owned by the Federal Government.

This map shows why we don't need to have the Federal Government buying more land.

As you can see, vast portions of the West are already owned by the Federal Government. All of the area colored in is owned by the Government.

These are a few examples of the highlights of our budget.

Make no mistake, we call on every aspect of the Federal budget to contribute to the savings in this budget. The only exception is Social Security, which we do not touch at all.

I ask my colleagues to support this historic budget.

MAY 9, 1995.

Memo

To: Arnie Christenson

Re: the balanced budget amendment and interest savings to farmers.

Attached is a very rough estimate of the impact of 1.5 percent reduction in interest rates on farmers costs.

In 1993, Farmers had $141.9 Billion in Outstanding Debt.

If we assume interest rates of 8 and 7 percent for long term and short term respectively then:

Net Savings from a 1.5 percent reduction: $2.13 billion or a 5 year very conservative estimate of savings of $10.65.

It is interesting to note the Agriculture Committee is debating over whether to save $12 billion or $9 billion or $5 billion.

If we don't balance the Federal budget then:

Interest rates won't go down by 1.5 percent and farmers will spend an additional $10.65 in interest cost over 5 years.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from South Carolina [Mr. INGLIS], a member of the Committee on the Budget.

Mr. INGLIS of South Carolina. Mr. Chairman, I find it very interesting the gentleman from West Virginia just talked about how it is going to cost the American people to give a tax cut. I really do not understand that statement. I wonder if he would like to describe it for us.

It is going to cost the American people to give them a tax cut? He says it is going to cost some hundreds of billions of dollars, but actually it is the other way around.

When the gentleman from West Virginia voted for the Clinton tax increase in 1993, he increased taxes in the State of West Virginia by $356 million, $356 million in increased taxes the people of West Virginia will pay as a result of the gentleman's vote in favor of the Clinton tax increase. That costs the American people money. That is a tax increase.

Mr. MOLLOHAN. Mr. Chairman, would the gentleman yield?

Mr. INGLIS of South Carolina. I yield to the gentleman from West Virginia.

Mr. MOLLOHAN. Does the gentleman agree or disagree that over 51 percent of the tax cut in the Republican proposal will benefit those Americans making over $100,000 a year?

Mr. INGLIS of South Carolina. No. I do not agree.

Mr. MOLLOHAN. You do not agree that 51 percent of the tax cuts in the budget proposal benefit those persons making over $100,000 a year?

Mr. INGLIS of South Carolina. No; no, I do not.

Mr. MOLLOHAN. You disagree with that? Do you agree that more than 20 percent is going to the top 1 percent of American families?

Mr. INGLIS of South Carolina. Reclaiming my time, let me answer the gentleman. I really cannot figure out how you refer to our tax cut as a cost to the American people. We are allowing the American people to keep their money.

Mr. KASICH. Mr. Chairman, regular order.

The CHAIRMAN. Regular order has been demanded.

The Chair recognizes the gentleman from South Carolina.

Mr. INGLIS of South Carolina. It is a very important point. It is a very important difference between the philosophies that are represented here. The gentleman from West Virginia just described a tax cut as costing the American people money. This is a unique concept. In other words, he assumes that 100 percent of the American paycheck belongs to him, and the people who used to run this place, they assumed that he owns the paychecks of the people in the fourth District. I assume quite the opposite.

I would point out to you that in quite contradistinction to your approach, we believe the American people own their paychecks. And we should own only such sums as we need to run the government.

Mr. KASICH. Mr. Chairman, I yield myself 15 seconds to just point out the chart in the front shows that those people below $75,000 get 74 percent of the family tax credit. The figures, frankly, speak for themselves.

Mr. Chairman, I yield such time as she may consume to the gentlewoman from Connecticut [Mrs. JOHNSON].

(Mrs. JOHNSON of Connecticut asked and was given permission to revise and extend her remarks.)

Mrs. JOHNSON of Connecticut. Mr. Chairman, I submit my remarks at this point. I rise in strong support of reaching a balanced budget by the year 2002, under the solid work of the Committee on the Budget and the leadership of the gentleman from Ohio [Mr. KASICH].

Mr. Chairman, I rise to congratulate the Budget Committee for its fine work in putting together a budget resolution that for the first time in many years puts us on a path toward balancing the budget. I am pleased to support this resolution, because I believe it is imperative that Congress regain control over our spending practices and leave our children an economically strong America.

The process that we undertake today will not be easy. Indeed, the cuts that are going to be necessary to bring our budget into balance will be painful in some instances. And while I do not agree with every line item in the Budget Committee's resolution, and will fight hard in the weeks ahead to shape appropriations bills that meet our targets, I support it as a fair and honest document from which the House can start its deliberations on spending.

In 1993, gross interest payments equalled $293 billion, greater than the total outlays of the Federal Government in 1974. If we continue current policies into the next century, we will be forced to enact fully $500 billion in deficit reduction each year just to restrain the deficit to 3 percent of gross domestic product.

For too long, this Congress has chosen to continue the status quo, pushing this Nation further and further into debt and forcing the results of overspending today on the generations of tomorrow. The budget was last balanced in 1969, an entire generation ago. As representatives of the American people, we have no choice but to start on the course of fiscal responsibility. And that is what this budget resolution before us today sets out to do.

There are two areas on which I would like to focus my remarks today: Medicare and the Commerce Department.

I cannot stress how important it is to reform our Medicare system. This budget resolution addresses head-on the impending Medicare crisis facing senior constituents. We must take steps now to shore up Medicare financing and benefits to keep our Medicare promise to today's beneficiaries—seniors—who will need these health benefits 10 years from now.

Our friends on the other side of the aisle tell you that we are "cutting Medicare, slashing the benefits." This is simply not true. We will

increase Medicare spending over the next 7 years by 45 percent. We will spend $1,500 more on each beneficiary 7 years from now. How can anyone call this a cut?

But keeping Medicare merely solvent is not all we must do. We will make Medicare work smarter, and serve seniors better, just as employers have been successful in bringing down costs and increasing quality and consumer satisfaction.

And we will let seniors choose how to use their Medicare dollars to join plans that cover prevention, that cover prescription drugs or home care, that provide benefits and individual senior desires.

This budget proposal for Medicare represents a tremendous challenge, but, it gives us a great opportunity as well.

Second, while I support the budget resolution's cuts in spending growth, I oppose eliminating support for U.S. exports, and the thousands of American jobs they create every year. Proposals in this budget to eliminate and cut trade and export enhancement programs, while well-intended, are shortsighted and ignore our dependence on U.S. exports as the fastest growing component of GDP, growing 2½ times faster than the overall economy. The continued globalization of business, and the global shift toward market-oriented economies will create substantial new opportunities for U.S. goods and services abroad. To access these markets, it is imperative that the United States maintain or create a Cabinet-level agency dedicated to coordinating these vital export and import finance and promotion programs. Eliminating the functions of the Commerce Department will certainly not enhance job growth in this fast-growing area of our economy, though many of the savings proposed in Commerce are thoughtful and meritorious.

Again, Mr. Chairman, I rise in support of House Congressional Resolution 67 and urge my colleagues to do the same.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from Kentucky [Mr. BUNNING], a member of both the Committee on the Budget and the Committee on Ways and Means.

(Mr. BUNNING of Kentucky asked and was given consideration to revise and extend his remarks.)

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

I rise in strong support of the Republican budget resolution and urge my colleagues to support it as well.

We promised that we would produce a proposal that would lead to a balanced budget by the year 2002, and we did it. We promised the American people that we would produce a budget that provided them with much-needed tax relief, and we did it. And, finally, we promised that we would produce a budget that protects Social Security trust fund moneys and protects Social Security benefits, and we did it.

And as chairman of the Social Security Subcommittee, I am proud to say we are not going to touch those funds. Our budget fully preserves and protects Social Security.

Our budget assumes absolutely no changes, no changes of any kind in the Social Security program, no COLA cuts, no benefit cuts, no tax increases.

Unfortunately, there are those who prefer the status quo and who are willing to resort to all sorts of fear-mongering and false statements designed to frighten our senior citizens. They used these tactics to help kill, at least temporarily, the balanced budget amendment in the Senate. They suggest that a balanced budget amendment would result in cuts in the Social Security benefits.

Our budget resolution today proves them exactly wrong. We can, and we will, balance the budget without damaging Social Security.

In fact, the majority proposal today would actually strengthen Social Security. As it stands now, the greatest single threat to the long-term solvency of the Social Security system is the continued runaway Federal spending. A balanced budget is the greatest guarantee possible that the promise of Social Security will be kept.

A balanced budget is the best long-term protection that we can offer for the Social Security trust funds, and our budget will put us on a realistic path to a balanced budget.

If you want to vote to preserve and strengthen Social Security, you can vote for the majority budget and feel very comfortable that you are doing the right thing. So do the right thing and support the majority's budget proposal.

Mr. SABO. Mr. Chairman, I yield such time as the may consume to the gentleman from Ohio [Mr. STOKES].

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

Mr. STOKES. Mr. Chairman, I rise in opposition to the Republican resolution.

Mr. Chairman, the $1.4 trillion budget plan, which the Republicans claim will reduce the deficit, represents a major assault on American families. Under their plan, our colleagues on the other side of the aisle have demonstrated a callous disregard for the most vulnerable in our society. The Republicans have launched an attack on those in the dawn of life—our children; those in the twilight of life—the elderly; and those who are in the shadow of life—the sick, the needy, and the handicapped.

The Republican budget threatens the quality of life for the vast majority of Americans. My congressional district and similar communities across the Nation cannot absorb budget cuts that take meals from our children; and health care and heating assistance from our elderly. We cannot enact a budget that forces hard-working families to choose between paying a mortgage or purchasing health care coverage for their children.

Mr. Chairman, Americans are tuned in to this important budget debate. I have received letters from directors of hospitals, community health care centers, and others. They offer concrete evidence regarding the enormous toll the Republican budget would take on our communities.

Just recently, I heard from two organizations in my congressional district regarding the budget cuts. These institutions are highly respected and noted for their service to the community. Mr. Richard B. Hogg who serves as senior vice president for financial management at Mount Sinai Hospital, shared with me his concern that the hospital's ability to continue to provide essential services will be severely threatened. Mr. Hogg states in his letter, "* * * to drastically cut the social and health care needs to those most in need is unconscionable."

The director of nursing at Health Hill Hospital, Loretta C. Pierce, expressed her concern regarding cuts to the Medicaid Program, and, in particular, the damage it poses to children's health. She writes, "Medicaid is more than a health care program for poor people * * * it is insurance for children with very special health care needs * * * even if their families have low or moderate incomes."

I want to commend Mount Sinai and Health Hill Hospitals for taking a leadership role in addressing these important issues. As a strong health advocate, I share their concern that the Republican budget cuts pose a threat to the health of our Nation.

Mr. Chairman, I rise today in strong opposition to House Concurrent Resolution 67, the budget resolution for fiscal year 1996. The Republicans' budget plan as proposed is outrageous and extremely harmful to America's families and working citizens.

If enacted, the $1.4 trillion budget will drastically slash everything from child nutrition services to assisted housing, to health care, to education. No one is safe. Everyone will suffer under this budget proposal.

Those most in need would be hardest hit, including nearly cuts to assisted housing for homeless, poor, disabled, and elderly Americans. In addition to abolishing the Department of Education, the Republican budget would also eliminate funding for TRIO and Howard University, one of the Nation's leading institutions of higher education. Funding would be severely slashed for financial aid, programs for the disadvantaged, and other elementary and secondary education initiatives.

Mr. Chairman, our Nation's most vulnerable citizens must not be forced to carry the weight of the Republicans' $360 billion tax cut for the wealthy on their backs. There is no compassion in this budget measure, and in fact, the drastic cuts in quality of life programs defy common sense.

The bill would cut Medicare by $288 billion and Medicaid by $187 billion. The cuts in these two health care programs alone would account for about one-third of the total reduction in spending. If the Medicare cuts become law, seniors would see 40 to 50 percent of their cost-of-living adjustment consumed by increases in their health care costs.

Mr. Chairman, I know the people of my district cannot carry this burden. The Republican budget would weaken the foundation of our economy and place our children's future at risk. House Concurrent Resolution 67 is blatantly irresponsible. On behalf of our Nation's children, working families, and the elderly, this bill must be defeated. I ask my colleagues to join me in voting against House Concurrent Resolution 67.

Mr. SABO. Mr. Chairman, I yield 4 minutes to the gentleman from Texas [Mr. STENHOLM].

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

Mr. STENHOLM. Mr. Chairman, I am happy to rise today in a moment that I did not think would ever come, that we would be debating not whether to balance the budget, but how to do it. I commend the chairman of the Committee on the Budget, the gentleman from Ohio [Mr. KASICH], my ex-chairman, the gentleman from Minnesota [Mr. SABO], and others who have demonstrated quite an amount of sincerity in their different approaches.

My chief regret today is that, I say to the gentleman from Ohio [Mr. KASICH], I have not been able to stand shoulder to shoulder with you in the argument today as we have in the past. But we have some sincere differences with the budget that you present today.

I sincerely believe that the cuts that you have proposed, cuts in the rate of increase that you have proposed in the Medicare and Medicaid area, are too severe for my rural district. I believe that sincerely. I believe that you believe that is not. But I think it is a big problem.

But that is not what I choose to talk about today. What I choose to talk about today is the misrepresentation that is occurring at home in my district, that is occurring by the so-called Americans for a Balanced Budget, who are circulating radio advertisements and other statements in which they say Congressmen who claim to support a balanced budget amendment and vote against the Kasich plan will lose all claim to the title of being pro-balanced budget, and also saying in this news release that the Democrats in Congress have not even offered a budget of their own.

Well, ladies and gentlemen, that is not a true statement. The Congressional Black Caucus has offered a budget, and the coalition has offered a budget that the gentleman from Missouri [Mr. GEPHARDT] will be proposing tomorrow.

Misrepresentation is occurring on all sides, and that should not be happening.

I wonder why our coalition budget is not credible when we cut spending $18.2 billion more in the first 2 years, in which you have to vote those cuts before you run for reelection. Why are we not credible?

I wish that you in your budget had done more up front than what you have done. We do. We propose the spending cuts now, not later.

It was interesting, when we debated in the Committee on the Budget, we were saying early on 7-year budget, you said you could not do it. You had to do it in a 5-year budget. Now we are saying we are going to do it in a 7-year budget, but you take $18 billion more spending in the first 2 years when we can not assume it.

I really worry about this one: Having been here in 1981, when we voted tax cuts, promising spending cuts that we never got to, here we go again. We are doing two reconciliations. We are going to reconcile the tax cuts. We are going to have the first reconciliation with the tax cuts and the so-called easier spending cuts, which there is no such thing. We are going to do that one first. Then we are going to postpone the tough spending cuts for September. We have been down that road before.

And the budget that we propose that will be voted on tomorrow, I submit to you, is more credible in another way, because we will have at the end of our 7 years in the coalition budget $160 billion less debt for those children and grandchildren that we have been talking about. Why does that make us less credible than you?

Let us conduct the debate in such a manner in which we recognize there is a difference of priorities. We will argue ours tomorrow. We think we have a better set, and we believe the American people also agree that we should cut spending first and then cut taxes after we have shown that we have got 218 votes, 51 votes, in the House and Senate, to do that which we say we are going to do.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Virginia [Mr. WOLF], a member of the Committee on Appropriations.

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

Mr. WOLF. Mr. Chairman, I rise in strong support of the budget. I think it is fair.

Let me take my hat off and pay special commendation to the gentleman from Ohio [Mr. KASICH], to his staff, and to the members of the Committee on the Budget.

In the Book of Esther in the Old Testament, they said Esther was sent just for a time just like this. Perhaps JOHN and the others on the Committee on the Budget have been sent for a time like this.

I have given the speech over and over in the last several years about my five children and how important it was to balance the budget. I have heard Members on both sides give the same speech.

I believe that the Kasich budget is fair. Clearly, we have to remember the poor, and I believe that we will remember the poor. But, clearly, this is the time, and if we do not do it now, will it be any easier, as the gentleman from Texas [Mr. STENHOLM] talked, next year or the year after? Clearly, it will not be.

We can argue about where we cut within the parameters of the budget, but, frankly, we cannot argue should we balance the budget, because we clearly should.

□ 1900

In closing, one of the leading newspapers in my district the 10th District of Virginia, the Winchester Star, recently editorialized on the balanced budget effort with these words:

And so at this time, perhaps it is best for us to draw upon the wisdom of pamphleteer Thomas Paine, who penned these immortal words in the darkest hours of the Revolution: ''These are the times that try men's souls. The summer soldier and the sunshine patriot will, in this crisis, shrink from the service of his country; but he that stands it now, deserves the love and thanks of man and woman.''

For the GOP, which has presented the first balanced budget plan in a quarter-century, this is definitely no time for ''summer soldiers.'' For a monumental battle, with significant ramifications for the future, will soon be enjoined.

I strongly urge Members on both sides to put aside our differences and, whatever we do, to make sure when we leave tomorrow night we have passed the balanced budget, not only for our generation but, more important, for future generations.

Mr. Chairman, I rise in support of the fiscal year 1996 budget resolution. I first want to congratulate Budget Committee Chairman JOHN KASICH for his yeoman work to bring the House to this point in its history today. This is truly a historic day. The people's house is poised to secure the financial future of this Nation and I want to be on record in support of leading this Nation to a balanced budget by the year 2002.

I recognize that there are differences of opinion on the direction we should take and the budget numbers we should use in reaching the goal of a balanced budget. But there should be no difference of opinion on the need for this Nation's financial house to be solvent; on the need to secure a prosperous future for our children, their children, and generations of Americans to come.

I believe this blueprint for a balanced federal budget by the year 2002 will help secure that future and in so doing protect elderly citizens, protect middle class Americans, and protect future generations.

There are many politically expedient statements being made today on what this budget does and does not do and about whom this budget hurts and helps. We have heard the statements that this budget callously targets the vulnerable and less fortunate in our society, that this budget cuts programs that benefit the poor and elderly to pay for tax cuts for the rich. My colleagues, that broken record some in this House keep spinning is becoming tired and worn rhetoric. I certainly would not be supporting any effort to balance the budget on the backs of the most needy of our citizens. Indeed, none of us would.

The American people are tired of the carping and sniping and rhetoric. They want action. They want this House to work together in a bipartisan way to reduce the Federal deficit, stop the hemorrhaging national debt, and balance this Nation's budget.

One of the leading newspapers in the 10th District of Virginia, The Winchester Star, recently editorialized on the balanced budget effort with these words:

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For the GOP, which has presented the first balanced budget plan in a quarter-century,

this is definitely no time for 'summer soldiers.' For a monumental battle, with significant ramifications for the future, will soon be enjoined.

Mr. Chairman, I call on all our colleagues to not shrink from their responsibilities to the citizens of this Nation, to not be summer soldiers. I ask every member of this House to join in this historic opportunity to put this Nation on the right fiscal track and secure the financial future of America.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. LARGENT], a very distinguished freshman member of the Committee on the Budget.

Mr. LARGENT. Mr. Chairman, I would like to, first of all, commend the chairman of the Committee on the Budget. Some folks may not know that he has a reputation of throwing nickels around like manhole covers, and to the American taxpayers I say, ''You should be pleased that a gentleman with such a reputation is the guardian of the Federal purse strings.''

I also want to remind Members in this body and American taxpayers once again that over 300 Members in this Chamber voted for a balanced budget. 66 Senators voted for a balanced budget. 81 percent of all Americans believe that the Federal Government should balance their books.

Mr. Chairman, I think the attitude and the mood of the American citizens was best reflected by a farmer in central Oklahoma that I had a chance to visit with in January. When I asked him the question, ''Should the Federal Government have to balance its books,'' he very pointedly and very briefly replied.

He said, ''Well, I have to, and so should the Federal Government,'' and I could not agree any more.

I say to the gentleman from Ohio, ''Chairman KASICH, I would say to you that the greatest compliment that is paid to this budget document that you have laid down before us to bring us to a zero by the year 2002, an historic document, that the greatest compliment that has been paid to it has been the breath of rhetorical blabber about this particular budget because everybody is going to feel the pain. There is something there for everybody, and I think in that respect that it earns a great deal of credibility that we all have to earn.''

As my dad told me, that it was belt-tightening time, believe me it is time to tighten the belt on the bloated belly of the Federal Government.

Finally, I just would like to quote a few statistics, and I am ever mindful of the fact that it was in Washington, DC, that the saying originated that figures lie and liars figure, and so I am careful when I throw around figures myself. But I would remind all of my colleagues that the tax cuts that are found within the Contract With America, that 70 percent of the taxpayers that will benefit from the capital gains tax cut are citizens who earned $50,000 or less, 70 percent of the people who benefit from capital gains earn less than $50,000, and families with children that earn $25,000 or less will totally wipe out any tax bill to the Federal Government.

Also, I would remind my colleagues that the chart that was up here earlier, that 74 percent of the beneficiaries of the family tax cut earn less, less than $75,000, and let me say to my colleagues, ''You don't need a CPA to figure it out.''

Mr. SABO. Mr. Chairman, I yield 2½ minutes to the distinguished gentlewoman from New York [Ms. SLAUGHTER], an active member of our Committee on the Budget.

Ms. SLAUGHTER. Mr. Chairman, this is Ruth Lowenguth. She lives in my district, is a constituent of mine. She is 83 years old.

Now, I know she does not like it, but we are hearty people in Rochester, and she is also testament to our extraordinary health care system there. But Ruth, like 80 percent of the Medicare home care health users, will be living on a fixed income of less than $15,000 a year. Three-quarters of the people in that category are over age 75, and two-thirds of them are elderly women.

Now, Mrs. Lowenguth has a small pension and a modest Social Security check, and she pays all health costs that are not covered by Medicare. That is only about half of the health care expenses. If she had to pay 20 percent more to get home health care, it would be an additional $1,200 a year for her. She cannot spend that money then on housing, or food, or prescription drugs, or other necessities. It is $1,200 that she and millions of other women on fixed incomes just cannot afford.

Why are they faced with this threat? Because Republicans want to cut Medicare to give a tax break to the very wealthy.

Another thing that is very concerning to me, Mr. Chairman, is the amount of money that I think we may be losing from women's health care, an initiative that is long overdue, and it is only 4 years old. We have been able to provide quite a bit of money that was never there before. Actually, it looks like quite a bit compared to zero for breast cancer research, and we have systematically tried to put more and more in. We cannot turn back on that commitment now because breast cancer kills one American woman every 12 minutes; more than 40,000 of them will die this year.

Mr. Chairman, all women are at risk of getting breast cancer. More than 70 percent have no known risk factor, and the incidence has doubled in the last 30 years, so much more research is needed. But it is not likely to happen. A 5-percent cut in funding for the National Institutes of Health would mean that research on breast cancer, ovarian cancer, cervical cancer, and a host of other diseases will be competing for scarce dollars, and we could lose ground on very important progress.

For the first time, mortality rates are declining among breast cancer. If this program stalls from lack of funding, what will my Republican colleagues say to the women who will be diagnosed during the 1990's?

Mr. Chairman, I urge all of my colleagues to think of the mothers, women, sisters, all their relatives back in their district, and think about this and vote ''no.''

Mr. KOLBE. Mr. Chairman, I yield 30 seconds to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I point out to the gracious gentlewoman from New York [Ms. SLAUGHTER] that Medicare spending in the great State of New York is now $14 billion. It is going to rise to $19 billion in the next 7 years, a 36-percent increase. The per-beneficiary cost is going to go from $5,312 to over $7,000 per beneficiary.

Mr. KOLBE. Mr. Chairman, I yield myself 30 seconds before yielding to the gentleman from New Hampshire.

Mr. Chairman, the gentlewoman just talked about the cuts in research in breast cancer and other kinds of NIH research. I think it is important to note that NIH has more than doubled in the last 10 years. The cut we are talking about is less than—only 5 percent, and it is impossible that every one of the programs she listed could be in jeopardy when we are talking about a 5-percent cut.

Mr. Chairman, we are making sure that the kind of research that we have been doing will be ongoing.

Mr. Chairman, I yield 2 minutes to the distinguished freshman gentleman from New Hampshire [Mr. BASS].

Mr. BASS. Mr. Chairman, I rise in strong support of the Kasich budget.

Mr. Chairman, I have been sitting here for the last 4½ hours listening to this debate, and I took up my pen and pencil and calculated that we have run up an additional debt of $168.89 million since this debate began. That is debt that will be paid by every existing taxpayer and every taxpayer who will come ahead of us. This is unacceptable.

Mr. Chairman, on November 8, the American people said that they had had enough of a Congress that holds its head high in arrogance and tells the people of America what they need and what they want and steals money out of their pockets and the pockets of their children to pay for programs, and then today we sit here talking about not whether we have a balanced budget, but how to balance the budget, and we hear the old guard, the keepers of the bureaucracy, the protectors of the old order, talk about the programs that they want to preserve, the programs that they want to protect, the programs that they know have not worked, the programs that have built bureaucracies in this country year after year after year.

I am a new Member of Congress, and I have stood by for the last 4 or 5 years and watched these chronic deficits rise year after year. What business do we think we have as Congressmen running these deficits for no reason? There is

no war. There is no economic emergency. Even in the 1970's we were given excuses by the President and the majority at that time. It is time, and the American people have told us, to balance this budget and do it now, and that is what the Kasich budget does.

My colleagues, let history judge this Congress and its achievements, not on the hard choices that we all have to make, but by what our actions do for our children and our children's children.

Mr. SABO. Mr. Chairman, I yield myself 15 seconds.

Simple fact:

Over 76 percent of the dollar benefit of the capital gains tax change in the Republican proposal goes to people with incomes over $100,000 a year.

Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Chairman, why have the Republicans cut Medicare as they are doing here in this budget? Of course, it is to finance a tax break for the privileged few.

Now, June Cox is a woman in any district. I met with her and about 200 older Austin citizens last Saturday. They are concerned about seeing the budget balanced as much as anybody in this room, but they do not think we have to balance it with a sick tax on our seniors, and there is something else that I had hoped I would not have to show in the course of this debate. It is another picture, and I would like my colleagues to focus on it. This is it.

I say to my colleagues, If you'll look real closely at it, you will see through this time of the debate every single thing that our Republican colleagues have told us about, specifically what it is they're going to do in imposing new out-of-pocket costs on America's seniors. That is to say, if you look closely, you won't see the doubling of the deductible. That bothers Jean Cox, and, if you look closely, you won't see the new out-of-pocket expenses when Jean Cox's doctor tells her she has to go to the lab, and, if you look closely, you won't see the new out-of-pocket expenses that Jean Cox will have if she needs specialized nursing care. No, you won't even see the increase in the deductible, because only in Washington would someone have the audacity to come and tell the senior citizens of America that they're doing more, that they're spending trillions and millions and billions of dollars more to help them out. But they stop to think about it from the perspective of the senior citizen. Jean Cox doesn't have a lot of understanding about trillions and billions of dollars, but, you know, to her and those 200 people I talked to in Austin, $20 extra a month is a lot of money. Doubling the deductible is a lot of money, and that is why, when they go through their reams have charts and when they take all the luminaries and all the number-crunchers of the Republican Party and they put them altogether, they haven't come out with a chart that shows anything other than this.

Mr. Chairman, I challenge them. I say, come forward with your plan. Where is the plan. Where is the information for the American people as to what you're going to do to their out-of-pocket expenses in Texas, or Connecticut, or anyplace else, because we haven't heard one word. Ms. Cox and others who are watching, we haven't heard one word about what's going to happen to the out-of-pocket expenses of these seniors, and it's about time we hear something about it.

My colleagues, the basic difference, as we approach this debate, is that we Democrats believe that Medicare is reliant on a trust fund, not a slush fund, to pay for tax breaks for the rich.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair would admonish Members to address their remarks to the Chair rather than to the TV audience or anyone else, as is required by the rules.

Mr. KOLBE. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I was sitting in the Committee on the Budget when the gentleman from Texas spoke about a secret plan, and I began to look at this blank sheet, and I thought, well, this blank sheet is the President's balanced budget plan, and I thought, no, no, that is not what it is. It is his plan to save Medicare. It is blank. It goes bankrupt in 7 years. And we are going to save it, even if the gentleman from Texas does not want us to.

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Now, the challenge that we have is that the gentleman makes up numbers. He says we are going to do all these things. What he does not realize is no, what we are going to do is allow beneficiaries choice, which they do not have now. We are going to allow the private sector to give them rebates, which they do not have now. Some beneficiaries will actually get money from Medicare because the private sector will be able to offer it to them.

We think it is incredible that we have allowed Medicare and Medicaid to rise at 10 percent when the private sector is rising at 4 percent. We would like to get Medicare and Medicaid into the 21st century and be able to provide choice. In Texas, Medicare is going to go up 50 percent. Only in Washington is an increase in spending called a cut.

Mr. KOLBE. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Pennsylvania [Mr. WALKER], vice chairman of the committee.

Mr. WALKER. Mr. Chairman, we have heard a lot of talk out here about tax cuts for the rich. Let us get the facts on the table. The fact is that 70 percent of all the taxpayers who are going to benefit from the capital gains tax cuts will have incomes of less than $50,000. Families with children earning less than $25,000 a year will have their entire Federal income tax liability eliminated by the $500 per child tax credit. Families of incomes of $30,000 will have 48 percent, or nearly half, of their Federal income tax liability ended. Seventy-four percent of the beneficiaries of the $500 per child tax credit will be families with incomes below $75,000.

There is a big difference between Republicans and Democrats. Democrats believe that if you make $25,000 a year, you are rich, and you ought to have your taxes increased. If you make $30,000 a year, you are rich, and you ought to have your taxes increased. That is what Democrats believe. When they talk about the rich here on the floor, they are talking about people making $25,000 and $30,000 a year, who they believe ought to be tax poor. We think they ought to have their taxes eliminated.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Guam [Mr. UNDERWOOD].

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

Mr. UNDERWOOD. Mr. Chairman, I rise in strong opposition to the budget resolution.

Mr. Chairman, I rise in opposition to H. Con. Res. 67, the budget resolution, not because deep budget cuts have to be made, but because these budget cuts are being used to finance tax cuts for the wealthy on the backs of school children and the elderly.

Of all things to use to balance the budget, gutting educational programs and elderly health care should be the last thing this Nation should do.

The reversal of the national effort to improve our schools through Goals 2000, Improving America's Schools, School-to-Work, and other Department of Education programs in this budget would have serious consequences in school districts all across America. And I know that it would adversely affect efforts on Guam to raise the standards of our own schools. What happened to all those politicians who used to complain that Johnny can't read? Under this budget, poor Johnny still can't read, Johnny can't get a decent school lunch, Johnny will not be prepared to get a job, and Johnny's mom won't be able to pay her medical bills.

And if your name is Juan, the cuts are particularly egregious. The elimination of all bilingual education programs is especially mean-spirited. I, for one, do not believe this to be a budget cut, it is social engineering at its worst—and this, from conservatives who would decry any social engineering at all. It is trying to legislate that all schoolchildren who need help in language skills would be denied help because they are different, and their families are different. It is legislating that all kids should have been born speaking English, and its just too bad if they were unfortunate enough to have been born into a family that has preserved its own cultural heritage.

I also oppose the efforts to cut Medicare benefits for the elderly in order to balance a budget based on tax cuts for the wealthy. All the denial cannot erase the basic fact that this is exactly what this budget does.

Mr. Chairman, we all realize that tough decisions must be made. We just do not agree

that the toughest part of balancing the budget would fall to the most vulnerable Americans, the schoolchildren and the elderly of this country. The lawyers and the wealthy are over represented in this Congress, but who will stand up for the children and the elderly?

Mr. SABO. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Oregon [Mr. WYDEN].

Mr. WYDEN. Mr. Chairman, I rise in opposition to the budget that my colleagues on the other side of the aisle, the Republican side, are offering.

Now, a few minutes ago, the gentleman from Oklahoma said that it is time for America to tighten its belt. Now, surely there are many Americans who can tighten their belt, but I am here to talk for a moment about my constituent, Mrs. Arlene Farwell, who if she is asked to tighten here belt any more is going to find it pretty tough to breathe.

She is a senior, she is retired, she is disabled. Because of a bureaucratic snafu, she is paying more than $80 a month for her Medicare part B. And if the deductibles and the copayments and the premiums go up any more, she simply is going to have nowhere to turn. She put it really very well for me today when she said, ''There is just too much month left at the end of the money.''

So I say to my colleagues, Medicare badly needs reform, and all Members understand that. But there is a right way to do it and a wrong way to do it. And I would submit that cutting Medicare spending, as the Republican budget does, by 15 percent, without saying how you are going to do it and still protecting Mrs. Farwell, is the wrong way to go.

Now, many of my colleagues on the Republican side have some interesting theories about managed care. The irony is over a 20 year period, we have made many of those theories work. In Portland, OR, we have the highest percentage of managed care now in the country among seniors in our area. It is close to 50 percent. But you cannot turn the system around on a dime.

What is going to happen to the seniors of our country, and I have seen this again and again since my days as co-director of the Gray Panthers, when you theorize about Medicare, as the Republicans do, what happens in reality is the seniors get more copayments, more deductibles, more premiums, while everybody waits to see if the great theories are ever going to pan out.

So I offer to my colleagues on the other side of the aisle that if rescuing part A of the Medicare trust fund is really what you seek to do, let us honor the Speaker's pledge to deal with this outside the budget. If that is the principal concern of my colleagues on this side of the aisle, let us work together on a bipartisan basis to deal with this, as Speaker GINGRICH suggested, outside the budget.

I think there are many Members on both sides of the aisle who would like to take that route rather than the route my colleagues on the Republican side propose, which is to reduce Medicare spending 15 percent, try to turn this system around on a dime, and still protect seniors.

I would also offer to my colleagues, and we heard some testimony on this yesterday in the Subcommittee on Oversight and Investigation, that if you try to turn the system around on a dime and make the savings you are talking about overnight, what is going to happen is you are going to create juicy new opportunities for fraud and abuse.

If you do not believe that is going to happen, go talk to the people of south Florida, because when they tried to go to managed care overnight, when they tried some of the ideas that the Republicans are talking about advocating now, what happened was the sleazy rip-off artists, who are already exploiting the program, and we certainly agree on that, saw a great new opportunity, and instead of producing savings, we saw more waste, fraud and abuse. If you look at south Florida, you will see how it happened.

Mr. KOLBE. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I want to respond to something the gentleman from Oregon said. The fact of the matter is that we tried to do exactly what the gentleman was talking about. We tried it on the floor yesterday, to get some recommendations to this body as to how we should solve the problem, and by a vote that unfortunately was a majority, but it was not enough to get the two-thirds on the suspension, this body rejected the idea we should ask the trustees who have the fiduciary responsibility for the trust fund to give us some recommendations about how we save it.

Mr. Chairman, I yield two minutes to the gentleman from California [Mr. RADANOVICH], a distinguished freshman member of the Committee on the Budget.

Mr. RADANOVICH. Mr. Chairman, in the election in 1994 the American public sent a strong message to Congress, and that was they wanted a smaller, less intrusive Federal Government.

Mr. Chairman, the 1996 budget resolution is a manifestation of that mandate. The Federal Government has gotten too large, and we have made it smaller and less intrusive by transferring power from Washington to the State and local level. We have also privatized many functions of Federal Government that frankly should never have been started here in the first place.

I believe the American people are willing and able to rise to this new level of expectation. The American public is not stupid. I think it is arrogant to assume that the people of this country are not capable of taking responsibility for themselves, for their families, and for their communities.

Mr. FAZIO of California. Mr. Chairman, I yield 3 minutes to the gentlewoman from Missouri [Ms. MCCARTHY].

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

Ms. MCCARTHY. Mr. Chairman, why are Republicans cutting Medicare to pay for tax breaks for the privileged few? That's the question my constituents like Joan and Dale Hunt are asking. Republicans started by taking school lunches from children, and now they are going after our senior's Medicare. I am committed to balancing our budget by downsizing government, and by streamlining and eliminating Federal programs which have outlived their usefulness. I have not committed to balancing the budget by slashing funding in Medicare by $283 billion and Medicaid by $184 billion. We have a moral obligation with our seniors. Seniors who have worked hard all their lives, and through their sacrifice and toil, have made this the greatest Nation in the world now are finding out to their amazement that Republican promises to protect their entitlement were empty promises—and simply a ploy to provide a $353 billion dollar giveaway to the wealthy.

For our seniors, medical care out-of-pocket expenditures have ballooned to 21 percent of their disposable income. These two constituents, Joan and Dale Hunt of Raytown, have visited with me and have expressed their concerns with the Republican's proposed cuts in Medicare. The Hunts, in their early 70's, remain active in their church and continue to volunteer to make our community better. Dale was a meat-cutter at our local Kroger grocery store for 45 years, and Joan worked at numerous jobs to raise their son and to make ends meet. Last year they had $4,300 in out-of-pocket medical expenses. These two seniors, who have worked hard all their lives and played by the rules are realizing that their very subsistence is at stake. They have a very limited discretionary income and have been unable to buy needed medical supplies. The Hunts live on a fixed income and have put off buying hearing aids and glasses for Dale and needed dental work for Joan. They have instead fixed their furnace. Now with the Republican budget proposals the Hunts will pay $3,500 more for out-of-pocket expenses over the next 7 years. $3,500 dollars may not seem like very much. For the Hunts, glasses, hearing aids and dental work will again have to be put off, their budget will be faced with additional cuts; will they be able to fix their furnace the next time it breaks, and will they be able to buy the necessary medicines, or the necessary food to keep them healthy?

I am committed to making the difficult choices necessary to balance the Federal budget, but I will not be party to a balanced budget formula which gives tax breaks to those most advantaged, while slashing the programs of our parents—the seniors. Take your

tax breaks off the table and we will work together to leave a legacy to our children we can be proud of, and not a legacy which impoverishes the elderly. I will not forget the Hunts whose love has endured. Joan has given up the notion of replacing her lost wedding band, and the Hunts have given up traveling to be with their son and grandchildren—they are luxuries they can no longer afford. We must not give up on the Hunts, and 36 million seniors like the Hunts who live on a day by day basis to meet their basic needs of food, medicine, and shelter. Is this the American Dream promised by the Republicans? If hope is a number in the GOP budget math, I must declare that in my district, reality springs eternal—we can't make it on hope alone. Keep your promise and give up your tax breaks for the wealthy.

Mr. KOLBE. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I thank the gentleman. I, with all sincerity, thank the gentlewoman from Missouri. It is important we keep our promises. I am looking at quote after quote where she says we need to balance the Federal budget, and that is what we are doing. This is our opportunity.

In Missouri, we give $3.7 billion to Missouri in Medicare funding. It is going to go up to $5.2 billion. It is an increase of 39 percent. The per beneficiary of individuals in Missouri get $4,493. That is going to go up to nearly $6,000, an increase per beneficiary. Cutting school lunch, it is going to go up 4.5 percent. It is an increase.

Only in Washington will the gentlewoman say that an increase in spending in Medicare, an increase in spending in school lunch, is a cut. Only in Washington.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Kansas [Mr. TIAHRT].

Mr. TIAHRT. Mr. Chairman, I did not realize this was poster day on the Potomac or I would have had these blown up. These are the most important constituents that one could have. These are my three children. This is Jessica and John and Luke, and it is their future that we are talking about today and the nurture of millions of other children and grandchildren in this country.

My daughter is 14. If we cannot balance the budget by 2002 and it takes us as long to get out of this debt as it did to get in it, she is going to be 53 years old. We have literally passed on the problems of this generation to the next.

Are we committed to balancing the budget? We are on this side of the aisle. We have a plan to eliminate the Department of Energy as a Cabinet-level position. This is a historical event because we have never eliminated a Cabinet-level department in the history of this country.

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But it is time to trade in this 1970's tax guzzler. And how did Secretary O'Leary and President Clinton respond? They said they are going to cut 14.1 billion over the next 5 years, but yet next year's budget has an increase of $337 million.

Even Vice President GORE, in his reinventing government group, has said that the largest part of the Department of Energy, the environmental management group, is missing 20 percent of their milestones. They are 40 percent inefficient. And he said that it is going to cost taxpayers $70 billion over the next 30 years if we do not do something about it.

Mr. Chairman, this must stop. We need to balance the budget. We need to honor our children's future. We need to turn the lights out at the Department of Energy.

Mr. FAZIO of California. Mr. Chairman, I yield 3½ minutes to the gentleman from Maine [Mr. BALDACCI].

Mr. BALDACCI. Mr. Chairman, I yield to the gentlewoman from Missouri [Ms. MCCARTHY].

Ms. MCCARTHY. Mr. Chairman, I would like to point out that in the figures on Missouri which were discussed just briefly, the loss to Missouri in revenue would be $5.2 billion. That averages out to $3,004 per senior on their Medicaid cuts, Medicare cuts.

Mr. Chairman, I thank the gentleman for yielding to me. I thought this document from the Committee on the Budget would be helpful in clarifying the loss to my State and the loss to individual seniors.

Mr. BALDACCI. Mr. Chairman, there are approximately 199,000 Medicare recipients in the State of Maine; 21,000 of those recipients in Maine are at or below the poverty level. The question is not to balance the budget. The question is to balance the budget and offer $300 billion in tax breaks.

When you stop and think of the lady in Old Town, ME, that confronted me and said she could not afford her prescription drugs and she was forced to cut the tablets in half because she could not afford it, asking her to double the out-of-pocket expenses to have a $300 billion tax cut; talking to the elderly couple in Lewiston, ME, who are getting divorced because they cannot afford their prescription drugs, so they qualify for the Medicaid Program, which is being cut; telling that to these people beyond the charts that are being offered, those are the real people who these figures are impacting.

And then talking to the elderly in my State who are in nursing homes who because of new cost-effective regulations are being analyzed and at the age of 92 being told to leave nursing homes and to go into group homes, that is really what is going on out there.

I think when people get to be the age of 65, that we want to be very careful with how we handle their health care. Those are the people that have the Contract With America. Sixty years ago when Franklin Delano Roosevelt established those contracts of Social Security and then Medicare and Medicaid later on, those are the compacts that have given our seniors a lift up out of poverty so that they can live their life in dignity. Those are the people who really society will be judged by.

Mr. KOLBE. Mr. Chairman, I yield myself 30 seconds.

I would just like to point out to the gentleman from Maine that, when we talk about these cuts on senior citizens, he is right, of course, because the Republican budget proposal with all the tax cuts that we have provided will provide $154 million to the senior citizens only of the State of Maine in tax reductions. That is savings by changing the earnings test for senior citizens and of course the reduction in the income tax on Social Security benefits.

Mr. Chairman, I yield 2 minutes to the gentleman from Washington [Mr. METCALF].

Mr. METCALF. Mr. Chairman, we do have to balance the budget, and this plan that we have is a start toward balancing the budget by the year 2000 or 2002. Today, $1,000 per person, men, women, and children, $1,000 per person per year is spent in paying the interest on the debt. Imagine what your family would do with $1,000 per person.

In 1997, the interest on the debt will pass, it will pass defense. It will then be the largest single expenditure in the Federal budget. Paying perpetual interest on a permanent debt is an absolutely ridiculous way to use tax money.

I think that the way we should look at each expenditure is in this light: Is this expenditure important enough to borrow the money, because we do not have money anymore, we have debt; is it important enough to borrow the money and then force our children and grandchildren to reduce their standard of living enough to pay the interest on the debt for the rest of their natural lives? If it is that important, if each spending item is that important, then we should do it. And if it is not that important, we should have the courage and the ability to just say this is something we will not afford until after the budget is balanced.

Mr. FAZIO of California. Mr. Chairman, I yield 3½ minutes to the gentlewoman from North Carolina [Mrs. CLAYTON].

(Mrs. CLAYTON asked and was given permission to revise and extend her remarks.)

Mrs. CLAYTON. Mr. Chairman, I yield to the gentleman from Maine [Mr. BALDACCI].

Mr. BALDACCI. Mr. Chairman, as far as the tax cuts that are being provided, I was told by the majority staff on the Committee on Government Reform and Oversight that, if the unfunded mandate legislation was in fact effective, the tax cut would be the first issue that would go through that because in

my State it is going to cost $370 million over that 10-year period in loss of revenues to my State, if the unfunded mandate legislation was in effect at the time that these tax cuts are being talked about.

Mrs. CLAYTON. Mr. Chairman, I also want to add that the billions that the majority wish to spend on the wealthy through a tax break is more than enough to spend for the Medicare Program. So indeed, if we had a problem, a part of that problem is being exacerbated by the additional cost that we have are having for the expense.

I want to bring to your attention people who do not understand big dollars tax breaks. This is a lady by the name of Carlene Neese. She is in North Carolina. She is the wife of an Alzheimer's patient who knows what it means to have assistance in her care. In fact, what she has is the home health program which comes once a week and additional help with that particular patient. As her husband gets to the end of his dreaded disease, she knows that that pain will be greater because she will have to bear that. She herself has no income. And without increased income, she would be paying more for her health care.

However, I want you to know, Mrs. Neese is not alone. She is typical of many people in my State. She is alone in the suffering that she must share. In fact, I had a mother of a 75-year-old Alzheimer's patient to wrote to say, You should just imagine what it is to spoon feed my mother and have her to take at least 2 minutes to chew that food to understand what that pain means and to know what it means, that stress on my family, that many of my family needs are going unmet.

I had a 75-year-old widow of an Army person who has served this Nation well, 75 years old. She said, I thank God that I have the ability to work. In the job she is working in now, she has worked there for the last 15 years. Really what she says, I hope that when I retire I will have enough resources to take care of myself without being a burden to my family.

I tell you, the majority plan does not allow for her to have that assurance. In fact, she is working extra time.

In fact, the question has to be raised, why is the majority giving such a big tax break while making the poor suffer? If you are to give such a big tax break, why do you not make it even? We want a balanced budget, but we need to balance our priorities. There are thousands and thousands of people who will pay extra because of this plan.

In my rural county, there are 13 hospitals that if this plan goes up, they will be paying big bucks.

Mr. Chairman, this is the wrong way to go. Balancing the budget is one thing, but balancing our priorities is right.

Mr. Chairman, the billions the majority wants to spend on a tax cut for the wealthy could fully pay for the reductions they want to make in the Medicare Program.

Why is the majority willing to sacrifice senior citizens to satisfy affluent citizens?

More importantly, what will this policy of helping the rich and hurting the less well off really mean for America?

The answer is—we don't know, and they don't know. We don't know and they don't know because the majority is yet to tell us—in detail—how the $283 billion reduction in Medicare spending, over the next 7 years, will occur.

But, we can make some reasonable assumptions based upon prior action.

We know that the reductions the majority proposes in Medicare and Medicaid are bigger than reductions in these programs at any other time in history.

We know that every hospital in the United States that serve Medicare patients—including the 13 hospitals that serve 28 rural counties in my congressional district—will lose money; big time; up to $1,300 for every Medicare patient served, over 5 years.

We know that, under the plan of the majority budget, senior citizens will pay $1,060 more for their health care costs by the year 2002.

Most can barely afford health care now.

Many will have to choose between heat and health, a warm coat or a trip to the doctor—and some may even have to choose between eating and health.

More than 8 out of every 10 seniors who receive Medicare benefits have incomes of $25,000 or less.

Mr. Chairman, we know that Carlene Neese, a 77-year-old woman from North Carolina, is the primary caregiver for her husband, who has suffered from Alzheimer's disease since 1986. He also has a Foley catheter.

We know that the home care the Neese family gets once a week to change the catheter, and the aide who comes out three times a week, is threatened by the majority's budget plan.

As Mr. Neese enters the end stages of his dreaded illness, the strain on Mrs. Neese will be obvious and perhaps overwhelming.

Mrs. Neese's dilemma is repeated again and again, throughout my congressional district.

There is a 75-year-old mother, also suffering from Alzheimer's disease.

Her daughter writes to me in her effort to secure some help with the care of her mother, ''Imagine me giving Mom a spoonful of food and having her take 15 minutes to swallow.''

The daughter goes on, ''Other family commitments are putting a great strain on my household. Hurried meals, neglected laundry and [ignored] housekeeping,'' are typical in this family.

And then there is Beulah McDonald of Kinston, NC.

She is 72 years old. Her husband served this Nation in the military for two decades.

Ms. McDonald told me, ''I have to work.''

She gets a little Social Security and a small stipend from her husband's military retirement.

Now that she is over 65, with the limited amount she now gets from Medicare, and the deduction from the private insurance she must pay for—this 72-year-old woman, who has worked in her present job for 15 years—told me, ''When I retire, I don't know how I will make it.''

Beulah McDonald, who has done everything right in her life said finally, ''Thank God, I am healthy enough to work.''

With this budget plan, the majority is sacrificing senior citizens to satisfy affluent citizens.

They go too far.

The billions they want to spend on the wealthy could more than pay for the cuts they want to make in Medicare.

Mr. Chairman, let's balance the budget, but, let's balance our priorities first.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Pennsylvania [Mr. FOX], a freshman Member.

Mr. FOX of Pennsylvania. Mr. Chairman, I want to note for the RECORD that for the citizens of North Carolina who are senior citizens, $805 million of tax reductions will take place as a result of what this Congress has already instituted.

I think we should note now for those who are listening from their offices or here on the floor that we already have in the 104th Congress made great strides for our senior citizens. First, we have lowered the senior citizens tax burdens by repealing over a 5-year period the Clinton tax increase on Social Security retirees.

Second, we have eliminated the penalties for working seniors. We have raised the $11,280 Social Security earnings limit to $30,000 over 5 years. Beyond that, we have also ensured access to long-term health care insurance by easing the financial drain on seniors and their families by making private long-term care insurance more readily available and allowing accelerated death benefits to be paid tax free. In addition, we have caring for parents at home by providing $500 tax credit to families who care for a dependent elderly at home.

Social Security we know in this Congress is off the table. We have said that and that is the case. Medicare will go bankrupt by 2002, if we do nothing. Therefore, we feel that Medicare must be preserved, protected, and improved.

What you will hear from the other side of the aisle is some false charges. False charge No. 1, you are cutting Medicare to pay for tax cuts for the rich. Wrong. The facts are clear. The Medicare trust fund is going bankrupt. You can pull out all the tax cuts from the Republican budget and Medicare still goes bankrupt in 2002. The Medicare trust fund is financed by payroll taxes and the Clinton administration itself has said that the trust funds will go bankrupt. The Republican budget will save Medicare from bankruptcy.

False charge No. 2, your plan for Medicare for the seniors will pay much, much more for fewer and fewer services under our plan. Wrong. A 40-percent increase in Medicare spending is not a slash. The Republican plan allows for a $1,600 per recipient increase in spending.

Therefore, I say vote for the budget.

Mr. FAZIO of California. Mr. Chairman, I yield 2½ minutes to the gentlewoman from Arkansas [Mrs. LINCOLN].

(Mrs. LINCOLN asked and was given permission to revise and extend her remarks.)

Mrs. LINCOLN. Mr. Chairman, I yield to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Chairman, I would like to make a correction and insert, according to the figures that we have on the budget side of the minority, the average senior citizen's income and cost of care over a 7-year period would be $3,000 and my State would have to pay an additional $6 billion over that same period of time. So your figures are certainly in contrast to mine, I want to add for the RECORD, so we have a balance of what the truth is here.

Mrs. LINCOLN. Mr. Chairman, I rise today to express my strong support for the Stenholm-Orton substitute to the budget resolution for fiscal year 1996 and I applaud our colleagues for their hard work. I am a strong supporter of a balanced budget and I applaud the progress that we make today toward eliminating the deficit. However, we must ensure fairness and equity in achieving a balanced budget. The American public is ready to tighten its belt as long as we all shoulder part of the load fairly. The coalition alternative budget is based on equity.

Our budget substitute would ease the burden on rural Americans. Our proposal restores $114 billion in Medicare spending, as well as $50 billion in Medicaid spending. Farmers would receive $12.9 billion more over the next 7 years under the Stenholm-Orton budget. We maintain our commitment to our country's future by restoring $35 billion in funding to education and training programs, and $18.7 billion in guaranteed student loans. We ease the burden on rural economic development. We also include the alternative welfare reform plan offered earlier this year by myself and others. And, most importantly, we would still achieve a balanced budget in 7 years with lower interest payments than under the leadership proposal.

□ 1945

The Republican leadership's bill reserves the greatest amount of spending cuts for the last two years, that is what we leave for our children and our children's children, while the Stenholm-Orton substitute spreads out those cuts more evenly over the entire 7 years. This means lower national debt, and therefore less burden, on the future of America.

We also avoid the risk that future congresses might not be willing to make the tough cuts. I am a strong supporter of tax relief, but in order to achieve it, the committee bill has come down too hard on agriculture, education, job training, and Medicare, among other things. We first need to ensure the future of our children, and then give tax relief to ourselves.

Mr. Chairman, I urge my colleagues to support the Stenholm-Orton substitute, because it provides the most fair and equitable solution to achieve a balanced budget.

Mr. KOLBE. Mr. Chairman, I yield myself 1 minute, just to respond to the comments that were just made.

First, Mr. Chairman, we are hearing from one side that we do not have any plan at all. A blank piece of paper was held up. We do not have any plan, we cannot see what the Republicans are talking about on Medicare. Now we hear the specific figures of what the Medicare cuts are going to mean in terms of additional costs.

Which way is it? Do we know the specific dollars or do we not? Which way is it? I would point out the gentlewoman from Arkansas has been talking about the alternative budget proposal that they are going to have, but it does not include any of the tax relief for senior citizens; and for the State of Arkansas, our tax cuts would mean $257 million less taxes for senior citizens in the State of Arkansas.

Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WELDON].

(Mr. WELDON of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. WELDON of Pennsylvania. Mr. Chairman, we have heard some case studies of families. I have one family we have not heard about yet that I would like to discuss. I would like to talk about Rosie Watson of Lake Providence, LA.

Rosie is a 45-year-old mother, common-law mother of seven kids. She has been able to get her doctor to declare that she is too stressed out to work, so she receives $343 a month in income from the taxpayers. Her husband, who weighs over 300 pounds, has been able to get his doctor to declare that he is unable to work, so he gets $343 a month.

They have seven kids. Rosie spent 17 years in getting all of her kids qualified as not working up to their age level in school. Guess what? The taxpayers are footing a check each month for all seven kids in an amount over $400.

Mr. Chairman, this one family gets $46,716 a year under their system, a system they do not want to change, that we are going to reform. Why have we not heard about that family, or the tens of thousands of families all across America who are abusing the taxpayers in this country?

Rosie was interviewed by the Baltimore Sun, who did this exposé. The reporter said ''What do you do with the money?'' She said, ''I can tell you, each month I take $120 and give it to four of my kids,'' and her quote is ''Being the age they is, and being out with their little girlfriends, they need that money to spend on them.''

I do not have constituents in my district who can give their teenage kids $30 a month, let alone from the taxpayers. The Members want to keep the system intact? Our budget changes Supplemental Security Income and stop this abuse. Where are the examples on the other side, of the families who are ripping off the taxpayers? Where are the examples of what they have done to try to change the system for the past 40 years?

I can tell the Members, as the youngest of nine kids with an 84-year-old mother on Social Security and Medicare, I do not want to hurt her one bit. As a 7-year public school teacher who spent more time overseeing school lunches than anybody on the other side, I do not want the School Lunch Program cut, but stop the rhetoric when we are trying to solve the problem and be fair with the way we deal with people.

Once again, I ask my colleagues on the other side, where are the tens of thousands of stories about the Rosie Watsons ripping off $47,000 a year in taxpayers' money, who the Baltimore Sun has said will never get off the system? That is what we are trying to change, and we are going to do it, with or without your cooperation.

Mr. Chairman, I include for the RECORD the article from the Tampa Tribune to which I referred earlier:

[From the Tampa Tribune, Feb. 13, 1995]

HERE'S A GRAND LITTLE STORY TO STIR YOUR BLOOD ON A MONDAY MORNING

How does an unemployed family in Lake Providence, LA, qualify for $46,716 a year in tax-free cash from the federal government?

The Baltimore Sun, in a special report, details one woman's crusade to win disability benefits and gives a rare insight into a welfare system infuriatingly out of control.

Rosie Watson, the Sun reports, gets $343.50 a month in disability payments because a judge found her too stressed-out to work. Her common-law husband, at 386 pounds, was ruled too fat to work, so he gets $343.50 a month too.

Their seven children ages 13 to 22, have all failed to demonstrate ''age-appropriate behavior,'' so each of them qualifies for payments of $458 a month. What the welfare world calls ''crazy checks.''

The Sun's description of Watson's persistent efforts over many years to convince social workers and judges that various members of her family are incapable of supporting themselves reveals serious flaws in the welfare system, flaws that account for the nation's increasingly hostile opinion of it.

''I got nothing to hide,'' the woman told the Sun, and allowed reporters to visit her in her modest home, even opened her Social Security records to them. The inescapable conclusion is that the problems lie with the system, not with people like Watson who, like good attorneys, endeavor to make their best case.

Watson's quest began in 1975 when she tried and failed to convince Social Security officials she couldn't work.

In 1978 she told officials that her second child, at age 4, was a threat to other children and should receive financial aid. They didn't buy it, but she kept up, applying again and again until, in 1984, Social Security officials agreed that he had behavior problems. A few years later she received a $10,000 check after it was decided he should have been declared disabled four years earlier.

In all, the family has received $37,000 in retroactive payments, part of $1.4 billion in retroactive checks mailed after the Supreme Court in 1990 gave children increased rights to disability payments.

After 15 years of relentless applications, Rosie Watson has had all her children put on

disability payments. The youngest child, now 13, attends elementary school, where the principal complains that the quest for ''crazy checks'' is undermining academic standards. The children don't want to fail but perform poorly to please their parents, he says.

Not true, says Watson.

''I ain't never told any of them to act crazy and get some money,'' she said. ''Social Security will send you to their own doctor. They're not fooled because those doctors read your mind. They know what you can do and not do.''

The Sun discovered that one doctor found a Watson boy had ''strong anti-social features in his personality and is volatile and explosive.'' And, ''he said he does not want work.''

Apparently, unless government rules are changed, he will never have to get a job.

Here is the Sun's description of what Mother Watson does with the 3,893 worth of monthly checks:

''As soon as she extracts the nine checks from the [post office] box, she cashes them. She gives the full amount to Sam, 21, and Cary, 22, the father of two children who have moved out of the house since being awarded benefits. The remainder is used for the other children and household expenses.

''Most of the money goes for the children to 'see that they have what's needed,' the woman says. ''With what's left, I pay bills and buy food.''

''One need is $120 allowances for George, David, 17, Willie, 18, and Danny, 19.

''Being the age they is and being out there with their little girlfriends, they need the money,'' she says.

The checks are sent because of a disability but there is no requirement that the money be spent to try to overcome that disability, the Sun reports. The family's medical needs are taken care of through Medicaid, the value of which the newspaper did not attempt to calculate.

The reporters had a little trouble determining exactly what Rosie Watson's disability is.

In 1974 she said she couldn't work because of high blood pressure, heart trouble and bad nerves, and was rejected. In 1975 she reported it was anemia, dizziness, nerves and bad kidneys, and was rejected. In 1976 she blamed low blood pressure and heart problems, was rejected and gave up for a while.

In 1964 she applied again complaining of stomach problems, epilepsy and sinus trouble. In 1985 the list included ''female problems,'' and an examining doctor concluded: ''This is a 34-year-old black female who had seven children under 12 years of age, and alcoholic husband and no money, who complains of insomnia, crying spells, depression.''

She appealed that rejection to a judge who determined her unable to cope with the ''stresses of any type of competitive employment,'' and the checks began to flow. Two years later, a judge ruled her husband disabled because he was obese.

The newspaper concludes that the Watson family likely will remain on welfare permanently, with the children moving directly onto the adult rolls.

What did Congress intend when it created such a program that rewards failure more richly than the competitive market can reward hard work?

What it got was places like Lake Providence, where ''crazy checks'' have become important parts of the town's culture and economy.

Mr. FAZIO of California. Mr. Chairman, I yield 3½ minutes to the gentleman from Michigan [Mr. LEVIN].

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

Mrs. LINCOLN. Mr. Chairman, will the gentleman yield?

Mr. LEVIN. I am glad to yield to the gentlewoman from Arkansas.

Mrs. LINCOLN. Mr. Chairman, to my friend on the other side, I think it is important to point out, especially for those watching, the tax break goes to the 13 percent of the top bracket of those in Arkansas. Most notably in my district, with an average income of less than $12,000, roughly, it is not quite a lot. Basically the gentleman is taking from those middle income and lower incomes in the Medicare divisions, where I have above 10 percent of the national average in the elderly.

I thank the gentleman.

Mr. LEVIN. Mr. Chairman, I would say to the gentleman from Pennsylvania, he should read the bill that the Democrats put together on welfare reform. We address the problems in SSI directly. We believe in reform. The issue is whether we want to be blind about it, and strike out wildly, or know what we are doing.

The problem with the Republican budget is this. I think for legislators there is a responsibility. If you propose, you should disclose, and you do not. You have this figure for Medicare, and do not tell the public what will be the consequences. In that sense, it is deceitful. Being bold and not abiding by the facts is foolishness, and it sells short America.

Mr. Chairman, in terms of Medicare, if we assume beneficiaries will pay 50 percent of these cuts, we end up with a cut or a cost for every senior of over $2,500 in Michigan. In Connecticut, it is $3,800. In Arizona, it is $3,300 is the average out of-pocket impact. If we say that there is not going to be any impact on beneficiaries, read the communication of the gentleman from Connecticut [Mr. SHAYS] which lays out the options. It is not in the budget resolution. It talks about the impact on Seniors, and what kind of impact there might be in terms of deductibles, and in terms of copay.

Mr. Chairman, I want to go beyond, for a moment, the impact on seniors, and talk about the impact on health care generally, because again, you propose but you do not disclose. The letter of the gentleman from Connecticut [Mr. SHAYS] says one of the ways to make up this huge, huge cut in Medicare is to cut direct and indirect medical education in disproportionate share.

These are not only urban hospitals, these are suburban hospitals. The proposal here is to cut, or at least this is the suggestion, one of the 3 options, $6 billion in direct costs, $21 billion in indirect costs, and $28 billion in disproportionate share.

For the hospitals in the area I represent, the district and beyond it, for the University of Michigan, it is a major cut. For the Detroit Medical Center it is a major cut. For the suburban Beaumont Hospital, it is a major cut. This will affect health care across the board.

Be honest, tell people that it is not just a large number, but health care is going to be impacted for seniors, and also for the hospitals for whom Medicare has been a proxy in terms of residency programs and disproportionate shares.

There has been a lot of talk about the boldness, but boldness without honesty is recklessness. That is the trouble with this budget, it does not tell the public what is likely to happen. That is why I oppose the Republican majority proposal.

Mr. Chairman, we can do better. We must reform Medicare. We must make some changes, but we have to, as we leap, let America look into what will be the meaning of it. I therefore oppose the majority proposal.

Mr. KOLBE. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. The mystery is over. Finally we have someone explaining how they made up their numbers. I am happy to know how the gentleman made up his numbers. He basically said if spending is going to decrease from 10 percent to an increase of 5 percent, he said beneficiaries are going to pay half of it, and providers are going to pay the other half.

The gentleman makes one astonishing assumption: his astonishing assumption is that the increase in spending for Medicare patients and Medicaid patients has to be 10 percent. Why does the gentleman make that assumption? Why do we make the assumption that Medicare and Medicaid can continue to go at 10 percent, when the private sector is going at 4 percent? We make it a very real assumption.

We are going to give beneficiaries new services. We are going to allow the private sector to offer a whole host of them. Beneficiaries are going to see their costs not increase to 10 percent. They will not have to pay these absurd increases that this side of the aisle has suggested.

Mr. KOLBE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from New Jersey [Mr. MARTINI], a freshman Member.

Mr. MARTINI. Mr. Chairman, over the last several days, and in anticipation of this historic vote, I have asked myself repeatedly, after all the debate is said and done, and I am sure those listening to this debate will ask the same thing, what is it that we are trying to do here in the House?

The answer, quite simply, is in voting for a balanced budget, we are bringing some discipline to a body which for too long has ignored the fundamental principle of fiscal responsibility. We are trying to bring accountability to a budget process run amok with neglect and abuse.

After years of overspending and piling up debt on the backs of our children, the budget we will vote on tomorrow will finally put us on a track toward erasing the Federal deficit and preserving the American dream for future generations.

Mr. Chairman, recently an auto mechanic in my district came up to me and reminded me of a television commercial of years ago, a very effective and albeit a very applicable commercial to this situation that we are debating here today. He recalled the image of the mechanic standing in the garage in his greasy coveralls, holding an oil filter, and warning all of us that we can take some remedial measures now at a very small cost, or pay him a much larger sum later at a far greater sacrifice.

Millions of Americans learned that simple lesson and the importance of that lesson early on when it comes to caring for their car engines. Similarly, the engine of government cannot long sustain years of neglect and abuse without, like the engine of your car, coming to a grinding halt.

Mr. Chairman, if we do as prior congresses have done all too long and avoid these much needed remedial steps, we will shortly be faced with a fiscal crisis of unsolvable proportions, with all the grave consequences related thereto.

Congress, I say, can no longer avoid its responsibilities. Our Nation faces a challenge, and this body has been elected to meet that challenge. We must, I say, vote for a balanced budget tomorrow.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the very distinguished gentleman from California [Mr. KIM].

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

Mr. KIM. Mr. Chairman, I have been listening to my colleagues on the other side of the aisle talk about how this budget proposal will hurt our children. They want us to believe that government subsidies are the only way our children will succeed in life.

Let me share with the Members a little bit about my story. When I came to this country, I was dirt poor. I did not know about the government subsidy programs, welfare, student loans, AFDC. Instead, I did it on my own. I worked full-time, and I went to college, with three children. It was not easy. It took hard work and sacrifice, but it can be done. I repeat, in America, it can be done without government subsidy. You can get a decent education without the government subsidy, I can tell you that.

Let us be realistic. Limiting the growth of Federal spending to 3 percent a year is not the end of the world. We are not eliminating all subsidy programs, for heaven's sakes. All we are doing is slowing down the growth of the out of control government spending. In fact, Federal spending will still grow by $400 billion over 7 years under our plan anyway.

□ 2020

Let us end this overblown rhetoric on this issue. Yes, we will be asking a few individuals to rely on themselves instead of the government, but overall, most worthwhile Federal programs will continue to grow under the Republican budget plan.

And in the process, maybe we can restore the tradition of self-reliance in this country.

Mr. SABO. Mr. Chairman, I yield 6 minutes to the distinguished gentleman from California [Mr. FAZIO].

Mr. LEVIN. Mr. Chairman, will the gentleman yield?

Mr. FAZIO of California. I am delighted to yield to my friend, the gentleman from Michigan.

Mr. LEVIN. Mr. Chairman, I want to say to my good friend from Connecticut [Mr. SHAYS], I think there is an understanding that there has to be consideration of where Medicare is going, but what bothers me is your message is, and I have heard the Speaker say it to seniors, you are going to get more by our providing less money, and it is not true.

The document that the gentleman from Ohio [Mr. KASICH] put together, and you do not find in the budget resolution, provides for expanded Medicare coinsurance. It would cost seniors $44 billion over 7 years. And the direct medical and indirect medical education costs, this is what it would mean, and I will just take a second for hospitals in Michigan in my area, for Beaumont it would mean three-fifths would be cut per year, for the Detroit Medical Center about the same, $17 million, and there would be a like cut for the Ann Arbor Medical Center.

So tell the facts, tell the truth to the American public.

Mr. SHAYS. Mr. Chairman, will the gentleman yield?

Mr. FAZIO of California. I am more than happy to yield to my friend, the gentleman from Connecticut, if he wishes to engage in debate.

Mr. SHAYS. Mr. Chairman, let me just say to the gentleman from Michigan I have tremendous respect for him and I know his question is very sincere. It is really an issue of whether you believe Medicare and Medicaid spending should and will continue to grow at 10 percent.

No, we do not think that we are going to improve service by providing less. We believe we can provide less by improving service.

Mr. LEVIN. Let me just respond.

Mr. FAZIO of California. I am happy to yield to the gentleman from Michigan.

Mr. LEVIN. If I may respond, do not just talk about 10 percent. Tell people what it means if you go less. Acknowledge in your letter that there would be cuts in indirect, direct medical education, a disproportionate share that comes to $50 billion or more for hospitals in suburban and urban areas, and tell the seniors that there may well be an increase in their coinsurance of $44 billion over 7 years. Do not just say you are cutting from 10 to 7. Tell people what it means to them, to them.

Mr. FAZIO of California. Billions, and trillions, and we talk about words that are jargon in the medical-industrial complex.

What I would really like to do is talk about the Hopkins family in my district. Mrs. Hopkins is 69 years old. She and her husband have been married for 40 years. He works part time at a McDonald's in order to make their Social Security payment go a little further. He has been doing that now for 5 years.

He worked for a small business that does not provide him any pension. He is now solely dependent on his work in his later years and his Social Security. That is all that they have to live on.

The good news is at the moment they do not have any copayments under Medicare, and they certainly could not afford them. They have a rental cost in the amount of $490 a month. They can barely pay that as it is. If they were to have to pay another $2,000, $1,000 for each of them on their Medicare, it would put them not in a precarious economic state, it would ruin them.

These are people who have worked all of their lives and do not deserve that kind of treatment. Mrs. Hopkins has a heart condition. She has asthma. She has arthritis. She has to pay for her own medicine. That is about $200 a month. She and her husband can barely afford that as it is, but they do not have a choice. Nobody else is going to pick up their prescription costs; they have to have their medication.

Mrs. Hopkins was telling me the other day she was required to go to the hospital. She is pleased that the ambulance and the hospital were paid for, but she said they asked me to pick up another $130 for 20 pills, and she does not know where she is going to come up with that money. Does she cut the food? She cannot cut her rent; she has to pay her electric bill. They have not bought clothing in a long time. That is not a place to go for extra money.

She said yesterday to me, ''Leave our Medicare alone. We could not make it without Medicare. My last trip to the hospital just about broke us.''

So Mr. Chairman, I have to ask how can we in good conscience lower the standard of living for people who are already struggling at the same time providing tax breaks which go, in my opinion, largely to people in our society who have had the best of the last 15 years, the top 20 percent who are doing well?

The gentleman from Oklahoma said do not worry America, we are spreading the pain. Well, I understand that there is a lot of pain being spread around. What I am frustrated about is the fact that there is not much spreading around of the gain.

This is all part of a totality here. As the gentlewoman from North Carolina said, if we did not have the tax cuts in this budget resolution, we would not need to be cutting the Hopkins' Medicare benefits. We can reform Medicare, we can take a comprehensive approach and help everyone whose costs have been going up in the health care field,

but we are taking I think an approach which is unfair, which gives new meaning to the word mean-spirited. We had a gentleman from California send us a note on the Internet. He said the Republicans are giving new meaning to the word mean-spirited and they are doing it in the old-fashioned way, they are earning it.

Well, ladies and gentlemen, I hope people will think twice before they decide to vote for this budget resolution, because, in fact, it is the least fair I have seen in 16 years in this Congress.

Mr. KASICH. Mr. Chairman, I yield myself 3 minutes.

Let us spend just a second here talking about what we are trying to do with Medicare, and as I explained earlier to the people in the Chamber, we are going to go from $924 billion in spending over the last 7 years to almost $1.6 trillion. Now some people in the Congress would like us to spend $1.8 trillion. If we do that of course the system goes bankrupt and there will not be benefits for anybody.

In the private sector they were growing at enormous rates and guess what happened, guess what was happening to American businesses? They were going bankrupt, they were becoming less competitive. So guess what they did. They decided to use innovations, they decided to use creativity. And what were they able to achieve? They were able to achieve an increase in medical costs, yes, costs were still going up, but from double digits down to single digits, and what did they do in the process, they kept their companies from going bankrupt, they improved the quality of medical care for their employees, and they have high customer satisfaction. That is what happened.

Now where are we? We are growing at 10½ percent ion Medicare. The program is going bankrupt. So what do we choose to do? We choose to go from $924 billion to almost $1.6 trillion in Medicare funding. And how are we going to have a Medicare Program at $1.6 trillion over the next 7 years? Well, we are going to study the private sector that has guaranteed choice, high quality, and high customer satisfaction. And guess what, we will keep the program from going bankrupt. And under our plan, of course, we will go from $4,800 behind each Medicare recipient to $6,400 behind each Medicare recipient, and guess what? We will maintain choice, we will have high quality, and we will save the system from going bankrupt.

Now those people that want to run around and talk about bankrupting the system, they are not just going to bankrupt the system of Medicare, they are going to bankrupt America.

Mr. SHAYS. Mr. Chairman, will the gentleman yield?

Mr. KASICH. I yield to the gentleman from Connecticut.

Mr. SHAYS. I would like to ask the gentleman, when it goes bankrupt, how are you able to pay the beneficiaries?

Mr. KASICH. Well, you cannot pay the beneficiaries anything, but if you want to scare people, you go out and throw all of these numbers around.

I am going to tell you the facts. If we do not get the program under control, it goes bankrupt. Not only does that program go bankrupt, but so does it threaten the long-term financial stability of this Nation. We have no right, we have no right to pile debt, red ink on the backs of our children. That is why we are going to do the responsible thing.

Mr. SABO. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. I just wanted to ask the chairman of the committee, the Hippocratic Oath says when you are providing health care, do no harm first. Can the gentleman tell me why we decided to give the 13 percent of our elderly who are at the top of the income strata a tax break earlier this year, and encompass that in this budget by directly undermining the Medicare trust fund before we even began to talk about the crisis that seems to be suddenly consuming the majority?

Mr. KASICH. Mr. Chairman, will the gentleman yield?

Mr. FAZIO of California. I yield to the gentleman from Ohio.

Mr. KASICH. The gentleman was so quick to punish people when he raised taxes on them. What we are attempting to do is to cancel out the huge tax increases and the big Government programs that you had.

And let me say to the gentleman we have a number of provisions in here that are designed to give people a better life, families a better life, Social Security recipients more earning power.

Mr. FAZIO of California. The gentleman has not really responded to my point. The point is you are undermining the Medicare trust fund and you are doing it in a way that advantages the very wealthiest seniors and asking all of the rest to pay another $1,000 a year.

Mr. SABO. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. OBEY].

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

Mr. Chairman, let me simply say there are four reasons to vote against this bill.

The first is that it simply is not going to balance the budget. I have been here before. I remember in 1981 when we had a wizard by the name of Stockman. Now we have a different wizard, but the results are going to be the same.

Mr. Stockman told the Congress just follow Reagan's lead, you can have it all, baby, you can cut the taxes, you can double military spending, and you will still balance the budget in 4 years, and you know what, they only missed by a couple hundred billion dollars.

So then we had Gramm-Rudman No. 1, Gramm—Rudman No. 2, Gramm-Rudman No. 3, all multiyear promises, going to balance the budget, baby. And guess what happened? They missed three more times.

Now we are in here with the fifth multiyear promise. And do not take my word for it, read the Wall Street Journal, that well-known left-wing newspaper. And what do they talk about? They talk about the fact that this package is back-loaded, small tax cuts to begin, huge tax cuts in the out years. I guarantee you, you are not going to see a balanced budget if we swallow this prescription. You are going to see mountains of debt.

The second reason to vote against it, you have savage cuts to domestic programs. Do you really know what is going to happen to the National institutes of Health and the people who rely on it for medical research when you cut it by 5 percent and then freeze it for 5 years? You erode the purchasing power of medical research by 25 percent.

What good is that going to do folks on Medicare and Medicaid, or any other citizen in this country who is looking to try to escape some of the most devastating illnesses in the world?

The third reason to vote against this is simply because you do have these devastating cuts in Medicare and Medicaid. Do you really believe the American public wants to see you make these kind of reductions so you can give big, fat tax cuts for people making between $75,000 and $200,000 a year? I do not think so.

I would simply say this to the gentleman from Ohio, yes, you have to repair the Medicare trust fund. And yes, in the context of health care reform you can talk about reductions that go at waste and fraud, but I tell you, if anybody thinks you can cut this much out of Medicare and Medicaid without seriously damaging seniors, you are smoking something that ain't legal. You just cannot do it.

The fourth point I would simply make is that all of these budget changes are going to make this country worse in terms of the equitable distribution of income growth. This chart shows that from 1950 to 1978 income growth in this country was shared across the income spectrum. Whether you were in the poorest fifth or richest fifth, you did pretty well.

☐ 2015

Everybody's income went up. Here is what has happened since then. Unless you belong in the top 20 percent of this society, you have barely kept up, and if you are in the middle and below, you have lost ground dramatically.

These budget cuts, these cuts in Medicare, these cuts in Medicaid, these tax cuts that give two-thirds of the tax benefits to people making more than $70,000, and 1 percent of the benefits to people making less than $20,000, will make that gap worse. That is typical

Republican prescription in this country. People have come to expect the republican Party to support prescriptions that largely benefit the wealthy.

I hope that the Democratic Party will not follow suit, and I hope that well-meaning people on the Republican side will join us as well in opposing a plan which makes this situation much worse.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HERGER].

Mr. HERGER. Mr. Chairman, as a small business owner and a father of nine children, I am concerned about the future of this Nation. For too long, Washington has mortgaged the dreams of our future generations.

For example, a child born today already owes $187,000 in interest payments on the $4.8 trillion national debt.

However, Mr. Chairman, today is the dawn of a new day in Washington. This is truly a historic occasion. For the first time in 26 years, this Congress is on the verge of enacting a plan to balance the Federal budget.

Mr. Chairman, this budget is about beginning to pay off our debts and restoring the American dream. It is about renewing hope for the next generation and about restoring prosperity to our communities and the economy.

Mr. Chairman, last fall we made a promise to the American people to bring the budget to balance. In this budget, we keep that promise.

Mr. Chairman, unlike my Democrat colleagues on the other side of the aisle, this is not an arcane meat ax budget. Last November, the American people asked us to streamline government and make it more efficient, and that is exactly what we are doing. Where we can, we send programs back to the States and local governments. We also attempt to eliminate redundant programs.

Under this budget, spending continues to grow, only it will grow at a slower rate. For example, over the next 7 years this budget pledges to spend an additional $1.2 trillion.

I urge my colleagues to vote ''yes'' on this budget.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, I thank the gentleman for yielding.

During the course of the debate this evening, we have heard from several speakers who talked about how we are going to make it impossible for people to go to school because we are going to cut off the in-school interest subsidy. That has been raised on several occasions.

Well, I think it is just worth noting here what we are talking about in terms of both the additional cost that a student will incur as a result of this interest subsidy not being given to them during the time they are in school versus how much that individual can expect to earn as a result of getting a college education.

Now, the chart that you have here shows these two figures. This is on average the amount, total amount, that a student will pay in addition, because we are simply saying you are not going to pay the interest while you are in school, we are just going to add it on and you will pay it when you graduate from school, and that will add a total, over the course of paying off that loan, on average $2,562. Some will pay more, some will pay less, but that is the average figure that they will pay. Over the course of a loan, it works out to somewhere around $35 to $40 a month, maybe a Big Mac a day or something like that, during the course of the month, not even that much, actually, on a Big Mac.

Here is what the student is going to earn as a result, additional; this is the added earnings that a college student can expect in the course of their lifetime by having a college degree, a 4-year, a bachelors degree, $525,000.

Do I think that it is unfair to ask the college student that is going to earn $525,000 to pay when they graduate that $2,562 additional interest rather than saying to the person who is out there, the young mother or the single parent who is working, scraping to keep her kids, take care of clothes, feed her kids, to the individual, is it fair to say that the student should be subsidized and that it should be paid for by the mother who is out there working, by the factory worker who is out there trying to keep his family together, by the senior citizen who is out there scraping to pay their taxes so that this individual who is not going to pay this while they are in school but is going to pay it out of their future earnings, do we think it is unfair that they should pay that amount against the $525,000 additional earnings that they are going to have because they have a college degree? I do not think so. And I do not think the American people think that.

It is curious the people over on the other side on the one hand want to give them a subsidy while they are in school so they can make lots of money, and then they want to tax them to death as soon as they finish college so they can be taxed to death, get them into those higher brackets and make them pay more.

Well, it is fair they should pay this subsidy after they graduate, because they are going to have higher earnings.

Mr. SABO. Mr. Chairman, I yield myself 30 seconds.

I would only suggest to my friend, the gentleman from Arizona, that when that person graduates from college and begins a teaching job, the salary is not very high, or if they are a social worker or if they are a preacher going to a rural community in this country, endless college graduates, they do not have that big chart of yours when they finish college. Eventually, we may deal with that income differential through progressive income tax, but when they leave college, that person is not having that.

Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. EVANS].

Mr. EVANS. Mr. Chairman, Medicare is a lifeline for 37 million Americans, providing them the health care they need that enables them to live longer without bankrupting them.

Prior to its enactment, seniors often went without help, causing medical complications that could have been prevented and additional costs that could have been avoided.

Now, the medical care 37 million Americans depend upon is in jeopardy due to the Republican budget plan that cut billions in Medicare to pay for tax cuts for millionaires. This Republican budget would fulfill a contract with the wealthy, but at the expense of breaking a contract with the elderly. This Republican budget plan would end seniors' choice in selecting their own hospitals and their own doctors.

This Republican plan would hurt working families who will have to cover the costs that their parents cannot for their medical bills. This Republican budget plan threatens to close more hospitals, particularly in rural and small towns across the country.

America is the world's richest country. We can afford to take care of health care for those who have made this country great.

I urge my colleagues to vote against the Republican budget plan.

Mr. KASICH. Mr. Chairman, I yield 1 minute to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I thank the gentleman for yielding.

My friend from Illinois may not realize that under the Republican plan, Illinois will get $2.7 billion of additional dollars in the next 7 years. Their per beneficiary for Medicare is now $4,500. It will go to $6,000 per beneficiary, per beneficiary.

We are not cutting choice for seniors. We are going to change the system, allow them to keep what they have, if they want, but we really believe they are going to choose to be in programs that will provide them rebates and give them other opportunities, and in our plan we hope that we can allow seniors to police their bills and get 10 percent of whatever they find is a mistake.

We are going to open the options. We are not going to cut. Only in Washington, only in Washington is an increase in spending a cut.

Mr. KASICK. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. NUSSLE].

Mr. NUSSLE. Mr. Chairman, well, I thank my good friend, the chairman of the Committee on the Budget, for yielding.

You know, folks, we have had about 4 hours of debate now, and we need a little bit of a break. We need to take a break from all the rhetoric and have a little bit of fun.

The folks listening and the folks here in the Chamber, we are going to have a little budget quiz at about halftime. I

have got some questions for you for the 1996 budget debate quiz.

Question No. 1, here we go, let us start. You do not need a No. 2 pencil, just follow along, listen carefully, and then mark your answers.

The 1996 budget quiz: I will present a 5-year plan to balance the budget. Who said that? Is it A, Representative MARK NEUMANN, the budget we will be debating tomorrow, is it B, Senator PHIL GRAMM, candidate for President, fine Senator from Texas? No. It was, C, President Bill Clinton said, ''I will present a 5-year plan to balance the budget.'' Anybody get that one right? It is a trick question, a trick question.

Here is question No. 2. Mark your answers. We think the task of balancing the budget is one that we have to actually take responsibility for ourselves and just do it. Who said that? Was it our fine chairman, JOHN KASICH from Ohio? It sounds like him, does it not? Is it B, Senator PETE DOMENICI, from the Senate Budget Committee? Maybe. No, wrong again. It was C, Vice President AL GORE said, ''We think it is our responsibility to balance the budget.'' Have they taken responsibility? Does not sound like it to me.

Go on to the third one. Question No. 3, when we have a Medicare Program that will grow at 11 percent and a Medicaid Program that will grow at 16 percent next year, when neither the population nor the morbidity statistics affecting those population groups are growing anywhere like that, we know we can get savings. Who thought that we could get savings from the Medicare and Medicaid Programs? Was it the AARP? Probably not. Was it the American Hospital Association? That sounds like them. No, it was C, the First Lady, Hillary Rodham Clinton, as she testified before the Senate Committee on Finance. You did not get that one either? I can tell.

Well, we will go on to the final question. This is a tough one. Listen carefully to this. Today, Medicaid and Medicare are growing up at three times the rate of inflation. We propose to let it go up at two times the rate of inflation. That is not a Medicaid or Medicare cut. So when you hear all of this business about cuts, let me caution you that that is not what is going on.

Well, you probably heard a little bit about that today in the debate. So who do you think said that? Was it JOHN KASICH? Sounds like KASICH. Sounds a lot like KASICH. I have heard you say that, JOHN.

Is it B, Senator PETE DOMENICI? No, it was again, C, our President, Bill Clinton, who knew full well that allowing it to grow at a slower rate than what it currently is growing now is not a cut.

So as you listen to the rest of the debate, keep in mind our little 1996 budget debate quiz.

Mr. SABO. Mr. Chairman, I yield myself 1 minute simply to respond to the latest gentleman and his quiz.

The fact is the Republican proposal cuts Medicaid expenditures by substantially more than caseload and inflation. The cut is substantially deeper.

The same is true of Medicare. It is down less than 4 percent, 1 year, with over a 1 percent caseload, a much deeper cut than the President was suggesting in his answer to that question in the little game by the gentleman from Iowa [Mr. NUSSLE].

Mr. Chairman, I yield 2½ minutes to the gentleman from Maryland [Mr. WYNN].

Mr. WYNN. Mr. Chairman, I would like to thank the ranking Member.

As for me, the only thing I can say about that little quiz was tricks are for kids.

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First, Mr. Chairman, I would like to reiterate the burning question in today's debate. Why are the Republicans cutting Medicare to give a tax break to the wealthy? First, my colleagues, let us be honest. This debate is not about whether we need a balanced budget to protect our children's future. The Black Caucus can offer a balanced budget from the progressive point of view by closing tax loopholes. On the conservative side, the Democratic Coalition offered frontloaded budget cuts to also get to a balanced budget. What they have in common, however, is that neither of these Democratic approaches gut Medicare to give a tax break to the wealthy.

Here are the facts. There are 37 million Medicare recipients 65 years or older. Their average income is $20,000 a year. The Republican plan cuts $283 billion from Medicare and will cost each Medicare recipient an additional $1,000 by the year 2002. This means larger copayments, higher deductibles, and the loss of choice of doctors. Meanwhile, on their side of the ledger in the Republican plan, 1.1 million Americans, wealthy Americans, will get over $20,000 in tax cuts. These people make over $200,000 a year. They will get a tax cut totaling $3.345 billion.

When we talk about Medicare cuts, the Republicans are quick to say, ''Wait a minute. This isn't a cut. Seniors will actually get more money in the year 2002.'' Yes, but the problem is that more people will be eligible for Medicare, and the increased costs of services will mean that what they are providing is not enough to solve the problem. It is like throwing a 20-foot rope to a man who is drowning 30 feet from shore. It is not good enough to say, well the rope is longer than the 15-foot rope we threw to that other guy who was drowning.

It is also not good enough to say, well, somehow services will be cheaper, and people will be able to get them and have better choices because they never explain any of that. They just come before us with these miraculous cures.

Finally, Mr. Chairman, the Republicans tell us we have to do all this because the Medicare system is going to be insolvent. Well, last year we said, ''If you want to reform Medicare, you need a comprehensive approach.'' They were not interested. Today we could go a long way toward solving the Medicare problem if we did not have to give a tax break for the wealthy.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the very distinguished gentleman from Arizona [Mr. SHADEGG], a member of the committee.

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

Mr. SHADEGG. Mr. Chairman, I think the debate today has been fascinating. It illustrates just how far out of touch all of this has become. The American people are screaming for change. They are fed up with a Federal Government that is too fat, and too bloated, and too out of control, and what we hear on the other side of the aisle is a litany of defense of the status quo: This program cannot be cut, that program cannot be cut, no change. They like things just as they are. Well, that is not what the American people asked for in the election on November 8, and that is not what we came here to deliver.

I just listened to my distinguished colleague from the other side who said that the Medicare Program in our plan cuts further than it ought to. Well, I would like to ask the question:

''Precisely what are the proposed changes in the Medicare plan under your balanced budget proposal?''

''Oh, you don't have a balanced budget proposal. I see; you have the Clinton proposal, which is grow. You have a proposal which says, 'Although the Medicare system will be bankrupt in less than 6 years, what we are going to do about it is play Chicken Little, or something of that sort, and bury our head in the sand and do nothing'.''

Mr. Chairman, the American people deserve better than that. We have a Federal Government which is totally out of touch with the people it governs.

Let me cite some statistics for what we did and why we did it. The 1963 to 1993 comparison is what I would like to talk about. Since 1963, Mr. Chairman, the average weekly wages of a blue collar worker in America are up 398 percent. Average wages, blue collar worker, up 398 percent. The Consumer Price Index is up 458 percent. Let me contrast those numbers with the Federal Government. Federal Government receipts are up 1,024 percent. Federal Government expenditures are up 1,241 percent. The deficit, the problem that they would just as soon ignore, the deficit since 1963 is up a staggering, and listen to this number, 6,102 percent. I got to ask what would the deficit have had to increase for our friends on the other side to say we need to make some change? I don't know what it is; I am still waiting for their balanced budget plan.

Mr. Chairman, when the average worker's wages are up about 400 percent, but Government is up in its receipts 1,000 percent, its expenditures 1,200 percent, and its deficit 6,000 percent, it is time to act. It is time to act

responsibly. It is time to bring the Government's budget into balance, and that is what this Republican budget does.

When I was in Prescott, AZ, at the field hearing and in Billings, MT, the American people said they were willing to participate as long as it was fair. This measure is fair. I urge its support.

Mr. SABO. Mr. Chairman, I yield 2 minutes to my good friend, the gentleman from Pennsylvania [Mr. FATTAH].

Mr. FATTAH. Mr. Chairman, I think the real issue here is not the concern, as the gentleman from Ohio [Mr. KASICH] suggested, of fiscal bankruptcy, but moral bankruptcy. The ranking member comes from an area of the country in which Hubert Humphrey came from, and he said that the test of a civilized society is how we treated those who are young and those who are old. I cannot understand all of this applause and, rah-rah. We cut education and Medicare programs.

The gentleman from Virginia [Mr. WOLF] quoted a little scripture. I guess one could say, ''We'll forgive you because you know not what you do,'' but I think the gentleman does understand exactly what he is doing because with this same blade that he is cutting Medicare he is cutting taxes for the rich, and so I think that that would probably not be appropriate.

I serve on the board of Penn State University on the Subcommittee for the Hershey Medical School. I spent 10 years on the board of Temple, in our hospital in Philadelphia. Millions and millions of dollars of unreimbursed care, disproportionate share issues.

Mr. Chairman, I would invite Americans: ''Don't listen to the rhetoric on the Republican side or the Democratic side. Call your neighborhood hospital. Call your doctor. You'll find out. Ask them what these cuts are really going to mean because, when you see somebody jump up and down, make all of these comments—KASICH, who says he is for a 6-year, 6-term, limit, is here in his 7 term, is telling us this is not going to hurt. I think the truth is clear, and people need to just reach out and touch, call their hospital, call their doctor, and ask them whether this is really going because it is.''

In the final analysis, Mr. Chairman, the real concern for all of America has to be whether we are going to bankrupt ourselves as a country morally, if we are just going to allow seniors to fall by the wayside and not have the kind of care they are going to need.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, we are coming toward the close of this debate on general debate on the budget tonight, and I think it is time for us to just bring it back and do a little bit of focusing. We have had a lot of things said about various things. But I think a very clear, fundamental, philosophical difference has been demonstrated here tonight, and what I hear over and over again is from the Democratic side of the aisle, that the tax dollars the people pay belong to the Government. They are the Government's. They are this Congress' to use, to decide how they should be dispensed, about how they should be disbursed, about how people should use, what services people get.

I think Republicans have a different philosophy. The tax dollars belong to the people.

I am reminded again of what I said earlier this evening, that guy down at the UPS office, at their distribution center, who said, ''Please go back there and tell them it's my money they're spending,'' and I think that is something we need to keep in mind.

Mr. Chairman, we believe that the taxes belong to the people and that we should take only what is essential, only what is essential for the services that people must have, and we should leave the rest with Americans. Most of all, Mr. Chairman, we should leave them with a balanced budget because what we have been doing for a generation and more, for my generation and more, is we have been borrowing from our children and from our grandchildren. We have been borrowing from the future to pay for the kind of spending, the spending desires, that we have, but we are not willing to pay for today.

So, Mr. Chairman, we say, ''Don't take the taxes of people, and don't spend from the next generation. Balance the budget.'' That, my colleagues, is what we have here tonight. At the end of 7 years we have a budget that will be zero in deficit, and we have not seen that for a long time, since 1969. That is a long time since we have had a balanced budget, and I think it is high time that this Congress got its act together and balanced that budget, not for us, but for the future generations, for the future generations who will have to bear this increasingly heavy burden because we cannot control our appetite for spending.

Yes, the principles of this budget are relatively simple, the details are very difficult, and I will acknowledge that, and I will acknowledge that we will have differences over where that ought to be, but we ought to be willing to agree that we should get to a balanced budget, and what we do not have here tonight is any proposal coming from the Democratic leadership that gets us to a balanced budget. We do not have any proposal from the President of the United States to get us to a balanced budget. Much as that quiz said, and he said at the beginning of his term of office that he would do, that he would have a plan for a 5-year balanced budget; we do not see it.

Mr. SABO. Mr. Chairman, I yield such time as he may consume to the gentleman from Kentucky [Mr. WARD].

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

Mr. WARD. Mr. Chairman, I rise in opposition to the budget resolution.

Mr. SABO. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, just before the gentleman from Iowa [Mr. NUSSLE] spoke, and in 1991 he came here to the floor of the House with a bag on his head, and now he has showed he is a very good stand-up comic, but unfortunately the Republican plan is not very comical. In fact it is downright tragic, and the fact of the matter is that Medicare and Medicaid cuts count for nearly one-third of the savings in this bill. The bottom line is not how much money each State gets and the fact they might be an increase or a decrease. The bottom line is by the year 2002, Mr. Chairman, seniors in the United States will be getting less health care coverage and will be paying more in 2002. That is a fact. The fact of the matter is that any kind of increase does not make up for the fact that there will be more seniors in the program and does not make up for the rate of inflation.

So who is kidding who? A 25-percent cut in the Medicare Program by the year 2002 means to the seniors in America fewer benefits, much higher out-of-pocket costs for seniors and less choice of doctors, forcing seniors into HMO's.

Mr. Chairman, my mother who lives in south Florida is a good case in point, is petrified about having to be forced into an HMO. She lives off meager Social Security. There has been no pension since my dad died, and there have been millions and millions of senior citizens just like her, people who spent $300 and more a month on prescription drugs and get no help from the Medicare Program. What are these people supposed to do by the year 2002? Choose between food or choose between staying alive with medication?

The fact of the matter is that we are reducing this program, and seniors will have worse health care in this country.

And Social Security? The Republicans are cutting Social Security by $24 billion between 1999 and 2002 due to the cost of living changes.

So this is not very funny. This is life and death to most people.

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Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. LAZIO].

Mr. LAZIO of New York. Mr. Chairman, I almost feel like I need to apologize to my colleagues for being so emotional when I spoke earlier in the day, but I speak from the heart because I think this is very much about my children and children across my community and across America. I want Members to take a look, both Republicans and Democrats, at two of my children, Molly and Kelsey, one 3 and one is almost 2.

I know many Members on both sides of the aisle have children and grandchildren and may differ on the ultimate issue. But I so believe in this budget, this mission of getting to a balanced budget, that I reluctantly invoke

their name and introduce them to you. They are probably asleep right now while we are arguing about their future, but that is exactly what is at stake, whether we are going to make the tough calls to protect them and others across America like them.

I would like to quote Alan Greenspan, who has been appointed by both Republicans and Democrats and is respected by both sides of the aisle. The Federal Reserve Chairman said in testimony:

> I think that under a balanced budget, productivity would accelerate, the inflation rate would be subdued, the general state of financial markets would be far more solid, and the underlying outlook would be generally improved for long-term economic growth. Real incomes would significantly improve, long-term interest rates would fall significantly, and most Americans would look forward to their children doing better than they.

What better moral message do we have for America than that we are going to give our kids the opportunity to do better than we are doing today.

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

Mr. SABO. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, there are no fun and games in this budget for my constituents.

There is one sure way to understand the foolish, heartless, meat-ax document that passes for a budget resolution before us today. Folks who would begin by cutting their grandmothers' Medicare to fund tax cuts for the rich, would cut anyone, anytime, and anywhere.

Well, almost anyone. The Republicans have spared the rich, and they have spared defense. But they have sent a search and destroy mission out to get literally everyone else—especially the elderly and the poor—but also, most assuredly working people, middle-income families, students, kids, and Federal employees.

The Republican budget resolution reads like a Who's Who of the Most Needy and the Most Deserving. Take your pick. Does it make any sense in today's world to wipe out educational programs and summer jobs for disadvantaged children? How should African-Americans regard zeroing out Howard University, the flagship university of Black America? How can working Americans accept as champions Republicans who propose to completely eliminate additional unemployment benefits and training assistance to workers who lose their jobs—including the hundreds of thousands of NAFTA job-losers. And here's another of the many zeros in this budget—a zero for operating assistance for mass transit—hit the cities, suburbs and the environment at the same time.

Tell me what sense it makes to throw people off of welfare and at the same time cut $21 billion from Earned Income Tax Credit for working poor families? Who gains by freezing Head Start, making for a 26 percent loss? How many needy students will forego college because they have to pay $5,000 in interest on their loans while still in school?

This sampling, courtesy of the GOP, is not a cruel joke. Nobody laughed on Monday at my Seniors' Legislative Day. The figures told the story. Hurt everybody, but hurt seniors the most. Intentionally? Not exactly. Just go where the money is.

There are only hard ways out of our untenable deficit. You can't fix Medicare and Medicaid simply by cutting them. You can fix them only by fixing the sick system of which they are a part. Otherwise the system will simply shift the costs to other Americans.

The shift that is going to hurt Americans most is the earthquake shift of necessary costs from the Federal Government to States and localities. Much that the budget resolution eliminates still has to be done. The Federal Government with the broadest tax base may still find relief. But, watch for inevitable sales and property tax increases for States and localities.

Call it what you want. A cut by any other name is still a cut. When you fund Medicare and school lunches at less than the cost of inflation, that is a cut. When you fund foster care and housing for the elderly at less than the rapidly growing number of eligibles, that is a cut.

The Republicans are in a runaway truck with a driver drunk on cuts at the wheel. We must do something before this budget crashes, leaving human debris in its wake.

Mr. KASICH. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, we can be proud of this balanced budget effort. It takes us in the right direction. Last year the American people told us that the government is too big and it spends too much, and we have responded to that in this balanced budget document. Today, as we brought it forward, we heard a lot about tax cuts for the rich. The fact is that our capital gains tax cuts will give 70 percent of the benefits to families who make under $50,000. The fact is our child tax credit will totally eliminate taxes for people who make $25,000, and will cut by 48 percent the taxes that are paid by people making $30,000. Those are the rich that we hear about from the other side. It is $25,000 and $30,000 a year families who they regard as rich. Our Medicare program actually increases every year under our plan.

But the real choice is this: If you are a 65 year old person that is retiring this year and you expect to live 10 more years, and you can certainly expect to do that, in the last 3 years under their plan you will have no Medicare, because it will be bankrupt. Under our plan it will continue to increase every year.

The great British statesman Benjamin Disraeli one time said that men and nations move from bondage to faith, from faith to courage, from courage to freedom, from freedom to abundance, from abundance to complacency, from complacency to dependency, and from dependency back to bondage.

Our opponents today advocated the status quo. Theirs is a prescription for complacency and dependency. Our prescription begins with faith, hope if you will, but it is plan that leads us to freedom and abundance. The question before the House tonight and the question before the House tomorrow is whether we will have the courage to go the route of faith, courage, freedom, and abundance, for the sake of this generation, and all future generations.

Mr. SABO. Mr. Chairman, I yield 2 minutes to my friend, the gentleman from Virginia [Mr. PAYNE].

Mr. PAYNE of Virginia. Mr. Chairman, I support a balanced budget, and I support balancing the budget by the year 2002. The deficit has sapped this Nation's productive capacity, hindered job growth, and mortgaged our future.

The Republican resolution gets us to a balanced budget by 2002, but it takes a sharp detour on the long and difficult road to get there. That detour comes in the form of a 7-year $285 billion tax cut.

It is a tax cut that most Americans don't want, and that most economists don't think we need. It must be financed by deep spending reduction in programs that promote growth and serve the most vulnerable citizens among us.

Fortunately, we will have a choice tomorrow. A budget put forth by the Democratic Coalition, which I support, is direct. There are no detours and no backloaded spending cuts. It is a budget that contains plenty of tough choices and deep reductions in spending.

But it does not provide for any ill-conceived tax cuts. And because it doesn't, it is vastly different from the Republican budget.

Because there are no tax cuts, the Coalition's budget spends $112 billion more for Medicare than does the Republican budget; $6 billion more for Head Start, job training, and other education programs' $6 billion more for Community Development Block Grants, the Economic Development Administration, and other programs that promote economic growth and good jobs in our rural communities; and $11 billion more for child health care and immunization, rural health care, and research funding at NIH.

The Coalition's budget also preserves the Guaranteed Student Loan Program in its present form, which assures that thousands of young Americans will realize the dream of a college education.

And because the Coalition's budget doesn't take us down the road of immediate tax cuts, it not only balances the budget, but it also projects a total national debt that is $160 billion lower

than under the Republican budget in the year 2002.

The choice is clear. For a budget that is balanced more fairly, with greater investment in education and good jobs for a better future for this country, I urge my colleagues—Democratic and Republicans—to vote for the Coalition Substitute and against the Republican budget.

The CHAIRMAN. The time remaining is 3¼ minutes for the gentleman from Minnesota [Mr. SABO], and 6½ minutes for the gentleman from Ohio [Mr. KASICH]. The gentleman from Ohio [Mr. KASICH] has the right to close the general debate.

Mr. KASICH. Mr. Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, this is not fun and games, this is very serious business, and for any of us. on both sides of the aisle, we know that and do not need to be reminded of it. We are talking about saving this country, and we have different alternatives for doing that.

Mr. Chairman, I just hope we do not waste this opportunity. As I said in the beginning, I have waited 20 years for the opportunity to help this country get its financial house in order. This is our moment, and this is the moment we have to seize. We need to get our financial house in order for our children and our children's children. We need to slow the growth in spending.

Now, when we talk about Medicare, because it has come up continually and we continually hear Members talk about cuts in Medicare, the previous Member who spoke, the gentlewoman from the District of Columbia, talked about cuts in Medicare. And yet in our plan it goes up 45 percent in the next 7 years.

The gentleman before that from New York talked about cuts in Medicare, and yet it goes up 35 percent. The per beneficiary costs are going to go from $5,312 to $7,000. We are taking into consideration the increase in beneficiaries and we are providing more money.

In general, our plan goes from $178 to $259 billion. I keep saying it, because anywhere else this is an increase, but in Washington, among some on that side, it is a cut.

When we talk about what we are spending in Medicare, in the last 7 years we spent $925 billion. In the next 7 years we are going to spend $1.6 trillion on Medicare. In this city an increase in spending is called a cut. Only here.

The per beneficiary expenditure for all beneficiaries is going to go up from $48,000 to $63,000 per beneficiary. We are taking into consideration beneficiaries. Yes, it is not going to go up 10 percent, it is going to go up 5 percent. The reason it is going to go up 5 percent is the fund is projected to be exhausted in the year 2001 if it goes up 10 percent. If it goes up at 10 percent, it is exhausted, and if it is exhausted, we run out of money. If we run out of money, we cannot pay beneficiaries. In our plan CBO points out in the year 2002, 2003, and 2004, we provide more money for beneficiaries in Medicare than letting the plan go bankrupt. That is obvious, if it goes bankrupt. We want to change that.

The bottom line to this debate is we believe that Medicare recipients deserve choice. We believe they deserve the opportunity to have the same kind of plans their children and their children's children have. We believe if they want to join a plan that gives them a $1,000 rebate, who should they not be able to join that kind of plan? If they are given a plan that allows them to be part of an HMO and save money, why should they not be allowed? Under our present system, we do not allow it. If we think spending is going to go up at 10 percent, then you can say it is a cut. We know it is going to go up 5.

Mr. SABO. Mr. Chairman, I yield 1¾ minutes to the distinguished gentleman from California [Mr. TUCKER].

Mr. TUCKER. Mr. Chairman, the House Republican budget promises to balance the Federal budget by the year 2002. They say that this is the will of the American people. But at what cost must we do this and on whose backs? Mr. Chairman, I ask, is the Republican approach consistent with the will of the American people?

The House Republican budget promises to cut Medicare funding by $283 billion, education funding by $18.7 billion, and reduce the Social Security COLA in 1999 by 0.6 percent, so that they can balance the Federal budget and provide a huge tax cut to the rich. The Republicans' logic, they say, is that a huge tax break for the wealthiest Americans will be good for the country and allow savings to invariably trickle down to the rest of the Americans who live in the real world.

Now, where have we heard that one before? That is what got us into this budgetary imbalance in the first place. Well, thank God for the common sense of the American people. Thank God that they are not penny-wise and pound-foolish.

The Washington Post this week reported that 60 percent of the American people find that the Republican budget is objectionable, and 85 percent of Americans find that they are opposed to cuts in Medicare.

Mr. Chairman, I must say that the Republicans on November 8 thought that they had a mandate, but the American people have clarified that mandate. Hands off Medicare, Social Security, and education. Balance the budget, yes; but not on the backs of the least among us. I urge my colleagues to respond to the will of the American people and vote ''no'' on this budgetary boondoggle.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. SABO] for the balance of his time, 1½ minutes.

Mr. SABO. Let me thank the Chair for his excellent job in presiding today.

Mr. Chairman, I yield 1½ minutes to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Chairman, I thank the ranking member of the Committee on the Budget for yielding and for his leadership in representing the values of our great country on the Committee on the Budget.

Mr. Chairman, why are we cutting Medicare benefits in order to give a tax break to corporations and to the wealthiest Americans? Three and a half million senior citizens on Medicare in California want to know. One of them is Enola Maxwell, my constituent. Enola Maxwell is 75 years old. She has worked for 20 years as the executive director of the Potrero Hill Neighborhood House, serving the needs of senior citizens, inner-city youth, and providing job training for adults.

Enola wants to know, because recently she had a heart attack, and she said when you get older and this horrible thing happens to you, like a heart attack, you realize what a wonderful benefit Medicare is.

□ 2100

Medicare paid for Enola's convalescent care. Enola asks, why do the Republicans want to break their promise to millions of seniors like her. Why indeed? They have to do that, they have to do that in order to make the $300 billion off of seniors in order to pay for their $300 billion tax break for the wealthiest Americans; 37 million senior citizens will lose $900 a year in order to provide a $20,000 tax break for Americans in the highest bracket.

This simply is not fair. The winners in this deal are the corporations and the wealthiest Americans. The losers are the senior citizens. Vote no on the Republican budget.

Mr. KASICH. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Ohio [Mr. KASICH] is recognized for 3½ minutes.

Mr. KASICH. Mr. Chairman, I yield to the gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I know the gracious gentlewoman from California talked about cutting spending in California. I would just like to point out to her, they get $21 billion now and they will get $31 billion under the Republican plan in the next seven years. That is a 46 percent increase in Medicare. The per beneficiary goes up from $5,800 to $7,688. Only in Washington is an increase like this called a cut.

Mr. KASICH. Mr. Chairman, we come to the end of the debate tonight. I have to tell Members that we have been receiving phone calls from people trying to tell us how we can argue against those that have argued for the status quo. We hear you, America. We know you want us to do it.

The Committee on the Budget traveled across this great country. And do you know what people said? ''Just do

it.'' Just like that athletic commercial, just do it. And if you will do it, we will reward you.

I know it has been said that as we traveled around the country that people said, well, we do not need the tax cuts; we need to balance the budget first. A lot of people in the press say, We gotcha, that is what they told you.

No, that is not what they told us. What they told us was, we want to put America first. And if we have to give something up, including some tax relief from this big Government of ours, we are willing to do it. But the great news is, America, we can do both. Just like we told you we would, we can do both.

We can preserve, we can protect, we can improve, we can save Medicare from bankruptcy. We can slow the growth of entitlement programs and design much better programs for trillions of dollars of increase. We are going to get rid of needless bureaucracy.

I want to tell you why I keep going back to this lady in Chicago that I saw one day. I bought a hot dog, and they have got great hot dogs in Chicago. I am watching this lady clean the tables. And I bet she got up very, very early to go to work to make a little extra money for her family. And when we take money from that lady, when we take money from any of the working people of this country, it better be for the real thing. And what we are about doing is reinventing Government, downsizing the Federal Government, giving control and power and influence back to people where they live because they feel now and they know now they can do better than turning to the bureaucrat in Washington to solve their problems.

So tonight we are going to go home. We are going to think about this debate, the majority, the minority. We have had on our side two tremendous speakers from the Democrat party, the gentleman from Mississippi, Mr. PARKER, and the gentleman from Texas, Mr. PETE GEREN. Mr. PETE GEREN was as animated as I have ever seen him about the joy that he is experiencing about the fact that we are about to change history.

Tonight when we go to bed, forget about being Republicans and Democrats, think about making history, think about saving the future, think about the next generation and we will do the right thing.

Mr. BEREUTER. Mr. Chairman, this Member would like to express his support for the House Budget Committee-approved budget proposal. Congress must act now to adopt a plan to balance our Federal budget. If a balanced budget is not adopted, and current policy is maintained, our Nation's children will be left with a country that is fiscally bankrupt. A balanced budget will ensure that the next generation will inherit a future that is full of opportunity.

This Member shares the goals of the budget committee to eliminate the budget deficit by the year 2002. The budget proposal offers a road map to achieve this goal by providing illustrative savings recommendations to the Appropriations Committee and the various authorizing committees, demonstrating that the budget can be balanced. While this Member notes that these recommendations included in the budget proposal are nonbinding, the overall spending allocations are in fact real funding levels which must be adhered to by the Appropriations Committee.

This budget proposal offers a common sense approach that allows spending to continue to grow, yet at a slower rate. In fact, Federal spending grows about 3 percent annually under this budget proposal, rising from $1.588 trillion in fiscal year 1996 to $1.817 trillion in fiscal year 2002.

In addition, this Member would like to commend the House Budget Committee for recommending the termination of many wasteful Federal programs. However, this Member would like to state his concern regarding several of the programs suggested for termination or reduction. These suggestions should be reconsidered during the deliberations that will take place between now and the start of the new fiscal year. This Member's concerns with the recommendation of the House Budget Committee are as follows:

Sharp reductions in agricultural commodity support programs;

Sharp reductions in export promotion, credit and insurance programs. During the GATT subsidy phase-down period, this amounts to something close to a unilateral disarmament for our export base;

Elimination of such programs as the community development block grant, HOME, and the Indian Housing Loan Guarantee Program;

The elimination of several rural health programs;

Deep reductions in vocational education programs;

Termination of State student incentive grants;

Sale of the Western Area Power Administration;

Elimiantion of section 2 and section 3(b) impact aid programs;

Complete phase-out of Corporation for Public Broadcasting;

Total phasing out of the entire Amtrak operating budget.

In linking these concerns I would emphasis that alternative reductions in other programs and agencies would be supported by this Member to meet the budget targets. Having listed these objectives or concerns to the illustrative or suggested House Budget Committee recommendations, this Member is pleased to note that the rule contains clarifying language regarding reductions in agriculture programs. Included is a commitment to reexamine agricultural policy in 1999 and 2000 if there are certain negative consequences as a result of these reductions.

Mr. Chairman, the House Budget Committee proposal departs from the failed status quo: It offers bold leadership for a balanced budget by the year 2002. This proposal is an important step in the effort to secure a bright and prosperous future for our Nation's children.

Mr. SERRANO. Mr. Chairman, I rise in strong opposition to House Concurrent Resolution 67, the Republican leadership budget resolution for fiscal year 1996.

I believe the Members of this House are unanimous in agreeing that we must bring the Federal deficit under control. While there are differences over whether the budget must be in absolute balance or whether deficits, and surpluses, have a role in stabilizing the economy, getting the deficit down is a universal goal. We must reduce the amount of debt we leave to our children.

But there are legitimate questions about how fast to go, how steep a glideslope is fair or wise. The Rules Committee's requirement that all amendments produce a balanced budget by fiscal year 2002 limits the proposals this House may consider to those that slam the brakes on Federal spending. The result will be economic whiplash. The Republicans' budget, which must cut Federal spending deeply enough to finance tax cuts for corporations and the wealthy, would aggravate the whiplash; balancing the budget in 5 years as in the Solomon-Neumann substitute, would break the neck.

The most basic function of a compassionate society—of all its institutions, from its churches and charities to its national government—is to protect and nurture the most vulnerable of its people. It is unconscionable to force a balanced budget when it causes so much pain to so many in our population.

The only alternative to the Republicans' budget that is the slightest bit compassionate is the budget for the caring majority, to be offered by Mr. PAYNE and Mr. OWENS, but even that had to be developed within the artificial restraint of balancing the budget by fiscal year 2002.

Mr. Chairman, the priorities in the Republicans' budget are as wrong-headed as the rest of their program this year.

We have talked about many of their misplaced priorities during House consideration of the Contract With America, when the House passed their bills to slash the social safety net, especially for our children, to disarm our crime-fighters, to turn environmental policy over to the polluters, and to give tax cuts to corporations and the wealthy, among other things.

Then came the House-passed rescissions bill, cutting funds for training and employment, especially summer jobs for youth; for home energy assistance for the elderly and the poor; for disease prevention; for a whole range of education programs; and for basic housing assistance.

The Republicans' budget assumes all these cuts and changes and goes after the elderly as well. There would be cuts in Medicare spending that will require higher deductibles and copayments, less care, less choice of doctors. Medicaid would be a non-entitlement block grant, threatening both the programs that help keep the elderly and disabled in their own homes and the support that provides for their long-term care without impoverishing their entire families. And in a few years, the Republicans assume the Consumer Price Index will be adjusted, which will cut Social Security COLA's and increase indexed taxes.

There is a basic disconnect in the thinking behind the Republicans' budget. We must, they say, balance the budget to ensure our children's future. But what sort of future will they have if we cut spending for maternal and child health; freeze Head Start; cut day care; kill reforms and withdraw resources from elementary and secondary education—especially from disadvantaged and immigrant children; end Federal funding of libraries—the most

basic unit of do-it-yourself, by-your-bootstraps self-improvement; make higher education more expensive if not put it entirely out of reach; shrink job-training programs? What kind of a future is this for our children?

Mr. Chairman, we have had hours of debate on this budget resolution and I think the issues are clear. I wish the arguments from our side would lead the Republicans to support a more compassionate Federal budget, but I know the votes aren't with us. But I urge my colleagues to think very hard about what this budget means. I will certainly oppose it and hope many of my colleagues will do the same.

Mr. PORTER. Mr. Chairman, today we are voting on one thing, a number that represents total outlays for fiscal year 1996. While the budget resolution in front of us is 79 pages long and charts a fiscal course for 7 years, the only binding element is the 602(a) number for next fiscal year.

The time for action on reducing our nation's deficit is now, and I commend our Budget Chairman and my friend, JOHN KASICH, for his leadership in producing a budget resolution that sets us on a glide path to a balanced budget by 2002. Without question, the deficit problem has reached crisis stage, and I believe that overall, Mr. KASICH's number is a realistic one which will impose the painful but not unbearable fiscal restraint we need if we are ever to regain a measure of control over our economic destiny.

However, there is a good deal behind the number that I do not agree with or support.

I do not agree with the tax cut passed by the House and assumed in this budget resolution. This tax cut will make it $354 billion harder to reach our goal of balancing the budget and simply comes at the wrong time. While I agree with some carefully targeted tax relief for business which will help the economy grow and provide necessary jobs such as reductions in capital gains, enacting a sweeping package of tax cuts such as this has the potential of overstimulating the economy and risking even higher interest rates. The Dominici budget resolution shows us how much more difficult the tax cuts make balancing the budget. Senator DOMINICI's plan, which does not assume tax cuts, not only balances the budget in 7 years but saves $200 billion in outlays which could be put toward a tax cut after the budget is balanced.

I believe that biomedical research must be one of Congress's highest priorities in allocating scarce federal funding. Federally supported biomedical research creates high-skill jobs, helps retain our country's worldwide leadership in biomedical research, and supports the biotechnology industry which generates economic growth and a positive balance of trade for our country.

In this respect, it is an investment that is quintessentially, Republican.

Research provides great hope for effectively treating, curing and eventually preventing disease and thereby saving our country billions of dollars in annual health care costs. The development of the polio vaccine alone, one of thousands of discoveries supported by NIH funding—in terms of health care savings—has more than paid for our country's five decades of investment in Federal biomedical research. For these reasons, the cuts for NIH designated in the budget package are, to me, extremely ill-advised.

Defense spending, in my opinion, is not sufficiently sharing in the burden of reducing our Federal deficit. While I believe that providing for our national defense and strengthening our troop readiness is essential, increasing the budget authority by $120 billion and the budget outlays by $75 billion cannot be justified in these times of fiscal restraint. We need to rid our defense budget of cold war relics which are no longer militarily relevant, such as the *Seawolf* submarine, and focus on meritorious defense initiatives that will provide for troop readiness and add to the quality of life for our military.

In addition, America's ability to influence the world and provide necessary leadership is at its zenith, and further cutting foreign assistance at this stage is the wrong answer. We have already reduced foreign assistance by one-third over the last 5 years. Further reductions in this area, which is less than 1 percent of our total budget, will undermine our leadership for American values of democracy, human rights and free market economies at the exact time when their advancement is most possible.

I think it would be particularly shortsighted for Congress to eliminate the Board for International Broadcasting and the Voice of America. These two agencies are among the best vehicles for enhancing our values worldwide. Radio Free Asia, a part of the BIB, sends a message of freedom and truth to people in repressive societies and helps these nations transition into free market democracies.

Finally, I support the elimination of departments' agencies, and programs that will assist the Government in becoming more efficient, however, I do not want to do so simply as a symbol. There should be real savings and efficiencies generated in this process.

While my differences with the resolution details are substantial, I think that JOHN KASICH and the Budget Committee deserve credit for having the courage to put us on track to getting our economic house in order.

Mr. KANJORSKI. Mr. Chairman, I rise today to express my strong opposition to the budget resolution before the Congress today. This is no time to be providing tax cuts to wealthy individuals and corporations while hurting the elderly, the children, and the working families of America.

We have heard for so long now the rhetoric of the Republican majority promote the false notion that their mission to dismantle the Federal Government is based on a mandate of the American people. My constituents, however, do not want to dismantle the Federal Government—they want smaller government that works better and is more efficient. The American people want wasteful functions and programs eliminated, they want programs that work to be left alone, and they want fairness and equity in the allocation of limited Federal resources.

The former Democratic majority had been working to meet this mandate for at least the 4 years prior to last November's elections. It passed historic deficit reduction legislation in 1990 and 1993 that set a course for a stable budget and massive deficit reduction. In 1990, the Democratic majority broke the partisan logjam that prevented unified deficit reduction action on the part of a Democratic Congress and Republican President. In 1993, despite not one Republican vote, the Democratic majority passed legislation that has brought our deficit down to its lowest level as a percent of the economy since 1979.

These successes, however, were understandably not enough for a public weary of politicians and the status quo. The American people said in last year's elections they want change faster than Democrats provided. It is my belief, therefore, that the new Republican majority had a tremendous opportunity to help enact much important and needed change.

Mr. Chairman, it now appears that such an opportunity is lost. It is lost because the Republican Majority not only targeted the wrong people and programs in their budget, but because the party is mired in an ideology that promotes getting rid of critical Federal programs and which demands tax cuts for the wealthy. This ideology is driving the Republican budget decisions to cut Medicare and Medicaid for the elderly, cut education for our children, cut job training for our workers, cut economic development for needy communities, and provide new tax loopholes to multinational corporations and individual millionaires and billionaires.

In this budget resolution, Republicans have chosen to target middle-class America without at least also targeting the hundreds of billions of dollars lost to this country from corporate welfare and tax loopholes which benefit the wealthy. Both liberal and conservative interest groups have recently put forth detailed and comprehensive studies of corporate welfare that should be eliminated. But most proposals have been completely ignored by this budget resolution.

Tax loopholes and corporate welfare are not the only things left untouched. The resolution also leaves in plae wasteful defense spending and international programs like the National Endowment for Democracy that have clearly outlived their usefulness in the post-cold war era.

The Republican majority is saying in this budget it wants a balanced budget by the year 2002 and provide tax cuts to the wealthy, to fulfill a campaign promise no matter what the cost. Republicans claim that they are not cutting Medicare and Medicaid, but they are saving a total of $475 billion in the two programs over 7 years. That amount of money can be saved only through program cuts. It is just that kind of doublespeak that has fostered the high level of cynicism and distrust of our Government.

The cost of this budget resolution is certainly tremendous. Cuts in Medicare and Medicaid could increase out-of-pocket costs to the elderly by as much as $1,000 per year. Business would be forced to cut health insurance to workers because of higher premiums from cost-shifting by medical care providers. More working families will be forced to drop health insurance altogether.

For hospitals who have a disproportionate amount of Medicare and Medicaid patients, many will be forced to close. In my district, there are a number of hospitals where the percentage of patients served by Medicare and Medicaid exceeds 60 percent. A full 61 percent of Palmerton Hospital patients, 69 percent of patients at Mercy Hospital in Nanticoke, and a staggering 84 percent of Shamokin Area Community Hospital patients are served by these programs. I do not think it is realistic to believe we can impose a 25 percent cut on these hospitals and have them still remain viable.

Many hospitals will be forced to shift costs to persons who have insurance because of

these cuts. As a result, more small businesses will be forced to cut, or eliminate insurance altogether for employees. More and more working families will be forced to chose between buying insurance and paying rent. I already have more than 53,000 persons in my district without health insurance coverage. How many more of my constituents will lose health care coverage because of short-sighted Federal policies and inaction on health care reform?

Sadly, even with the largest budget cuts coming in the Medicare Program under the Republican plan we do not even know in what direction they want to take the program. Under normal budget processes, it would be the job of the Committee on Ways and Means to decide precisely how to make the necessary changes to the program to achieve savings. Yet the Republican leadership is trying to pass legislation that would require someone else to do their dirty work. They are trying to pass the buck to a group of unelected Medicare Trustees who never, until this Republican Congress, was thought to have the responsibility to make decisions on preserving the solvency of the Medicare trust fund.

In another critically important budget area, Republicans are proposing to eliminate most of the meager amounts this country spends directly on economic development. The budget proposes to eliminate two agencies that play a critical role in economic development—the Economic Development Administration [EDA] and the Appalachian Regional Commission [ARC]. We spend less on these two agencies combined than we do on one B–2 bomber.

What have these two agencies done recently for northeastern Pennsylvania? The EDA has provided money to help build new buildings in Nanticoke, Wilkes-Barre, and Hazleton, that serve as essential anchors for economic development and revival in these struggling towns. Substantial EDA assistance is in the pipeline for expansion of an industrial park in Luzerne County.

The EDA and the ARC help northeastern Pennsylvania and other regions of the country that are struggling to attract scarce private economic development assistance. Without this type of public assistance, smaller areas will either have to raise money themselves, which many cannot, or seek assistance from States, where budgets are already stretched thin. If we eliminate the EDA and the ARC, along with cutting community development block grants and local housing assistance, small economic markets will be at an even greater disadvantage tomorrow than they are today.

Instead of saving economic development funds from cuts, Republicans provide more tax cuts and loopholes to the wealthy. Billions of dollars in new tax writeoffs are being offered to rich corporations. People making more than $100,000 a year are being provided the opportunity to invest in tax-free retirement accounts and receive massive tax reductions on capital gains from the sale of stocks and bonds. In all, the wealthiest Americans will receive a tax break of $20,000 under the Republican tax proposals, while the average tax break for middle-income families will be only $555.

Mr. Chairman, that meager $555 will be offset by higher health insurance premiums resulting from Medicare cuts, higher nursing home costs resulting from Medicaid cuts, and higher property taxes resulting from cuts in education and economic development. Middle-income families are going to be net losers under this Republican budget resolution.

Mr. Chairman, this budget resolution is bad, plain and simple. I would urge the Republican majority to go back to the drawing board, forget campaign promises and tax cuts for the wealthy, and try and work with the President and Democratic minority to fashion a good deficit reduction budget resolution. I am confident that working together we can accomplish much more than we can working apart. We must forget partisan politics and get down to the business of doing what is best for our country.

Mr. COYNE. Mr. Chairman, I rise today in strong opposition to the House Republican Budget proposal that will cut Medicare by $288 billion over 7 years while giving $353 billion in tax breaks to America's wealthy.

The Republican proposed Medicare cuts will cost the average senior citizen in Pennsylvania $1034 in higher out-of-pocket costs when these cuts are fully implemented. The total cost to Pennsylvania seniors will be $3,570 over the next seven years. Low-income seniors struggling to pay the rent and put food on the table will be devastated by these increased costs.

Hitting seniors in Pennsylvania and across America with these huge increases in Medicare out-of-pocket expenses is simply mean-spirited. House Republicans are proposing Medicare cuts that are three times the size of any Medicare spending reduction ever before approved by Congress. These unjustified Medicare cuts far exceed what is needed to ensure the solvency of the Medicare hospital trust fund. Instead, House Republicans are driven to slash Medicare spending so that they can pay for $353 billion in tax cuts.

Millions of seniors will pay over $1000 in new out-of-pocket Medicare expenses while 1.1 million of America's wealthiest individuals will receive a $20,000 tax break. The average income of a senior receiving Medicare is roughly $17,000. By contrast, upper income Americans receiving this $20,000 tax break have an average income of $350,000. Republicans may cry that Democrats are engaging in class warfare by pointing out these facts but Americans need to know the truth about the Republican's misplaced priorities. It is the House Republicans in their budget plan that have chosen to wage warfare on America's seniors.

Raiding Medicare to pay for the Republican's Contract with America tax cut is an outrage. These unprecedented cuts in Medicare will threaten the quality of health care received by both seniors and working families as hospitals are forced to layoff health care providers and close facilities. These Medicare cuts will fall especially hard on the hospitals in the Pittsburgh area since this region ranks behind only Miami in having the largest percentage of seniors compared to the general population. Pittsburgh-area hospitals depended on Medicare to pay the medical bills for over 37 percent receiving in-patient care.

Mr. Chairman, America's contract to provide Social Security and Medicare to seniors and future retirees is far more important than any political contract used by Republicans during the last election. This is not what Americans voted for last November. Medicare was established by Democrats in the 1960's as a trust fund and not a slush fund. The House must reject this mean-spirited attack on the health benefits of America's seniors.

Mr. DIAZ-BALART. Mr. Chairman, I rise in support of the Kasich budget resolution and would like to applaud Chairman KASICH for his tremendous efforts and the work of his committee in developing the Republican budget resolution for fiscal year 1996. I applaud the chairman for his efforts in the arduous task of balancing the Federal budget by 2002. We all have a difficult road ahead of us in attacking the enormous Federal deficit, and although I have some differences in how I would achieve this deficit reduction, I certainly agree that we need to be fiscally responsible.

For the RECORD, I would like to submit the attached editorial which appeared in the Tuesday, May 16 Miami Herald. I call your attention to the lessons learned in Latin America, where inflation tamers in countries such as Argentina, Brazil, and Peru continue to win election or reelection. These leaders took steps to avoid impending national bankruptcy. A steadily increasing Federal debt in the United States would not only be destructive, the destruction that it would cause would be our responsibility if we do not act now. The sacrifice that will be required now is minimal when we compare it with what would be required later if we do not act.

We are not talking about the actual cutbacks in the size of the public sector and the recessionary increases in taxes that Latin American-style shock therapies after meltdowns have entailed.

If we act now, we need only reduce the rate of growth of the Federal Government. We are at a fork in the road of our national destiny. If we embark upon the road sought by those who want to maintain the status quo, if we adopt the position of the ostrich and continue to hide our head in the sand, as the administration has done by not submitting a budget that is balanced at any time in the future, we will be doing an extraordinary disservice to our children and to their children.

Again, thank you, Mr. Chairman, and I urge a ''yea'' vote on the Kasich budget resolution.

[From the Miami Hearld, May 16, 1995]

INFLATION-BUSTER WINS AGAIN

It used to be said of French voters that they kept their hearts on the left and their wallets on the right. The seesawing between heart and wallet tended to have a predictable outcome at election time: enough change to keep the romantic passion alive, but with the bottom line always firmly in control.

Argentine President Carlos Saul Menem's solid victory in Sunday's presidential elections confirms a significant Latin American variation on the French theme: Argentines' fearsome memories of inflation overrode their other concerns, including some traditional emotional hot-buttons. A late surge by challenger Jose Octavio Bordon not only failed to force a runoff, but actually shriveled as the election hour neared.

Throughout the hemisphere, it seems, inflation tamers keep winning elections and

re-elections. It's a remarkable departure from common wisdom, which until recently maintained that the extreme fiscal severity of anti-inflation ''shock therapy'' would induce a backlash of desperate social protest.

That assumption was wrong. Once severe fiscal measure are implemented, Latin Americans have endured their high, recessionary price-tag with remarkable fortitude.

Nowhere was this clearer than in Brazil's presidential election last year, where former finance minister Fernando Henrique Cardoso saw his poll ratings soar in proportion to the success of his anti-inflation *Plan Real.* His charismatic leftist rival could only watch in impotence as a once-handsome lead slipped away.

Inflation-taming has been so strongly endorsed by Latin American voters that it has even conferred a thick Teflon coating on the neo-liberals of the hard-money school. Both Peru's Alberto Fujimori and Mr. Menem have emerged relatively unscathed from embarrassing political accusations, largely because of their economic successes.

But post-inflation presidents are sure to face tougher terms. Having rewarded stability and fiscal discipline for a long, difficult spell, Latin American voters will soon take up once again their long-deferred hopes of growth, better income distribution, and honest government. The inflation-fighters' success thus far makes those hopes seem more realistic than before. Before long, though, it will become clear that politicians can keep voters hearts only by thickening their wallets.

The CHAIRMAN. All time for general debate has expired.

Mr. KOLBE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. FOX of Pennsylvania), having assumed the chair, Mr. SENSENBRENNER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 67) setting forth the congressional budget for the U.S. Government for the fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002, had come to no resolution thereon.

(Mr. SABO asked and was given permission to proceed out of order for 1 minute.)

LEGISLATIVE PROGRAM

Mr. SABO. Mr. Speaker, I have asked unanimous consent to proceed out of order for a minute so I might inquire about plans for tomorrow.

I yield to the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Speaker, I would say to the gentleman from Minnesota, I have been here for 13 years. I have always wanted to stand here and explain what the next day's schedule is, but I do not quite know what it is. We come in at 9 a.m.

Mr. SABO. Mr. Speaker, I yield to the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Speaker, it is the first time that the chairman of the Committee on the Budget has not had an answer.

I believe we come in at 9 a.m. We do recess immediately after morning business there for the former Members. And then we will resume, I presume, around 10 a.m. And we will go immediately to the three amendments, the Gephardt amendment is first, followed by the Neumann-Solomon amendment, the Black Caucus amendment. And if, of course, the president's budget with a zero deficit is printed in the Congressional Record, it would be made in order as a fourth amendment.

Mr. SABO. So the Black Caucus is the last amendment; Solomon is second?

Mr. KOLBE. Mr. Speaker, if the gentleman will continue to yield, that is correct. And we do expect a journal vote tomorrow.

Mr. SABO. At 9 a.m.

Mr. KOLBE. At 9 a.m., 10 a.m. The journal vote at around 10 a.m.

Mr. SABO. As it relates to the Solomon amendment, do I get the half hour in opposition to the Solomon amendment?

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

Mr. SABO. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Speaker, someone does.

Mr. SABO. Someone does.

Mr. SOLOMON. It probably will be the gentleman, Mr. Speaker.

GENERAL LEAVE

Mr. KOLBE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the concurrent budget resolution for fiscal year 1996, and to insert extraneous material thereon.

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

There was no objection.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 1158, EMERGENCY SUPPLEMENTAL APPROPRIATIONS FOR DISASTER ASSISTANCE AND RESCISSIONS, FISCAL YEAR 1995

Mr. SOLOMON, from the Committee on Rules, submitted a privileged report (Rept. No. 104–126) on the resolution (H. Res. 151) waiving points of order against the conference report to accompany 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, which was referred to the House Calendar and ordered to be printed.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. FOX of Pennsylvania). Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Florida [Ms. ROS-LEHTINEN] is recognized for 5 minutes.

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

CRIME AND PROPOSED BUDGET CUTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. STUPAK] is recognized for 5 minutes.

Mr. STUPAK. Mr. Speaker, when U.S. Marshal Robert Forsyth of Augusta, GA was shot and killed in January 1794 while trying to serve court papers, he became the first peace officer in the United States to die in the line of duty. Since then about 13,500 police officers from all types of law enforcement fields have fallen in the line of duty.

My district in northern Michigan has been hard hit by the all-too-common tragedy of police officer slaying. In the Upper Peninsula, which has about 3 percent of Michigan's population, 18 police officers have died since the 1920's. In 1962, President Kennedy proclaimed that for 1 week in the month of May Americans would commemorate National Police Week. National Police Week honors the service related deaths of law enforcement officers.

As a former state trooper, as an Escanaba City police officer, this week has special meaning for me. And as a former police officer and now as a legislator, I am particularly concerned about recent Republican efforts to weaken legislation designed to reduce crime in America.

In 1994, Congress passed the toughest crime bill in this Nation's history. The President's crime bill has several very important elements designed to fight crime on our streets. Most importantly, the crime bill directs that additional police officers be put on the streets to fight crime, because there is no better crime fighting tool than police officers proactively patrolling our neighborhoods.

The President's plan to put 100,000 more police on America's streets represents the Federal Government's largest commitment ever to local law enforcement.

The President's COPS program is already working. Half of the Nation's law enforcement agencies from jurisdictions of all sizes throughout this country have already received grants to add 17,000 additional police officers. Unfortunately, the new Republican majority wants to turn back the clock by gutting the most effective element of last year's crime bill, the COPS program.

Not only do they want to scrap the President's plan to put 100,000 more police officers on the street, but they also intend to delete every single prevention program.

Additionally, the Republican budget measure that we debated here today

proposes a $5 billion cut in the crime trust fund over the next 6 years. The measure directs that the justice assistance grant programs would be consolidated into a single block grant program. This plan will only serve to weaken our crimefighting ability by taking money away from law enforcement officers.

□ 2115

Certainly there is much more Congress can and must do to reduce crime and violence in this country. Crime continues to be the number one concern for millions of working families. That is why it is imperative that Congress not gut the crime bill as a means of playing partisan politics.

Therefore, I say to my friends on this side of the aisle, I say to the Republicans, stop playing politics with the crime bill. Respect the men and women in law enforcement. Instead of providing them with a few encouraging words during National Police Week, give law enforcement the financial assistance they need to keep them secure in their jobs and to keep us all secure in our neighborhoods.

The SPEAKER pro tempore (Mr. FOX of Pennsylvania). Under a previous order of the House, the gentleman from Michigan [Mr. SMITH] is recognized for 5 minutes.

[Mr. SMITH of Michigan addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. LIPINSKI] is recognized for 5 minutes.

[Mr. LIPINSKI addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. HORN] is recognized for 5 minutes.

[Mr. HORN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

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

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 5 minutes.

[Mr. BURTON of Indiana addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 5 minutes.

[Mr. OWENS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. DIAZ-BALART] is recognized for 5 minutes.

[Mr. DIAZ-BALART addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon [Mr. DEFAZIO] is recognized for 5 minutes.

[Mr. DeFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. MARTINI] is recognized for 5 minutes.

[Mr. MARTINI addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. BECERRA] is recognized for 5 minutes.

[Mr. BECERRA addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. NORWOOD] is recognized for 5 minutes.

[Mr. NORWOOD addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

MISSISSIPPI AIR NATIONAL GUARD'S 186TH REFUELING GROUP RECEIVES HIGHEST INSPECTION RATING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi [Mr. MONTGOMERY] is recognized for 5 minutes.

Mr. MONTGOMERY. Mr. Speaker, I want to share with my colleagues the news that the Air National Guard's 186th Air Refueling Group in Meridian, MS, received an ''outstanding'' rating after completing an operational readiness inspection conducted by the Air Mobility Command [AMC].

This is the first time in the history of the Air Mobility Command that any unit has been given an ''outstanding'' rating, which was announced on May 11 by Lt. Gen. Malcolm Armstrong, commander of AMC's 21st Air Force.

The unit was required to deploy more than half of its 900 members for the week-long inspection At Fort Hood, Texas, along with nine KC–135 tanker aircraft. They lived and worked in a wartime scenario during the inspection. While deployed, the unit was subject to simulated conventional and chemical attack, terrorist activity and hostile threats while continuing to perform its mission of air-to-air refueling of military aircraft. The AMC inspection team, composed of active duty members based at Air Mobility Command headquarters, Scott Air Force Base, Illinois, tested the unit's capability under the same criteria used for inspecting active Air Force units. the exercises ran 24 hours a day while the unit was deployed.

Col. Frederick Feinstein, air commander of the 186th, said, ''This was undoubtedly the finest display of professionalism and dedication that I have seen from any unit in almost 40 years of military service. Every Member of the unit had a job to do in this effort and each of them performed flawlessly.''

I agree with Colonel Feinstein. This rating means the 186th was exceptional in all areas of inspection. That is almost unprecedented for any unit, active duty, National Guard or Reserve. It is a credit to the men and women who make up this unit. Their training and teamwork came together to put the 186th at the top of the class.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas [Mr. BROWNBACK] is recognized for 5 minutes.

[Mr. BROWNBACK addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

WE MUST PASS OUR BUDGET TOMORROW, TO SAVE AMERICA FROM A MASSIVE DEBT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. BRYANT] is recognized for 5 minutes.

Mr. BRYANT of Tennessee. Mr. Speaker, I come here on this historic night of American history as someone who is concerned about a sound and stable future for this great country.

The massive overspending this Federal Government has done for the past few decades has finally caught up with us, and it's time we take action to stop this dangerous spending.

These deficits will cripple our future generations with a mountain of debt which they will be forced to pay if we do nothing to stop this out of control spending.

Now that Congress has finally realized this problem, it's time to commit ourselves to solving it.

We must eliminate these deficits and balance the budget in order to preserve a sound, financial future for ourselves, our children, and many generations to come.

The Kasich plan we will be voting on tomorrow to balance the budget is a realistic blueprint for a balanced budget.

If we care about the future of this country, we must begin to lay the foundation for a solid economy with this blueprint and use this map on the road to a balanced budget.

Recently, Mr. Speaker, I have heard many false and unfounded attacks coming from those who are apparently opposed to balancing the budget.

We heard these same attacks from the same people who fought H.R. 1215

and killed the balanced-budget amendment in the Senate.

Now, once again, they are saying we are going to balance the budget on the backs of senior citizens by cutting medicare and Social Security.

And so I would like to set the record straight on exactly what we are going to do about medicare and Social Security.

First, we're not touching Social Security to balance the budget. Period. That charge is simply untrue.

In fact, the only ''cut'' that Social Security will experience is a cut in the current administration's tax hike on Social Security benefits.

So I'm having a hard time comprehending the accusation that we're ''cutting'' Social Security when all we're really doing is providing tax relief for Social Security benefits.

Second, as everyone in this Chamber is well aware, medicare is going to be bankrupt in 7 years.

I know everyone has heard this statement time and again recently, but it's certainly worth repeating.

For the second year in a row, the president's Medicare board of trustees has stated that under current spending projections, Medicare will be bankrupt in 7 short years.

There is no disputing this inescapable fact, and we are taking the lead to prevent that from happening with our budget.

We have committed ourselves to preventing that from happening by slowing down the rate of growth in Medicare, not by cutting it.

Medicare spending is actually going to increase by over $740 billion over the next 7 years.

Only in Washington, DC can an increase in spending for a program still be considered a cut.

The dilemma this Congress faces tomorrow will set the tone for the future of this great Nation for many, many years to come.

We have arrived at a crossroads, and we must rise to this historical occasion armed with a vision for the well-being of our future generations whose hopes to realize the American dream are in the balance.

A vote against the majority's budget tomorrow will signify failure to uphold our responsibility to the millions of Americans who sent us here to get Washington out of their wallets.

Many millions of Americans are depending on us tomorrow to do the right thing to prevent their future from heading down the wrong road of massive debt.

We must not fail to deliver the American people a sound future.

We must pass our budget tomorrow.

EFFECTS OF THE PROPOSED BUDGET ON TAXES AND MEDICARE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Minnesota [Mr. GUTKNECHT] is recognized for 60 minutes as the designee of the majority leader.

Mr. GUTKNECHT. Mr. Chairman, I have listened and I assume most of the Members have listened today to the debate. I have found it particularly interesting, and I would like to share some of my time with the gentleman from Michigan [Mr. HOEKSTRA] tonight.

I would like to also share with the Members and those who may be watching at home from, and I hope this is not an ethical violation because I get no residuals from this book, but this is a book that I read during the district work period that was written by my predecessor, Tim Penny. I commend it to all of the Members, and other people who are interested in the budget debate that is going on, because I think it is very instructive. He has an awful lot to say. I would like to share some of those things with the body tonight.

First of all, Mr. Speaker, after listening to some of the debate earlier today, I just wanted to talk a little bit, too, about one of the things we have heard so much about in the last 2 or 3 days, and that is the tax cuts for the wealthy.

I'm not particularly good in math, and I do not serve on the Committee on Ways and Means. I did serve on the Committee on Ways and Means when I was in the State legislature back in Minnesota, so I have a little bit of understanding.

However, based on what I do understand about the tax cuts that we passed earlier this year, about 75 percent, about three-quarters of the benefits of the family tax credit, will go to families earning $75,000 a year or less. Perhaps in some places of this great National people earning $75,000 are considered rich, but I do not think in most places families earning $75,000 and less are necessarily considered rich.

Another part of that tax cut proposal that I think is important that will ultimately lead to economic growth is the cut in the capital gains tax rate. Representing an awful lot of farmers and small businesses in my district, I think I do understand something about capital gains taxes. As a matter of fact, one of the things I really understand is that 44 percent of the people who get stuck with a capital gains tax are rich for one day during their life, the day they sell their farm or sell their business.

I do not think, back where I come from in Minnesota, when a farmer who has worked hard all of his life and sells his farm, does he really consider himself rich? Obviously, in economic terms, in real dollar terms, many people would say that when you sell a farm for half a million dollars or whatever the particular price of that farm, you would say that they are rich, but these are people who have worked hard, who have lived poor all of their lives, who have made their payments, who have paid their taxes, and all of a sudden, because on one particular day they sell an asset, they get stuck with a capital gains tax.

I think if people will think about that in those kinds of terms, I think they will look at this whole thing and say ''Wait a second, we are not talking about tax cuts for the rich.''

Second, I wanted to talk a little bit about Medicare tonight, because I think there has also been a good deal of misunderstanding and disinformation spread about what we are doing with Medicare. It has been alluded to earlier today, but I would call attention to the Members and folks around the country to an article that appeared, I believe, in today's Investors' Business Daily. In that, there is a quotation that just literally jumps off the page.

It says:

> Today, Medicaid and Medicare are going up at 3 times the rate of inflation. We propose to let it go up at 2 times the rate of inflation. That is not a Medicare or Medicaid cut. So when you hear all this business about cuts, let me caution you that this is not what is going on. We are going to have to increase Medicare and Medicaid at a reduced rate of growth.

Now, I did not say that, NEWT GINGRICH did not say that. That came from Bill Clinton. I think that is what we are doing. We are not talking about cutting Medicare, we are talking about reducing the rate of growth.

Mr. Speaker, I also served back in Minnesota on the Health and Human Services Committee in the State legislature. I remember just 2 years ago when we were talking about health care and how much health care costs were going up, everyone predicted that we were going to see double-digit increases in the cost of health care for the next 5 or 6 years.

In the private sector, and I visited during the district work period with a number of health care providers, with representatives of some of the biggest insurance companies and HMO's in the State of Minnesota, they assured me that what is happening in the private sector, because of some of the changes and reforms that are going on with more managed care and preferred provider networks, we are seeing health care costs virtually at or below the inflation rate. We are seeing health care costs going up at less than 3 percent in the State of Minnesota.

Using the mathematics that we have heard about today and the last several days, we could assume that some of the health care providers in the State of Minnesota could be saying ''Compared to what we thought health care was going to go up, we are seeing a 7 to 8 percent cut, because we thought health care costs were going to go up by 10 percent, but because of market-based reforms that are happening without the Clinton health care reform plan, without a whole lot of Government intervention, we are seeing health care inflation rates going down by about one-third or less of what they were expected to be.'' So using the arithmetic and some of the rhetoric we have heard today, I think we could say that we

have seen dramatic cuts in health care in Minnesota.

Somehow, providers, hospitals and others, are adjusting to this new system. My sense is that if we allow some real reform in health care, in the Medicare system, that we can easily live within the guidelines that have been proposed by the House Committee on the Budget.

I just want to say that by just assuming that this is going to go up by 10½ percent per year, if we assumed it was going to go up 16 percent per year, then obviously you could say that this is a 12-percent cut, or some other number. However, the truth of the matter is that we know that health care costs can be controlled by the private sector, because it is happening.

With that, Mr. Speaker, I will yield to the gentleman from Michigan [Mr. HOEKSTRA], who has some remarks perhaps to share with us.

Mr. HOEKSTRA. Perhaps we can get into a little bit of a dialog, because I think it is very instructive to understand what we are talking about with Medicare, Mr. Speaker, and also when we take a look at what we do with the rest of the budget. If we take a look at and listen to much of the rhetoric that has gone on during this 6 to 7 hours of debate that we had today, you would think that we were dramatically cutting the budget.

In reality, the standard that we are setting for the Federal Government to get to a balanced budget, you know, I came out of the private sector, and this is my third year here. The aggressive posture that we are going to take to get to a balanced budget is something that the private sector would look at and they would basically laugh at. They would say ''This is an aggressive plan to get to a balanced budget under the dire circumstances that you are under right now? You have a $4.7 trillion debt. A child born this year, in their lifetime, if we do not change how we spend and tax, would have to pay what, $187,000 as their share of interest in the debt, and you are going to slow the growth of Federal Government to 3 percent per year?''

During the break I had an opportunity to go to a number of companies in my district. I listened to what they had done. You gave some examples about what they had done to control health care costs. I looked, and they explained to me what they had done to control product costs. There was a company in my district that, through participative management, employee involvement, creative thinking, new technology, new thinking about new ways to do things, for 12 years they have not had a price increase on their product, so they now are exporting around the world, because they have been able to control costs, not at a rate equal to inflation, but at a rate 3 or 4 percent below inflation, reducing costs every year, reducing actual costs.

There was another company in my district that made an electronic component. In the early 80's they were making it for $44. The Japanese came in and said ''We have taken a look at this part and we can build it for $13.'' The company got together, they got together with the management and the employees, and today they are building it for less than what the Japanese quoted to them in the early 1980's, so they took a $44 part and they are now building it for less than $12.

Here we are in Washington, the only thing, the thing we are going to do is slow the growth to 3 percent. I really believe that much of what has been applied in the private sector can and should be applied to Washington, and that what we are looking at doing to balance the budget is not that unreasonable and is very, very doable.

I think we can do it like we did it with the Contract With America. The Contract With America said ''We are going to do this within 100 days,'' and we did it within 93. I think if we energize Federal employees, build a partnership with State and local governments, build a partnership with people at the local level, and come together on this budget issue, we can improve performance, we can deliver a better solution to the American people, and we can balance the budget, and we can balance it quicker than 7 years if we focus and recognize that it has to be done.

□ 2130

Mr. GUTKNECHT. The private sector is a great example, and I have had the same story told to me around the district where people found themselves under competitive pressure. They have found a way to increase productivity or do something to reduce their costs. It has happened in big business and small business.

I have one particularly fairly large business in my district that was facing very competitive measures and in a difficult situation, and they went in and it was not easy but they found ways to produce their products at a much lower cost today than they had 3 or 4 years ago.

Incidentally, that same company has found ways to cut their health care costs. Now that has meant that, you know, perhaps there are fewer visits to the doctor, it may means some other things, it may mean managed care in some respects. I am not sure what all they have done, but the point is necessity is the mother of invention. That is the way the free enterprise system worked.

The problem in Washington is the solution to every problem seems to be more money, and the only way we can get control of the problem is with more money. But the truth of the matter is I think the American people are saying if we are talking about this program or that or another program that enough is enough; you have enough tax revenue, you are going to have to figure out how to make this thing work. And I think if we work together I think we can.

Mr. HOEKSTRA. If the gentleman will yield, we are really talking about the future of America. We are talking about security for seniors and we are talking about opportunities for our kids.

You know Alan Greenspan came in and said here was his vision of the benefits of balancing the budget: Children will have a higher standard of living than their parents, part of the American dream; there will be improvements in the purchasing power of everybody's incomes; there will be a rise in productivity, a reduction in inflation, strengthening of financial markets, acceleration of long-term economic growth, and a significant drop in long-term interest rates. This is going to benefit everybody in this country, just getting back to a basis where we have fiscal soundness, good fiscal policy, get to a balanced budget, and I think one of the goals and objectives which we had, which we put into the budget resolution during the debate in the Budget Committee is saying as we move to a balanced budget we cannot forget the fact that when we get to a balanced budget we need to develop a surplus, because balancing the budget is not good enough. We need to make the next step, which is developing a surplus and putting a plan in place to actually pay down the debt. The old American saying is what, we used to pay off the mortgage and give our children the farm. If Congress keeps going the way that it had been going, what we were going to do was sell the farm and give our kids the mortgage.

We are now, tomorrow, we are going to start that historic process that we are going to go through the next 6 months. We are going to put in a balanced budget plan for 7 years which is going to guide the authorizing and the appropriations committees so that by the end of this year we will have put a plan in place in May, and for the next 6 months we will manage our fiscal resources to hit that plan.

Mr. GUTKNECHT. The interesting thing to me, and you alluded to it, I was home this weekend and talked to some constituents and tried to explain essentially what the outline of the budget plan was going to be, and the people that I talked to said, you mean that is all there is. As a matter of fact, a few of them said we expected real cuts. We expected you to really cut programs and what you are talking about does not sound like the kind of cuts that we were expecting. As a matter of fact, I think my own sense is that the American people, at least out there in the great Midwest, are fully prepared for more, to shoulder more of the responsibility in terms of some of these reductions in spending than I think this budget is proposing. As a matter of fact, some I think may actually see this budget resolution as a bit too timid.

Mr. HOEKSTRA. Maybe too timid, but I think they will look at the policies in place and ask how are we changing decisionmaking here in Washington, moving more decisionmaking back to empowering the individuals. What is the $500-per-child tax credit? It is just a basic recognition that a family and parents are a better place to make decisions on how to spend that $500 than sending that money to Washington.

We are returning power and control to the States and localities, bringing decisionmaking back close to the problems, fine tuning the solutions for the specific problems within the graphic area.

My district is nine counties, it is a medium-sized district, but the problems in the southern part of the district or characteristics of the southern part of the district are very, very different than the northern part of the district. But what we are finding today is the decisions are all made here in Washington for a number of programs, whether it is school lunch, whether it is public housing, the decisions are made here in Washington. What we are trying to do is move decisions locally. We want to move a Federal bureaucrat from being between a child and a school lunch, let that decision be made at the local or State level. We want to move the Federal bureaucrat in Washington away from being the connecting point between a tenant and a landlord. Why is a Federal bureaucrat trying to make those arrangements? Same thing, we are proposing eliminating the Commerce Department. Why do we need a Federal bureaucrat in Washington being between a customer and a potential vendor? It does not make any sense. That is not a good use of our resource, so we are moving power back to States and localities. We are at the same time discarding needless bureaucracies, eliminating duplication and waste.

One area where we really are cutting, where the number is actually going to be less, it is a true cut, it is a cut as defined in the rest of America, and here in Washington now it also means a cut, is the foreign aid. That will be I think an absolute reduction of somewhere in the neighborhood of 30 or 35 percent.

We are reducing corporate subsidies. We are going after just about every area of the budget, except Social Security. We are promoting personal responsibility. The end result is we are all coming together in a plan to save the future and save the future for our kids.

Mr. GUTKNECHT. I went through a sales training program many years ago. I did not sell insurance, but it was actually designed for insurance salesmen, and I never forget the story they used to use, some of the salesmen used to use where they would bring with them a marble, it was a marble, a Ping-Pong ball, a baseball, and a bowling ball and they would tell potential customers, you know, if you buy your insurance now it will be like carrying around this marble. You can put it in your pocket and you will barely know it is there. But if you wait another 10 years and buy that insurance, it is going to be like carrying that ping-pong ball, and if you wait 10 years after that it is going to be more like carrying that baseball, and it gets real difficult to carry it around in your pocket. But if you wait until you are about ready for retirement, its going to be like carrying around that bowling ball. That is what we are talking in the Federal budget. The sooner we get started in solving the problem, the less pain in terms of solution. If we wait another 5 years, I think everybody knows, the American people know if we wait another 5 years, whether we are talking about Medicare or impending bankruptcy or whether we are talking about the growing national debt, if we wait another 5 years the problem is going to be just that much more difficult to solve, and so rather than having to carry around a ping-pong ball in your pockets we are going to have a bowling ball, and the weight of that ball is going to be hung around the necks of our children.

Mr. HOEKSTRA. We know what the statistics are. We know within 7 years Medicare will be bankrupt. We know if we do not change our spending priorities that by the year 2012 all the revenues we collect in taxes will be used to pay for two things: entitlements, and that thing that returns so much value to the country, interest on the debt. I mean that is just money that is gone away. You know, in 2012 we could be talking about student loans; there will not be any money for them. We can talk about building highways; there will not be any money. We talk about national defense; there will not be any money, unless, what? We ask the American people to share more of their income with us. What is it, the generational accounting which came out in the President's budget a year ago said if we continue at taxing and spending or spending at this rate, the next generation could see an effective tax rate of 84 percent. Which means that for young people going out and working, for anybody going out and working, 84 cents would come to Washington or, yes, and you would get to keep 16 cents of it for yourself, which means Tax Freedom Day would move to somewhere in November.

Mr. GUTKNECHT. Thanksgiving.

Mr. HOEKSTRA. At least we would have something else to be very thankful for, that we only had to work until Thanksgiving to pay the Government their share to keep the Government running and we could then work from Thanksgiving to the first of the year.

We need to be moving in the other direction of getting to the balanced budgets and paying the debt down.

Mr. GUTKNECHT. I was going to share one of the stories I tell a lot of folks. When I graduated, most people do not remember who the speaker was at their commencement address when they graduated from college, I do not remember his name, but I remember who it was and what he talked about that day. It was the director of the United States Census, and I graduated from college, I was 22 years old, graduated in 1973. I was born in 1951. And he said something interesting talking about demographics, and I think it is very important, I think the American people need to understand this. I was born in 1951, and he told us that day at our graduation that there were more kids born in 1951 than any other single year. He said, ''You are the peak of the baby boomers, and that is going to be important as you go through your life, whether people are selling insurance or encyclopedias or automobiles,'' and you can see that reflected in the advertising. But I think we need to think about this as well. Those baby boomers are going to start retiring at about the year 2011 or 2012, and I think the American people need to be reminded that if we have a problem now with Medicare, if Medicare is on the verge of bankruptcy now, and will be insolvent by the year 2002, imagine, the people we are dealing with here are people who were born essentially during World War II, and the birth rate during World War II was incredibly low. Imagine what is going to happen to us when the baby boomers start to retire in the year 2010 and 2011, and that is why it is critical in my opinion we have real Medicare reform and begin the process this year. I think if we do we can guarantee Medicare will be there for baby boomers and beyond. If we do not, I think it is pretty certain it will not be. I think there is growing concern among people my age that the sins of our fathers are now being visited upon us and will ultimately be visited upon our children.

Mr. HOEKSTRA. The demographics do not work in your favor, but I think as we talk about reforming Medicare we are talking about putting in place a number of policies and practices that have already worked and are working in the private sector.

Medicare basically has not been reformed or enhanced or modified or had any creative thinking applied to it for the last the 20 to 25 years, and we are still allowing spending per beneficiary, spending per person receiving Medicare is going to increase by somewhere between 33 to 40 percent depending upon what State you are in, but on average we are spending $4,800 per person in 1995. We are allowing within this budget to be spending up to $6,400 on average per person by the year 2002. That gives us a lot of leeway to examine what is going on in the private sector, to reform and enhance Medicare to take a look at the discrepancies by State.

I think one of the speakers today made the comparison about what you spend per person on Medicare in Minnesota, which has a fabulous health care system, and compare it I think it was somewhere in the neighborhood of $3,000, going up to something like $5,000

compared to the expenditures in Connecticut, which was like $5,000 going up to somewhere near $6,000 to $7,000, and saying you know we can take a look and what we need to be doing is taking a look at the different programs in different States and say what are the dynamics in this State that are driving costs to this level and to be very efficient and effective, and there are some things in these areas that we can learn and transfer to the high-cost States because like I said, Minnesota, my area, I think we are at about two-thirds of the national average for many of the health care costs.

Ms. DELAURO. Mr. Speaker, will the gentleman yield?

Mr. HOEKSTRA. I yield to the gentlewoman from Connecticut.

Ms. DELAURO. Mr. Speaker, representing Connecticut, I just wanted to correct the numbers that you just talked about with regard to Connecticut. There are over 503,906 Medicare enrollees in Connecticut, and in fact what would be the case is that they would pay $1,167 more in the year 2002 alone, and $3,885 more over the next 7 years. Overall, just so that the record will show, the State of Connecticut would lose $1.2 billion in Medicare funding in 2002 alone and $4.1 billion over 7 years.

So I just wanted to present that in terms of the record on this issue. I thank the gentleman.

Mr. GUTKNECHT. Reclaiming my time, and I think the gentleman over here said at the end of 7 years the program goes bankrupt, then we will not pay any benefits at all if we do not make any changes. I think that is the issue we are talking about, and all of this is built on assumptions. If you assume there can be no changes in all of this, this assumes there can be no changes in the way the Medicare system is managed.

Ms. DELAURO. You know, there is.

Mr. GUTKNECHT. Reclaiming my time, we assumed in the State of Minnesota a couple years ago that health care costs were going to continue to go up at double-digit inflation rates. Without any significant reform in the Federal level we have demonstrated that that was not necessarily the case.

□ 2145

That is the issue. The system can be reformed. Medicare, in my opinion, is the worst of all worlds. What you have is a fee-for-service system that cranks down fees. We have cost controls in a fee-for-service system. That is a prescription for disaster. That is why you see the Medicare system going up as fast as it is going without any changes.

I yield to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. The fallacy of everything they are talking about is the fact they go out to the year 2002. Where they have all the figures they run up. The whole system collapses, and people end up with nothing, or, and this is what we suspect is really the agenda of the other side, they come back to the employers and the employees, and they say the whole system is collapsing, we now have to ante up. That is a 125-percent increase on both employers and employees at that point and a 300-percent increase in copayments for the beneficiary in order to maintain the system they now say we ought not touch, there ought not to be any change.

They are willing to risk bankruptcy of the Medicare system. That is what they have said all day long on the floor, that bankruptcy is an option, because they keep talking about figures that drive the system into bankruptcy.

I think most Americans looking at it think that bankrupting the Medicare system in order to serve political purposes is a tragedy. It just makes no sense whatsoever.

Mr. BONIOR. Mr. Speaker, will the gentleman yield.

Mr. GUTKNECHT. I yield to the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. I thank my colleague for yielding.

I would just like to ask the gentleman from Pennsylvania, who on the floor, you just alleged that someone on this floor on our side of the aisle made a statement that we were for bankrupting Medicare. Who did that?

Mr. WALKER. If the gentleman will yield.

Mr. BONIOR. That is an outrageous statement. No one on this side of the aisle made that statement.

Mr. WALKER. You did not listen very carefully. What I said was all of the assumptions that were used on the floor today were predicated on the fact we only had to worry about the system out until 2002, and that all the figures you used that you call cuts in Medicare are, in fact, cuts off of a baseline that drives the system into bankruptcy, and so, therefore, my point is that the assumption that you are raising is that we can continue to spend at the present rates, which we know all know, according to the trustees' report, drives the system into bankruptcy, and so my point is that virtually your entire argument on your side today was predicated on the fact you are willing to allow the system to go bankrupt.

Mr. BONIOR. If the gentleman will yield on that point, I would like to respond.

Mr. GUTKNECHT. Let me respond. Let me just say again, we did not make this up. We did not write the report. And we read today in the paper this quote: ''Today Medicaid and Medicare are going up at 3 times the rate of inflation.'' That is absolutely true. We propose to let it go up at 2 times the rate of inflation. That is not Medicare or Medicaid cut.

So, when you hear all of this about cuts, let me caution you that this is not what is going on. I did not say that. We did not say that. Although we are saying that that is what President Clinton said just last year. And so all of this scare-mongering that is going on over the Medicare issue, we believe, and I think you would agree, that this system can be reformed, we can control costs if we put the right incentives. It is happening in the private sector today. That is what this debate is about, and I think what the gentleman from Pennsylvania [Mr. WALKER] is saying, is some people are saying it cannot be reformed, it must be allowed to continue to grow at exponential rates and that ultimately it will just go bankrupt, and then we will figure out how to do something different.

But if we make the changes this year, we can avoid bankruptcy. We can protect, we can preserve, in fact, we believe you can improve the Medicare system, provide better care to the senior citizens, keep the system solvent and really have a system we can all be proud of. It is happening today in the private sector, and those who say it cannot happen in Medicaid and Medicare I think are arguing against the facts that are happening every day out in the private sector.

I yield to the gentleman from Michigan [Mr. HOEKSTRA].

Mr. HOEKSTRA. I thank the gentleman for yielding.

What we have been doing for the last number of months, actually what we started doing in 1993, we came forward with a budget alternative, major conflict within our conference, but we said we wanted to stand for a budget alternative and we wanted to have a document out there that said that is who we are and what we stand for, and we presented a very credible alternative budget.

We did the same thing in 1994. And what both of those budgets did is they prepared us to be able to lead in 1995 to present a credible budget, to present a solid plan to get us to a balanced budget by the year 2002, to save the future for our kids, and we have a President who, running for election, promised that he would be driving toward a balanced budget, and we started the budget debate in the Committee on the Budget in 1995. What did we see, we saw more of the same, continuing $200 billion deficits, no plan to save Medicare, no plan to drive down the deficit. As a matter of fact, we saw exploding deficits as you went out 5, 6, and 7 years.

So what we have done is we have put together, we have put down on paper, we are out here saying we have a plan. Remember when people used to say, ''Why don't those guys stand for anything?'' For 3 years we have demonstrated, and now we are going to have the opportunity to drive a plan that does exactly what we have been talking about: Tax relief for families, a balanced budget. We do go through; you know, we eliminate three Cabinet departments. We eliminate the Energy Department, we eliminate the Commerce Department, we eliminated Education, areas where we do not think the Federal Government has a primary role in setting policy. We eliminate 284 programs.

In many cases, right now, and in the Economic and Educational Opportunities Committee, I think is a great example, we are going through a process right now where we have something like 153 different job training programs. Take a look at this from a consumer standpoint. You are an American citizen out there, and you are taking a look and saying, ''I need some help to acquire new skills,'' recognizing that jobs are changing, technology is changing, ''I need some help.'' You look at this, and you say, ''Whoa, where do I go? There are 153 different programs? What little box do I fit into? Am I a displaced worker? Am I a senior? Am I somebody right out of school? Where is a box?'' That does not work.

What we are doing is we are consolidating that back down into four block grants. The money goes back to the States so that for west Michigan they can design a training program in conjunction with the industry and the people in west Michigan and the local colleges to put together a program that works for west Michigan. They can go to Detroit, which has different problems, very different opportunities. They can develop a program for Detroit. They can build off of successes in Detroit. They can go to Minnesota, and the Governor there can put together a program.

What we have done is we have basically eliminated, you know, again we are eliminating that bureaucrat in Washington that is standing between an individual and that person's need to get new skills, to make them more employable in higher paying jobs.

Mr. GUTKNECHT. So much of what we have seen in the development of the bureaucratic welfare state and all the Federal programs, I think they all started with good intentions, the problem is they are all built on the basic premise the Federal Government knows best. I think what we are really seeing is the dabate between those people who believe the Federal Government is too big, spends too much, is too bureaucratic, has too many rules, and those who believe the status quo has to be defended.

What we have said from the very beginnning, and I think the American people said last November the status quo should not live there anymore, it is time for some real changed and to shake up Washington, and to that end, that is what we are going.

I want to just remind Members of some campaign promises a few years ago. One was to end welfare as we know it. The second was to balance the budget within 5 years. And the third was to provide a tax cut for the middle class.

You know, it has been amazing to me the harsh tone of some of the rhetoric around here over the last several weeks, because in many respects what we are really trying to do is to help President Clinton keep some of those campaign promises, because that is essentially what we are trying to do. And, frankly, we would expect a little more cooperation from 1600 Pennsylvania Avenue than we have had, because when you look at our program, it basically is to end welfare as we know it, to balance the budget. I personally would like to do it in 5 years. I am willing to live with 7. I plan to vote for the Neumann budget. I think it can be done, and to provide tax cuts for the middle class. We want to keep the economy going. We want to provide more hope, growth and opportunity in the private sector. Those are the things we really want.

I yield maybe for some last comments to the gentleman from Michigan [Mr. HOEKSTRA], and then we will finish up and give the other folks a chance at this.

Mr. HOEKSTRA. I think, you know, in summary, you said exactly what the key building blocks of what our plan are, much of which were outlined in the 1992 election campaign, where at one time they were part of President Clinton's agenda, tax relief, reforming welfare, and balancing the budget, three components of this plan.

The reason they are so important is what we talked about earlier. This is the type of plan that really puts America back on the right road. I mean it is going to mean 7 hard years of work just doing this plan. It does not mean we have implemented it. We now are going to have to hold our feet to the fire to actually go through and make the tough decisions each and every year to stick to this plan, but it is a wonderful start.

I think for you as a freshman, the first budget proposal that you are going to have an opportunity not only to vote on but the first one that you are going to have an opportunity to pass, because I do believe we will pass it tomorrow, I mean I think tomorrow will be a historic day where we actually now lay out that plan. We vote on it, and we will pass it, and we will pass it in a bipartisan way.

We are laying the long-term foundation for the contract with our children, saying this is the America that we want to leave you, one that is fiscally sound, one that will be on a road to balancing the budget and one that will also then enable us to start the discussion about how we are going to pay down the debt.

We are going to cut spending. We are returning power to families. We are protecting Social Security. We are preserving and protecting and improving Medicare, and the most important thing, not only do we have the right vision for what we want to accomplish, I believe that tomorrow and actually what we have done for the first 4½ months of this year, we have a vision for America, and now we are also providing the leadership to actually implement it.

We need much more than vision. I think, you know, we were talking about 1992. Anybody can have a vision. What you have to have is you have to have the courage and the demonstrated leadership and the capability to lead to make that vision a reality.

So now we are reaching for that vision. We are putting that vision in place for a balanced budget, for more economic opportunity, for a better future for our kids, and as we start moving there, we can actually start expanding our vision for even more improvement in America and a better future, so that I think that is a great way to start, and we could not have done it without 73 new freshmen here to join us, and thank you very much for all that you have contributed to help make these first 5 months such a historic opportunity not only for the House of Representatives but for all of America.

I thank the gentleman for yielding.

Mr. GUTKNECHT. I thank the gentleman from Michigan [Mr. HOEKSTRA].

I want to close with a few quotes, some of them from this book, which, as I say, I read during the district work period, and I found it very insightful and instructive.

I know that some of the Members around here will read this, and there are some things in it that are brutally honest, particularly by Washington standards, about the culture of Washington and some of the things that have happened, and part of the reason we have some of the problems in Washington we do have.

But let me just read one of the quotes that he opens chapter 3 with, and it is from Thomas Jefferson. He said:

> I, however, place the economy among the first and most important Republican virtues, and public debt as the greatest of the dangers to be feared, and to preserve their independence, we must not let our rulers load us with perpetual debt. We must make our election between economy and liberty or profusion and servitude.

I think Jefferson said it so well, and then Tim Penny goes on and begins his chapter with these sentences, and I think it really got to me. He said:

> This republic is entering its 219th year, and remains the most admired and copied form of government in the world. For 192 of 219 of those years, this government shared something that no longer exists, an ethic of frugality.

I think that is what we are really trying to put back in this government, an ethic of frugality.

If you few look at the back of the book, on the back page there is a quotation I paraphrase only slightly, from former Senator Paul Tsongas, from the State of Massachusetts, and I love this. He says, ''When the inevitable consequences of massive debt are visited upon our children, they will ask us why and how it was allowed to happen. There will be no good reason to the why.''

But I think the Members in this body will know how.

The Chinese philosopher, Lao Tsu, said, ''The journey of a thousand leagues begins with a single step''.

Tomorrow, as my colleague said, we have an opportunity, in fact I think we

have an obligation to take the first giant step toward balancing this massive Federal budget and bringing this debt into line.

□ 2200

I think we owe it to ourselves, we owe it to our fellow citizens, but most importantly I think we owe it to our children and grandchildren. I think it is time for a little common sense here in Washington. I think it is time for us to begin the process of living up to our obligation, and I think it is time for us to balance the budget. I think the American people are way out in front of us, I think they expect no less, and I think tomorrow we will make good on that pledge and we will begin that process.

THE BUDGET VERSUS OUR SENIORS

The SPEAKER pro tempore (Mr. FOX of Pennsylvania). Under the Speaker's announced policy of May 12, 1995, the gentleman from Michigan [Mr. BONIOR] is recognized for 60 minutes as the designee of the minority leader.

Mr. BONIOR. Mr. Speaker, I am delighted to be joined this evening by some very good friends, and we are going to talk about this budget, and we are going to talk about the Medicare system. I am joined by the gentlewoman from California [Ms. PELOSI], the gentlewoman from Connecticut [Ms. DELAURO], and the gentleman from Vermont [Mr. SANDERS].

Mr. Speaker, let me just answer—I want to answer my friends from the other side of the aisle when they were speaking, and I have the opportunity to do so now. They talked about the issue of the Medicare trust fund and about its bankruptcy. It should be duly noted that less than 2 months ago, on this very floor, every single Republican voted for a tax bill that took $87 billion out of that same Medicare trust fund in order to pay, in order to pay, for a tax break for the wealthiest people in our society, and that is what happened.

Now it is rather disturbing to hear them say that they are going to fix this. They were not for the Medicare program in 1965. They have not been for fixing it or doing anything about it since. In fact, the gentleman from Texas [Mr. ARMEY] and the gentleman from Georgia [Mr. GINGRICH], their leaders, have said repeatedly on occasions, recent occasions, that they wanted to change the nature of the system, and, by golly, they certainly are.

Let me, if I could, switch gears a little bit and talk about the people who are affected here.

Mr. Speaker, it was 50 years ago this week that America defeated Nazi Germany in World War II, and all over American and all over Europe we celebrated that day by remembering the brave men and women on both the battlefront and on the home front who led this country to victory.

As my colleagues know, looking at pictures of our parents and grandparents taken back then, they were so young, and they were so full of life, it is hard to believe that they would ever grow old. But they have.

The generation that beat Hitler, that built our economy, that raised our families, are now America's senior citizens, and today many of them are living on fixed incomes. Their Social Security check is the only thing that many older Americans have each month to pay their rent, to pay their heating bill, to pay for their food, and medicine and their doctor bills. For most of them it is not easy. They have to struggle to make ends meet.

But today, instead of trying to make it a little easier for them, to help them through a very difficult time in their life, the Republicans in the Congress are trying to make living very hard for them.

Mr. Speaker, as I said a little earlier, this comes down to one very, very basic and simple question: ''Do you think we should cut Medicare, Medicaid, and Social Security in order to pay for tax cuts for the very privileged few?'' In the next few days we are going to see a lot of charts and numbers on this floor, and we saw them today, but this debate is not just about numbers. It is about people, it is about people, people like this lady right here, Margaret Lesley, who I have a picture of.

Margaret is a proud senior citizen and a dear friend of mine who lives in my district. Fifty-one years ago she was known to her friends as Maggie the Riveter, and she was young, she answered the call of this country. She helped build the B–29's that helped the Allies win the Second World War.

Like most of her generation, Mr. Speaker, today Margaret lives on Social Security. After paying for her rent, and her medicine, and her Medicare premium, and her medigap premium, she is left at the end of the month with $130, and with that she has to pay for her food, her heat, the bills that she has, or perhaps some little extra that she desires, and she struggles mightily to make ends meet.

But instead of trying to make Margaret's life a little easier, this Republican budget is going to make it a heck of a lot harder. The budget before us today will take $240 out of Maragaret's Social Security check, and over the next 7 years it will take $3,500 out of her pocket to pay for Medicare, and then the last year that money will amount to over a thousand dollars.

Now they are not doing that to balance the budget or to cut the deficit. The Republicans are cutting Medicare for Margaret for one reason and one reason only, and that is to pay for tax breaks for the wealthiest people in our society and the wealthiest corporations in America.

Now something they did not show you on the other side of the aisle, but I will. It is a piece that was in the Wall Street Journal after we passed the tax bill. The Wall Street Journal said, and I quote, ''The tax bill could mean a windfall for the well off,'' and then it goes on. ''It could turn out to be the biggest tax savings bonanza in years for upper-income Americans.'' Boy, you bet it could turn out to be the biggest income savings because indeed that is exactly what is happening. And if you are a wealthy corporation, you do not have to pay any taxes at all.

The last time the Republicans were in power, in the early 1980's, if you looked at the 250 largest corporations in America, 130 of them paid no taxes for at least 1 year; in the early 1980's, no taxes at all. It was such an outrage that the people in this Chamber, Republicans and Democrats, even President Reagan, decided we would change it we would change it so they pay at least a minimum, and it became law. And now in the bill that we passed less than 2 months ago the Republicans have repealed the law, and now major corporations all over this country, the largest ones, will get away without paying any taxes at all, and you know who is going to have to pick up the rest.

Now did the Republicans target the 200 billion we dole out in corporate tax breaks ever year? We dole out over $200 billion in tax loopholes to the largest corporations in America. You want examples? A 4.3 billion every year in agricultural irrigation subsidies to the largest corporate farmers in America; 1.2 billion a year in mining subsidies to the mining companies for royalties on public lands. And it is endless. Do they do anything about that? No, they did not touch it, did not touch it. The gentleman from Texas [Mr. ARCHER], the chairman of the Committee on Ways and Means, would not have anything to do with it.

Now did the Republicans target the billionaires who give up their U.S. citizenship in order to avoid paying taxes? I know that sounds like who would do that? We have people who have done it, who have avoided paying taxes by giving up their U.S. citizenships, and they are very wealthy people, and the drain on the Treasury for those people over 10 years is about $3.6 billion I ask, ''Can you imagine giving up your citizenship in order to avoid paying taxes?''

The country in which Margaret and others defended, these businesses, with the hard work of men and women in this country, provided for these millionaires and billionaires, and all of a sudden they do not want to make their fair share.

The Republicans could have gotten rid of that, and they said no. They argued and protected these people, except for five of them. Five Republicans said this is outrageous. The rest, 225 of them, stood up and said, ''we're for you. No, indeed we will not touch your tax break.'' Instead they are targeting senior citizens like Margaret.

And just do not take my word for it. The New York Times revealed the contents of a secret memo that the Republicans circulated, and in that memo, under the Republican plan Medicare

deductibles will double, premiums will go up to 50 percent, copayments will increase, care will be rationed, and the choice of doctors will be limited.

We just heard the gentleman from the Republican side of the aisle a few minutes ago talking about changing the Medicare system. What he was alluding to was this memo; what he was alluding to is, if you want to keep your own doctor that you have confidence in, it is going to probably cost you an extra $2,000 to $3,000 a year because you are going to have to pay an extra premium above the extra premium that they are going to charge you for that privilege.

Now, Mr. Speaker, my colleagues, this is not going to just affect senior citizens. How is the average working family going to pay for the cost of caring for their parents and grandparents? And I would tell my colleagues, ''Don't come to the floor and tell us you're trying to save the Medicare system. As Margaret Lesley says, Republicans haven't cared about Medicare for 30 years, and we're not about to believe you now, and she was absolutely right, absolutely right.''

I should tell Margaret the other bad news here and all the seniors in America. It is that there is a cut in your Social Security in their budget. Yes, it is going to cost Margaret hundreds, if not thousands, of dollars by the end of the decade because of what they will do to her cost of living.

Mr. Speaker, this debate is not just about numbers. It is about basic dignity. People like Margaret Lesley stood by this country in time of peace, and they stood by it in time of war, and it is important for us to stand by them today. That is a sacred promise that we made to Medicare, and it is time that we lived up to the promise. But this budget has broken that promise, and at the end of the day senior citizens and working families throughout this country will be asking one basic question, one question: Why are Republicans cutting Medicare, and cutting Medicaid, and cutting Social Security in order to give a tax break to the wealthiest people in our society?

We are talking about 1.1 million people in the United States that will be getting a $20,000 tax cut. These are people who make over $230,000 a year. That is the amount of money basically that the tax cut provides for these people that they are using to cut Medicare.

That is what this is all about, this debate. It is the shifting of the wealth of the country away from our seniors, away from middle working class families and shifting it all the way up to the top.

I say to my colleagues, people wonder why can't I make it? Since 1979, since 1979, 98 percent of all income growth in the U.S. has gone to the top 20 percent of the people. Ninety-eight percent; that means 80 percent are standing still or they are going down in their purchasing power. This budget assaults that proposition is a way that I haven't seen in my years in public life, and it seems to me that, as Members of this body who care about this program, and care about our elderly people, and care about people like Margaret who went on line when the country called in the 1940's, that it is time for us to stand up for them today.

Mr. Speaker, I would be delighted to engage my friends and colleagues and get their views on this. I know the gentlewoman from California [Ms. PELOSI] has also a similar experience, and I would yield to her for any comments she might have now.

□ 2215

Ms. PELOSI. I thank the gentleman for yielding and for his very important statement on what this budget debate is about. I think it is important to return to your point about the cut in Social Security, because while the cuts in Medicare are clear and obvious, it is also important for seniors to understand that with the increased copayment that they are going to have to pay and other out-of-pocket expenses, their Social Security benefits and any cost of living adjustment in their Social Security benefits will be eaten up by the increase in the Medicare out-of-pocket they will have to pay.

As you know, Mr. Whip, the Urban Institute projects that about 21 percent of seniors' income is spent on health care.

Mr. BONIOR. The highest of any group, as I understand it.

Mr. PELOSI. In our State of California, it is even higher. That is hard to believe, but it is. So seniors living on fixed incomes, with this being a big part of their budget and the highest of any Americans, what they have to pay for health care, the very idea that someone can say we are not touching Social Security, it is just like saying I am not going to touch your food budget, I am just going to double your rent. Where do you end up at the end of the day?

I think the point that you make about the impact on Social Security and the disposable income that seniors would have is a very important one for our seniors to know. Not only is this an attack on Medicare, but it is a backdoor attack on Social Security.

Mr. BONIOR. And they promised us they were not going to touch Social Security. They promised us that. Here they are on the floor attacking Social Security, attacking the COLAs of people who depend upon it. These are people who need medicine, who cannot get medicine because we do not have a prescription drug program in this country, who need long-term care and home health care, and we cannot get a decent proposal to add on to the Medicare system to deal with those particular problems.

They were successful, I regret to say, in deep-sixing some of the decent proposals we had for elderly with regard to providing them with prescription drug care, so they do not have to make the terrible choice between the medicine they need or the food or heat they need in their homes. They were responsible for making the terrible choice that these folks have now with regard to their long-term care and their home health care, that choice put before them, either that or not providing for their relatives, by killing basically health care last year.

Now they are back at it again. After the election they are here. Not only have they taken an assault on the seniors of this country by deep-sixing any health care reform, now they come here and they want to go after not only Medicare, but, as the gentlewoman from California states, Social Security.

I yield to my friend from Connecticut.

Ms. DELAURO. I think your point at the outset of your remarks bears repeating, which is that these are folks who for the last several days have been talking about saving the Medicare system, when they have not really cared much about the Medicare system at all. Just a few weeks ago, as you pointed out, they took $87 billion out of the trust fund over a 10-year period of time, without blinking an eye. They did not want to debate it, did not talk about it.

This was their crown jewel, their whole tax cut and their tax break plan. And now they are here trying to pull another fast one on the American public. And I think that they worked hard today on this floor to hoodwink the American people, and people that I represent, and they are here in this photograph with us tonight on this floor and here earlier today, Julius and Dottie, who are people who have served this Nation, and our Republican colleagues are trying to fool these folks into thinking they are not cutting their Medicare payments, and then backdoor them with their Social Security payments.

The fact is, the facts just speak for themselves. The article that you referred to, and they do not want to admit it, our Republican colleagues do not want to admit it, from the New York Times, which says they there are confidential documents from the House Committee on the Budget tht show that the Republicans are recommending changes that would increase the deductibles, that would increase premiums. The deductible increase would go from $100 to $150 in 1996, and more every single year after that, because that would rise with inflation. But what they do not want to do is to have the benefits rise with inflation. They refuse to do that, but the costs will rise with inflation.

Mr. BONIOR. How about the premiums? What are the premium rates?

Ms. DELAURO. The premiums will go up nearly double. They will go to $84 in the year 2002, and that means seniors will pay $456 more a year than they do today. It is really incredible. In Connecticut, in my state, you will see that

the enrollees, Medicare enrollees, will pay an additional $1,167 every year, and, over 7 years, $3,800. They also put on, and I would just ask my colleagues to comment on this, a 20 percent sick tax on home health care and on laboratory tests. I do not know about you, but lots of the seniors that I know go for substantial laboratory tests. Certainly the Ruskins do. Julian and Dottie go for lots of laboratory tests. Imagine what that means in terms of having to have a 20 percent tax put on them for those tests.

The other point that our colleagues do not want to mention is the whole issue of choice and choice of doctors.

Mr. BONIOR. That is a big, big issue. I mean, how many of us here have relatives and parents who really depend upon a certain doctor for their services. And under this plan that the Republicans have, they are moving people into health maintenance organizations, managed care, HMO's, where you will not have a choice. And they may preserve a choice in the bill, but you are going to have to pay an extra, and I forgot what the memo said, but I think it is a substantial amount of money. We are talking an additional $1 or $2 thousand just in order to have that choice, I think.

So it really stretches what in fact these folks can indeed bear.

I yield to my friend from Vermont to join in on this, if he cares to.

Mr. SANDERS. Thank you very much. I did not bring any photographs of Vermonters with me, but I can tell you that I have attended many meetings at senior citizen centers throughout the State of Vermont, and I can tell you right now, and many people who are not senior citizens do not understand, oh, if somebody has Medicare, they have everything they need. No problem. They are fully covered. But you understand that with Medicare, people are paying sizeable premiums. Often they have to take out what is called Medigap insurance in addition to that. And despite that, Medicare does not cover prescription drugs.

So right now in the State of Vermont, many, many people say, ''I have to make a choice between heating my home in the wintertime, it gets very cold in Vermont in the wintertime, or coming up with the money to pay my prescription drugs.''

Now what will happen to those people if they are forced to pay larger premiums or more out-of-pocket expenses? God only knows, but it will certainly be a very terrible day for them.

I think the main point that I would like to make in this discussion, and you have already made the point, is that we all recognize that this country has a serious deficit and a serious national debt. Our Republican friends have not told us, however, how giving huge tax breaks to the wealthiest people in this country is going to move us forward toward balancing the budget.

What we are talking about is a tax bill in which half of the tax breaks go to people making $100,000 a year or more. Further, 25 percent of the tax breaks go to people making $200,000 a year or more, and the wealthiest 1 percent get more in tax breaks than the bottom 60 percent.

Mr. BONIOR. That is a staggering statistic. I think it bears repeating again, the last one.

Mr. SANDERS. Let's repeat it again. At a time when the rich are getting richer, when the middle class is shrinking, and poverty is increasing, the wealthiest 1 percent get more in tax breaks than do the bottom 60 percent.

There is another point that needs to be made, and I do not think it was covered very well this afternoon. And that is we should ask ourselves how did we get into the position of having a $4.7 trillion national debt? How did it happen? I think everybody in this room understands that in the 1980's the national debt took off. It went from $1 trillion to over $4 trillion.

What our friends in the Republican Party forgot to mention is that between 1981 and 1992, the wealthiest 1 percent of the population received $1.5 trillion in tax breaks. Let me say it again. Between 1981 and 1992, the wealthiest 1 percent of the population received $1.5 trillion in tax breaks. Between those tax breaks, between increased military spending, the country in fact ran up a large national debt.

It seems to me that the way you solve the problem is not to give more tax breaks to the people who are primarily responsible for causing the national debt in the first place, and it seems to me to be grossly unfair to be going after the working people and the low income people whose incomes have significantly declined over the last 18 years. So this continues the Robin Hood proposal in reverse. We take from working people and low income people and we give to the rich. I think that is the essence of what this proposal is about.

Ms. PELOSI. If the gentleman will yield on that point, it is very interesting to hear this debate, because as you say, it is very familiar. Increase defense spending, give tax breaks to the wealthiest Americans, and the benefits will trickle down. And here we are again, as Yogi Berra would say, it is deja vu all over again. What is interesting about it, and it is a real tribute to President Clinton, is this is the first year, the 1995 fiscal year budget we are in now, is the first time since the 1960's that we have a budget that has an operating surplus. President Clinton has saved $50 billion.

In other words, the revenues coming in are $50 billion more than what is being spent by the Federal Government, except we have to pay for the trickle-down economics of the eighties, a $240 to $250 billion interest on the national debt. So we consequently have a $190 to $200 billion deficit this year.

But President Clinton is the first President since the sixties to have a budget that takes in more money than it spends except for that interest. I think that is important to note, because our colleagues on the other side of the aisle in the Republican majority keep saying what is President Clinton doing. President Clinton is moving toward reducing the national deficit and the national debt.

Mr. BONIOR. When the President took office, the annual deficit was about $360 billion. After we passed our budget bill during the first term, the historic vote we had on this floor, that debt, annual debt, has been decreasing to the point of $165 billion. That is a $200 billion difference. We are on a glide path to getting there. But you cannot give tax breaks to the wealthiest people in our society, and ask people like Margaret and people from Connecticut and the lovely lady that you have next to you there.

Ms. PELOSI. Enola Maxwell.

Mr. BONIOR. From San Francisco. Why do not you tell us about her.

□ 2230

Ms. PELOSI. I talked earlier about her on the floor debate. This is Enola Maxwell. She is 75 years old. For 20 years she has been the executive director of the Petrillo Hill, serving meals to senior citizens, meeting the needs of inner city youths and helping with community services in that way.

Enola had a heart attack recently, and I read her statement earlier about what a comfort Medicare was in every possible way, the confidence that her benefits would be there.

She asked the question: ''Why would the Republicans want to give a tax break to the wealthiest Americans and America's corporations, and have that tax break be paid for by reducing the Medicare benefits to America's senior citizens? That is breaking a promise to America's citizens.''

Further to that point, I think it is important to focus on what it is they are proposing. In their restructuring options, they are talking about restructuring the traditional fee-for-service plan. The option lists 35 recommendations, which include increasing beneficiaries' out of pocket expenses, copayments, premiums, deductibles, and cutting payments to providers, hospitals, and doctors.

It is interesting on that point, because their own Members, the gentleman from Kentucky, JIM BUNNING on the Committee on Ways and Means, has said ''Of course I think everybody, if they tell the truth, realizes we cannot keep cutting the reimbursement for doctors and hospitals without destroying the quality of health care. The savings aren't real anyway. The costs are just shifted out of the Government's budget into the private sector.''

Then, in addition to that, their other options include ''replace the current benefits with a voucher.'' Listen to this one. ''Instead of receiving approved services, as needed, seniors would receive a fixed voucher amount to purchase their health insurance. Federal

costs are limited by the amount of the voucher, although a catastrophic cap of $10,000 per beneficiary is recommended.'' Imagine that.

Mr. BONIOR. You can eat $10,000 up in a very, very short time.

Ms. PELOSI. Anyone who has been to the hospital knows that. Then they say ''expand managed care options currently available. Increase beneficiaries' out of pocket.'' Increasing beneficiaries out of pocket is in every option, so people have to know that.

''In nonmanaged care settings, limit providers' benefits and enforce spending limits.'' AARP has said that seniors are being asked to: ''Seniors are being asked to pay a 50 percent increase in Medicare part B.'' That was not AARP. AARP was saying that the Republican budget will mean an increase of $3,000 over the next 7 years for a Medicare beneficiary, $3,000 over the next 7 years. Where are these people going to get it, and why? To give a tax break to the corporations and the wealthiest Americans.

Mr. BONIOR. I yield to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. That is what I find so disingenuous about the arguments the Republicans have made all day today on the floor of the House. They talk about that there is—they talk about Medicare increasing, and that these out of pocket costs we are making up. Their plan does not keep up with inflation. It does not allow for increased enrollment in the program.

It is a very similar argument, if you will recall, that they made on the school lunch issue, where they said that they were going up 4½ percent, but in fact the program increases 6½ percent, so, by just very basic subtraction, you have a 2-percent shortfall.

It is their same argument here, but what in fact it is, and it is the height of hypocrisy, to claim that they are not making the cut. We have all listened to them on the floor of this House. They have argued over and over again, and you mentioned, my colleague, the gentlewoman from California, mentioned the defense budget. They have talked about the defense budget over and over again, that it is being cut, when you treat defense in the same way, in the very, very same way.

When the defense budget goes up, but not enough to keep up with the cost of a weapons system, the Republicans call it ''a cut,'' over and over and over again. That is why they have called for an increase in this budget for defense. When the defense budget goes up, but not enough to maintain the same troop levels that we have, the Republicans call it a cut. Why is it that now, in this debate, when Medicare spending does not keep up with inflation, and it does not keep up with the health care costs, or the increase in enrollment, do they say this is not a cut? It is hypocrisy and it is disingenuous, and we have to keep getting this message out to the American public.

Mr. BONIOR. Because these people are not their constituencies.

Ms. DELAURO. That is right.

Mr. SANDERS. We have touched on the fact that these cuts will be devastating for Medicare recipients, they will be devastating for Medicaid recipients, they will be devastating for Social Security recipients.

Let us also mention, especially those of us from the cold weather States, that they propose to eliminate, cut completely, the fuel assistance program, LIHEAP, of which 40 percent of the recipients of senior citizens. That means in the State of Vermont or in the State of Michigan, when the weather gets pretty cold and we have low-income senior citizens who need help to pay their fuel bills, it is gone. What happens to those people?

We should also point out that such wonderful programs as RSVP are eliminated. The Foster Grandparent Program is eliminated. Also, we should understand that at a time when everybody in America understands that this Nation needs to be competitive in the global market, that we need to have the best educated work force in the world, major, major cuts in education.

What a stupid approach, cutting your nose off to spite your face. Among other things, what this Republican proposal does is cut student loans by $33 billion. In the State of Vermont right now we have thousands of families, and I have had hearings on this, people are working 50 or 60 hours a week to send their kids to college. The cost of college is going off the wall.

If we cut back on those student loans, there will be hundreds of thousands of young people all over America who will never have the opportunity to go to college. To do this in order to give tax breaks to the wealthiest people in America is very wrong.

Mr. BONIOR. Just on the student loan point, because I do not want to leave that without, I think, adding my own concerns here, all of us, I think, the gentlewoman from California [Ms. PELOSI], the gentlewoman from Connecticut [Ms. DELAURO], and myself, we have had hearings and forums in our districts where we have brought students in to talk to them. You are absolutely right, they being stretched because of the higher cost of tuition and housing. Fewer and fewer are going to college today because of that.

Along come the Republicans, and what do they want to do? They want to cut out student loan programs in this country. Basically, what they are basically doing away with is the interest subsidy program that we have, that if you take student loan out, you do not have to pay back until 6 months after you graduate. You do not have to pay on the interest. They are saying you have to start paying from the moment you take the loan out, and what that does is it adds to the debt load of these people, and it will cost them an additional, in my State, over $4,000 a year, and in some States over $5,000—excuse me, not a year, $4,000 over the value of the loan, $4,000 extra dollars. That is going to discourage literally millions of kids from going on.

Ms. PELOSI. If the gentleman will yield on that point, Ms. Maxwell works with inner city youth, that is just on this point, and some of us got together, Ms. DELAURO, the women Members of Congress, and we had a press conference last week right before Mother's Day on this very point, Medicare and student loans, saying that his was the anti-family Mother's Day gift of the Republicans to America's mothers, because if you are in your forties and fifties, and many of us in this body are, and many of the people in America are, you are worried about the health of your parents and you are worried about the education of your children, so these two issues are such anti-family initiatives on the part of Republicans, sandwiching in——

Mr. BONIOR. Squeezing people.

Ms. PELOSI. Squeezing middle-aged and middle-income people who certainly want their children to be interested, and now they cannot get the deferred interest, so it makes their options less desirable, and at the same time, being worried about trying to help their parents meet their health care needs. The whole thing is anti-family. That is what is so tragic about it all, because the Medicare issue is not about seniors only, it is about the whole family.

Mr. SANDERS. If the gentleman will yield, when we are talking about education, we are not just talking about student loans. Let us be clear about that. We are talking about massive cutbacks in virtually every Federal educational program: Goals 2000, the trio program, Title I, school-to-work, student incentive grants, Head Start. Is there any debate that Head Start has been enormously successful in allowing low-income kids to do better in school, to stay in school, to get a shot at life?

Mr. BONIOR. No debate at all, none at all. It has been hailed for its value.

Mr. SANDERS. Major cuts there, and cuts in the safe- and drug-free schools. Here you have schools all over America and in the State of Vermont working extremely hard to keep kids off of drugs, to keep kids in schools. These programs are working. They are going to be cut. What a wonderful idea to give up on these kids, let them turn to drugs, and then we spend tens of thousands of dollars keeping them in jail.

Mr. BONIOR. They are doing all of this, school-to-work, drug-free schools, student loans, and all the other programs that you talked about, Goals 2000, and they are doing that, they are cutting these programs, in order to give a tax cut to the wealthiest people in America, a tax break to those people who are making incredible amounts of money. We are talking about $200,000 a year.

Mr. SANDERS. If the gentleman will yield, here is another cut, and it really refers to his original statement, where

he talked about a woman who, during World War II, worked in the assembly lines in order to defeat Hitler.

During World War II we had millions of men and women who not only worked in the assembly lines, they were fighting all over the world against fascism. This budget makes significant cuts in veterans' programs. The bill passed by the House Committee on the Budget would, over a 7-year period, reduce veterans' programs by $8.3 billion. The Senate Committee on the Budget, in fact, would reduce veterans' benefits by $15.1 billion.

Among other cuts would be an increase in the prescription drug copayment from $2 to $8. The House bill would also reduce the COLA on veterans' compensation. It would also eliminate the Veterans' Employment Program under the Job Partnership Training Act; the disabled outreach program. Boy, we are getting really tough.

Mr. BONIOR. The real tragedy of all this is that people are probably saying ''We have to get control over this deficit. What are you going to do?'' The problem is, they are doing this in order to provide tax cuts for the wealthiest people in our society, and they do not touch any of the corporate welfare.

There is over $225 billion worth of corporate welfare in our Federal budget. They leave it alone. They leave it alone. They do not touch it. Instead, they go after veterans, they go after education programs, they go after Margaret's Social Security and her Medicare.

Ms. DELAURO. We are talking about veterans and Medicare and veterans' programs, and I just want to make reference, I have talked about Julius and Dorothy Ruskin from West Haven, Connecticut, earlier today. I think what we are all doing when we talk about the people who are our constituents, and people who are our friends, as well, people that we know—these people are not just names, they are folks that we know—that they exemplify what is at stake in the whole debate here.

Let me just say that these are two wonderful people, Julius and Dottie. They have given a lifetime of service to this country. Just on the veterans' issue, and I say this to my colleague from Vermont, Julius was an anti-aircraft gunner on Iwo Jima during World War II. He received the Bronze Star for his service.

These two wonderful people met each other in New Haven shortly after he came back from the war, and then they were married 5 months later. Dottie worked as a bookkeeper all of her life. Julius worked for 26 years in the Pirelli and the Armstrong Tire Company; once again, wherever it was needed in our Nation's service to deal with that industry.

I will tell you what Julius has said, and I quote him, ''These are not the golden years.'' They are dealing with taking Medicare, Social Security, veterans' benefits from these folks. It is unfair. These should be the golden years for Maggie and for Enola and for the Ruskins, but that is not the case.

I worry about, and I know that my colleagues here worry about that. Retirement today is often not golden at all. I think I remember my mother saying one time, she is 81 years old and relies on Social Security and on Medicare, that ''These are not the golden years but the lead years,'' and I think this is what our colleagues on the other side of the aisle have tried to do to folks that we represent here tonight.

Mr. BONIOR. The argument they are making is, they are doing it for their kids and grandkids so we can get this budget deficit in order. What they do not tell you is, they are doing it for the wealthiest people in our society, giving them a tax break. They are doing it for the largest corporations and multinational corporations by making sure they do not pay taxes. They are doing it for large corporations by making sure they do not touch any of the tax loopholes or tax expenditures that are out there for them.

The thing that I think drives me to despair more than anything else is the fact, as my friend, the gentleman from Vermont, has just said, they have cut out—they have cut their nose off in front of themselves in terms of what is good for the country. It is the investment in our kids and in their education. It is the best thing we have done.

When Margaret and her peers and Julius and his peers came home from that war, this Congress provided them with the G.I. Bill of Rights. It was one of the best investments this Nation has ever seen. People got an education, they grew intellectually and they grew financially as the country grew through the fifties and sixties. Here we are in this budget, cutting back on that opportunity for young people in order to pay for tax cuts for the very wealthiest people and the largest multinational corporations.

□ 2245

Ms. PELOSI. If the gentleman will yield on that last point, because I think the arguments that our colleagues make about children and their futures, of course we are all interested in children, but it would ring a little truer if they were not putting forth a $300 billion tax break for the wealthiest Americans and the corporations. It is exactly the amount of money they have to cut out of Medicare to pay for that, and they had choices.

As you know, there was a debate in their caucus about whether the tax break should go up to $95,000 a year or to $200,000 a year, the tax break, $500 tax break per child, and it went all the way up to $200,000 a year tax break at the same time giving a tax break and cutting education for our children who need a boost.

But in addition to that, and the gentleman referred to this and I want to emphasize it again, the Wall Street Journal the other day said:

> Estimates vary on exactly how much the government gives up in revenue as a result of corporate tax breaks. But most budget experts say it exceeds $200 billion over 5 years. The House Budget Committee went as far as targeting a specific list of $25 billion in tax breaks over 7 years, but the plan collapsed last week after it was denounced by the chairman of the Ways and Means committee.

So, again they had another opportunity to make a little cut, almost a 10- or 11-percent cut in those tax breaks, and they rejected it again, instead choosing to cut benefits rather than tax breaks.

Mr. SANDERS. If the gentleman will yield, the gentlewoman from California points out that at a time when the wealthiest people and the largest corporations receive far more welfare than do the poor in terms of tax breaks and subsidies, when that corporate welfare is well documented they did not have the guts to go after those people, but they do have the guts to go after the children, after the homeless, after the elderly, after the veterans.

There is another area that has not gotten a whole lot of discussion.

Mr. BONIOR. There is a reason for that and I think we should talk about it.

Mr. SANDERS. Let us talk about it.

Mr. BONIOR. Because some of the people that we are talking about here today and some of the kids we are talking about do not have the high-powered lawyers and the lobbyists to represent them. The corporations do, the wealthiest people in this country do.

Special interests have had a dramatic impact on this debate and what is in this budget and if you ever doubted it, just look at the tax breaks and who they go to, just look at how they ignored the tax expenditures and loopholes for the wealthiest corporations in America and in the world, and just see what they did to our veterans, to our seniors, and to our kids.

Ms. DeLAURO. If the gentleman will yield, I think it is worth repeating just how outrageous it was what happened here a month ago with the repealing of the alternate minimum tax. And my colleagues from Michigan mentioned that. That was the tax put in by Ronald Reagan saying to the richest corporations in this Nation you have an obligation to pay taxes to this Nation. No one was complaining about that tax. Everyone felt it was fair and equitable, and the Republicans repealed it.

It is $16.9 billion over the next 5 years, which says that the richest corporations in this Nation have a zero tax obligation to this country, and it is wrong, and that should not happen because they do have the lobbyists and the special interests that represent them in this body today more than they have at any other time in the history of this Nation.

Mr. BONIOR. And they go after a program like School to Work, and the gentleman mentioned it. Most of our kids do not go on to college, they go to high school and they elect to get out in the work world and make a living, as many

as three-quarters of them do. This School to Work Program matches kids in school with the work world and matches the business people who are out there and looking for good employees and puts them in contact with the kids in school, and they develop a bond and a relationship and schedule and work habits and education habits to match what is out in the country. It is a wonderful program modeled after something done in Germany that works very, very well. Everybody is pleased with it, the community I represent is pleased with it, the community college systems are just enthralled with the opportunity to work into that system, and of course the high schools which it affects most are thrilled about the promise this holds. And $60 billion you mentioned for the alternative minimum tax, this is like a drop in the bucket of that amount and they wiped it out.

Mr. SANDERS. If the gentleman will yield, let us recapitulate here: Huge tax breaks for the wealthiest individuals in America, doing away with corporate taxes for some of the largest and most profitable corporations in America, and savage cutbacks for the most vulnerable in this country.

I think unless one is very naive, I think we can understand why these things happen. And they happen for reasons like an event that took place in this city some 3 months ago, and I know my colleagues here remember the event. The Republican Party held a little fund raiser, just a little ordinary dinner that folks came to.

Mr. BONIOR. How much were the tickets?

Mr. SANDERS. I think $1,000 a plate with gratuities included, and they provided an extra cup of coffee for free.

Ms. DELAURO. I believe it was $50,000 a plate.

Mr. SANDERS. That was for another one; that was for the right-wing television network, but this was for poor folks, only $1,000 a plate. And I think at the end of that night they walked away with $11 million.

Now why would the largest corporations in America and the wealthiest people in this country contribute to the party? And they doing it because they believe in the Democratic spirit and they just wanted to get involved? Maybe, but I do not think so. I think that there are very smart people who made an investment. They invested in the Republican Party, and the last several months we have seen why they invested. It is a very good investment to buy a ticket for a thousand bucks at a dinner and find out your corporation does not have to pay anything in taxes, or if you are making $200,000 a year your are going to pay $11,000 less in taxes.

But, interestingly enough, the average working persons did not go to that dinner, and you know what the average working person got? Among many other devastating cuts, the Republican proposal cuts back, eliminates, not cuts back, eliminates unemployment insurance-extended benefits. Many areas all over this country where unemployment is very, very high, we have recessions, things get bad, what the Republicans proposal does is make it impossible for a worker to get unemployement after 13 weeks.

What do you do then? Well, how come they go cut and the rich got tax breaks? Maybe it has something to do that tens of millions of dollars that are now flooding into the Republican Party from some of the wealthiest people in America.

Mr. BONIOR. I thank my colleague.

Ms. PELOSI. I would like to talk about what this means in California in terms of giving these tax breaks to the wealthiest, cutting Medicare benefits to our seniors in California $3.6 million. Medicare beneficiaries will lose in the year 2002 alone, in that year alone $11.8 billion, in that 1 year alone. And between now and then the figure is $37.8 billion over 7 years.

That is devastating. That means they are paying more out of pocket for fewer services. This whole thing is about values. Who do we tax, what do we spend it on? That is the budget debate, and I do not think it is a statement of our country's values, and most people in the country's values to say we would rather give more tax breaks to people who have so much on the backs of our poorest folks.

I want to say something before you yield to Congresswoman DELAURO. She and Congressman DAVID OBEY have been the two champions, and there are others who work with you on protecting LIHEAP funding. ROSA, I do not want to get in ROSA DELAURO's way when somebody goes after LIHEAP. It is important to seniors and people in her State and she has been an incredible champion on that issue.

Ms. DELAURO. We have cold winters in Connecticut; you have them in Michigan and in Vermont.

Mr. BONIOR. We have a wonderful LIHEAP program in Michigan. The utility companies work very hard.

Ms. DELAURO. They do.

Mr. BONIOR. They are pleased with it and it helps literally tens of thousands of low-income seniors who would have no other way to pay their bills.

Ms. DELAURO. I just wanted to make a comment, and this was in the New York Times on May 2, it says let's separate the facts from the political claims and counterclaims.

As a practical matter the Federal budget cannot be balanced the way the Republicans are talking about in 7 years as the Republicans promised without deep cuts in projected spending for Medicare.

They would like to hide this fact, but it is the case.

Cuts of this magnitude would raise the cost of health insurance to millions of retirees or reduce the services available to them. And a quote from Stanley Colender, director, Federal budget policy at Price Waterhouse, an accounting firm that said, ''realistically there is no way to come close to balancing the budget without cutting Medicare, Medicare benefits.'' Our Republican colleagues are trying to hide the fact that they are cutting benefits for tax breaks. No one has suggested that there are not reforms to be made in Medicare, and we can do that. We can deal with the fraud in the system and we can do some other things, but they cut first and reform second.

I tell you, take a look at it and listen to what they are talking about, what has happened to our priorities in this country when the majority in this body is putting the whole issue of the corporate tax interests, those loopholes, those breaks ahead of the care and the health care needs of the people that we have talked about tonight and the people that we represent, people like Julius and Dottie Ruskin. I think that is the basic argument, what the Republicans have done, and they do not want to own up to it.

Mr. BONIOR. Somebody on this floor, I think it was DICK DURBIN who gave an eloquent speech this afternoon and he talked about a constituent who was I believe 72 years old and who gave so much to this country, and his work and his service to this country in time of war, and basically DICK was saying that this is really an American hero, and I think we would all agree this evening the four people we have talked about here specifically are really American heroes. They were there when their country needed them on the homefront as well as the battlefront. They have been pillars of their communities. They are wonderful people, lovely neighbors, and for us to treat them in their twilight years in such a shabby way in this budget I think speaks to what you said, Ms. PELOSI, in our values system. What is our values system? The budget is about our value system that expresses who we are, what we believe in, and what we are willing to stand up and fight for, and we saw today who they are willing to stand and fight for. They have fought for the wealthiest folks in our society at the expense of our veterans, at the expense of these four lovely people and the expense of our many young people who are trying to get an education to make a go of it.

So I thank my colleagues for participating tonight and I yield to them.

Ms. PELOSI. I would like to make one point, because I know the gentleman from Michigan [Mr. BONIOR] has been a leader in fighting for real health care reform in this body. Congresswoman DELAURO said we do have to make some reforms in the Medicare system. That does not mean we lessen the benefits and increase the copayments on the beneficiaries. But we do have to make some change in the delivery and the financing of health care reform. President Clinton had a proposal for real health care reform. We have to have that. That is the way we are going to stop the rising cost of

health care entitlements and the impact on the national budget. We all want to be fiscally responsible, reduce the deficit, have Medicare and quality health care for all Americans. But we cannot do that the way the Republicans are proposing. And we want to keep our people healthy.

And just in closing I want to point out one other cut they are making, billions of dollars in cuts in the National Institutes of Health, where we do the breast cancer research, all kinds of prostate cancer research, AIDS research, you name it, any illness that you can name that has gotten attention: Alzheimer's, Parkinson's disease, the rest of it, so in every way that you would measure the health and well-being of a population, they have undermined and attacked in this.

□ 2300

And I hope the American people will respond appropriately.

I thank the gentleman.

Mr. SANDERS. If the gentleman would yield, I just very briefly say this: Today we heard from our Republican friends that they had a mandate. Let us not forget that in the November elections, 62 percent of the people did not vote, did not vote.

We can turn this around. We can win this fight. We can stop these devastating cuts and this transfer of wealth to the upper-income people. We can do it, but we cannot do it with Members of Congress alone. We are going to need the help of millions and millions of American citizens who are fighting hard to maintain their standard of living.

So if you do not think it is right that we give huge tax breaks to the rich and cut back on a zillion programs that affect the children and the old and working people and students, if you think that is wrong, we are going to need your help.

So let us stand up together and let us fight back. Let us get a little justice in America.

Ms. DELAURO. Just one comment. I was struck today by a letter that I was shown by another Michigander, the gentlewoman from Michigan [Ms. RIVERS] our colleague, and she showed me a letter that she received from a senior citizen in her district about the cuts, and it was a very poignant comment that this individual made.

Lynn showed it to me, and she said, ''Read this.'' And the woman said, ''Maybe I have lived too long.'' An indictment of our values and what this Nation and this country is all about when this woman writes and says, ''Maybe I have lived too long,'' because, ''you are cutting my Medicare, my Social Security,'' and we are providing tax breaks for the richest in this country. It was a sad commentary, and I think one that struck me very hard, and I think says a lot about what this debate is about.

Mr. BONIOR. Let me just end with a little story to follow up what BERNIE just said about getting involved.

I am always reminded of that story about Senator BILL BRADLEY, who was at a dinner one evening. The Senator was eating. The waiter came by and put a pat of butter on the bread plate. The Senator turned to the waiter and said, ''Can I have two pats of butter, please?'' The waiter said, ''Sorry, one pat per person.'' On hearing this, the MC for the evening gets up and walks over to the waiter, and he said, ''Maybe you do not know who this is. This is Senator BILL BRADLEY, NBA basketball star, Rhodes Scholar, maybe future President of the United States.'' The waiter turned to the MC and says, ''Well, maybe you don't know who I am.'' And the MC says, ''Well, in fact, I don't know who you are. Who are you?'' The waiter said, ''I am the guy who controls the butter.''

Well, the point is that everybody controls a piece of the butter, a piece of the action, but you have got to make your voices known, and you have got to speak up and you have got to be clear and articulate and passionate about it, because when you are, then people like Margaret and the wonderful people we have talked about today will have the decent break in our society they were promised.

The SPEAKER pro tempore (Mr. FOX of Pennsylvania). Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. RIGGS] is recognized for 60 minutes.

[Mr. RIGGS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Louisiana [Mr. FIELDS] is recognized for 60 minutes.

[Mr. FIELDS addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BONO (at the request of Mr. ARMEY) for today, on account of recovery from surgery.

Mrs. COLLINS of Illinois (at the request of Mr. GEPHARDT) for today, on account of personal business.

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 Ms. PELOSI) to revise and extend their remarks and include extraneous material:)

Mr. STUPAK, for 5 minutes, today.
Mr. LIPINSKI, for 5 minutes, today.
Ms. KAPTUR, for 5 minutes, today.
Mr. OWENS, for 5 minutes, today.
Mr. DEFAZIO, for 5 minutes, today.
Mr. BECERRA, for 5 minutes, today.
Mr. MONTGOMERY, for 5 minutes, today.

(The following Members (at the request of Mr. SOLOMON) to revise and extend their remarks and include extraneous material:)

Mr. NORWOOD, for 5 minutes, today.
Mr. BROWNBACK, for 5 minutes, today.
Mr. BRYANT of Tennessee, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

The following Members (at the request of Ms. PELOSI) and to include extraneous matter:

Mr. ACKERMAN.
Mr. STARK in two instances.
Mr. NEAL of Massachusetts.
Mr. COLEMAN.
Mr. JOHNSON of South Dakota.
Mrs. KENNELLY.
Mr. SCHUMER.
Mr. LIPINSKI.
Mr. ROSE.
Mrs. MALONEY in three instances.
Mr. STUPAK.
Ms. WATERS.
Mr. LAFALCE.
Mr. KANJORSKI.
Mr. BISHOP.
Ms. SLAUGHTER.
Mr. BONIOR.
Mr. COLEMAN.
Ms. FURSE.
Ms. VELÁZQUEZ.

(The following Members (at the request of Mr. SOLOMON) and to include extraneous matter:)

Mr. PACKARD.
Mr. MARTINI in two instances.
Mr. MOORHEAD.
Mr. SHAW in two instances.
Mrs. CHENOWETH.
Mr. SCHIFF in two instances.
Mr. SMITH of New Jersey.

ADJOURNMENT

Ms. DELAURO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 2 minutes p.m.), under its previous order, the House adjourned until tomorrow, Thursday, May 18, 1995, at 9 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports concerning the foreign currencies and U.S. dollars utilized by various committees of the U.S. House of Representatives during the first quarter of 1995 in connection with official foreign travel, pursuant to Public Law 95–384, as well as the 1994 and first and second quarter 1995 reports of various miscellaneous groups, U.S. House of Representatives, concerning foreign currencies expended by them in connection with official foreign travel, are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JANUARY 1 AND MARCH 31 1995.

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Thomas Foglietta	2/25	2/27	Haiti		456.00		1,036.95				1,492.95
Committee total					456.00		1,036.95				1,492.95
Surveys and Investigations staff:											
Joseph R. Fogarty	2/25	3/4	Italy		1,244.75		3,443.75			68.36	4,756.86
Michael O. Glynn	1/25	1/28	Cuba		468.13		476.00		46.50		990.63
Terrence E. Hobbs	2/25	3/4	Italy		1,244.75		3,443.75		79.56		4,768.06
Robert H. Pearre	2/17	2/26	Neth. Antilles		1,362.50		1,164.95		61.43		2,588.88
Robert J. Reitwiesner	2/25	3/1	Italy		573.25		2,285.75		59.56		2,918.56
R.W. Vandergrift	1/25	1/27	Cuba		413.50		476.00		8.69		898.19
T.P. Wyman	2/17	2/26	Neth. Antilles		1,350.00		1,071.95		410.96		2,832.91
H.C. Young	2/17	2/26	Neth. Antilles		1,362.50		1,071.95		102.31		2,536.76
Committee total					8,019.38		13,434.10		837.37		22,290.85

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BOB LIVINGSTON,
Chairman, Apr. 25, 1995.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JANUARY 1 AND MARCH 31, 1995.

Name of Member or employee	Date		Country	Per diem		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Hon. Douglas Bereuter	3/10	3/11	Haiti		150.00		(3)				150.00
Hon. Corrine Brown	3/10	3/11	Haiti		354.00		(3)				354.00
Hon. James Clyburn	3/10	3/11	Haiti		354.00		(3)				354.00
Hon. John Conyers	3/10	3/11	Haiti		150.00		(3)				150.00
Scott Feeney	2/17	2/20	Panama		328.00						328.00
Commercial airfare							331.95				331.95
Mark Gage	1/11	1/19	Russia		2,350.00						2,350.00
Commercial airfare							3,409.95				3,409.95
Richard Garon	3/10	3/11	Haiti		[4] 254.00		(3)				254.00
Hon. Benjamin Gilman	3/10	3/11	Haiti		150.00		(3)				150.00
Hon. Earl Hilliard	3/10	3/11	Haiti		354.00		(3)				354.00
Hon. Maurice Hinchey	3/10	3/11	Haiti		354.00		(3)				354.00
Hon. Peter King	2/25	2/26	Ireland		[4] 458.58						458.58
Commercial airfare							750.95				750.95
Willie Lobo	3/10	3/11	Haiti		354.00		(3)				354.00
Hon. Michael McNulty	3/10	3/11	Haiti		354.00		(3)				354.00
Hon. Robert Menendez	2/25	2/26	Ireland		558.00						558.00
Commercial airfare							750.95				750.95
Lester Munson	1/14	1/15	Kenya		1,000.00						1,000.00
	1/16	1/17	Rwanda		0.00						0.00
	1/18	1/18	Kenya		0.00						0.00
	1/19	1/21	Ethiopia		0.00						0.00
Commercial airfare							4,503.45				4,503.45
Roger Noriega	3/10	3/11	Haiti		354.00		(3)				354.00
Hon. Jack Reed	3/10	3/11	Haiti		150.00		(3)				150.00
Philip Remler	1/11	1/19	Russia		[4] 2,100.00						2,100.00
Commercial airfare							3,409.95				3,409.95
Daniel Restrepo	2/17	2/20	Panama		328.00						328.00
Commercial airfare							331.95				331.95
	3/10	3/13	Haiti		568.00						568.00
Commercial airfare							326.95				326.95
Maurice Tamargo	1/14	1/15	Kenya		1,637.42						1,637.42
	1/16	1/17	Rwanda		0.00						0.00
	1/18	1/18	Kenya		0.00						0.00
	1/19	1/21	Ethiopia		0.00						0.00
Commercial airfare							4,503.45				4,503.45
Bennie Thompson	3/10	3/11	Haiti		354.00		(3)				354.00
Maxine Waters	3/10	3/11	Haiti		150.00		(3)				150.00
Committee total					13,164.00		18,319.55				31,483.55

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.
[4] Denotes refund of unused per diem.

BENJAMIN A. GILMAN,
Chairman, Apr. 28, 1995.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON NATIONAL SECURITY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JANUARY 1 AND MARCH 31, 1995.

Name of Member or employee	Date		Country	Per diem		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Hon. Norman Sisisky	2/3	2/5	Germany		492.00						492.00
Hon. Gene Taylor	2/17	2/20	Panama		467.00						467.00
Peter M. Steffes	2/17	2/20	Panama		467.00						467.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON NATIONAL SECURITY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JANUARY 1 AND MARCH 31, 1995.—Continued

Name of Member or employee	Date		Country	Per diem		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Committee total					1,426.00						1,426.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.s. currency is used, enter amount expended.

FLOYD SPENCE,
Chairman, Apr. 24, 1995.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JANUARY 1 AND MARCH 31, 1995.

Name of Member or employee	Date		Country	Per diem		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
John Finerty		3/2	United States				3,213.45				3,213.45
	3/3	3/6	Estonia		387.00				316.00		703.00
	3/6	3/7	United Kingdom		251.00						251.00
Janice Helwig		1/10	United States				2,322.85				2,322.85
	1/11	2/13	Austria		6,459.82				65.95		6,525.77
		2/27	United States				2,879.25				2,879.25
	2/28	4/14	Austria		7,571.89				197.29		7,769.18
											[3] 854.81
Michael Ochs		1/31	United States				5,536.55				5,536.55
	2/1	2/2	Germany		214.00						214.00
	2/2	2/7	Kyrgyzstan		726.00				200.00		926.00
	2/7	2/9	Kazakhstan		458.99						458.00
Hon. Bill Richardson		3/16	United States				4,797.95				4,797.95
	3/17	3/19	Serbia-Montenegro		300.00						300.00
Dorothy Taft		1/10	United States				1,367.85				1,367.85
	1/11	1/15	Austria		538.00				41.00		579.00
Samuel Wise		1/10	United States				1,367.85				1,367.85
	1/11	1/14	Austria		437.00						437.00
Committee total					17,342.71		21,485.75		1,675.05		40,503.51

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Quarterly shared administrative costs for participation in the U.S. delegation to the OSCE (Vienna, Austria).

CHRISTOPHER SMITH,
Apr. 28, 1995.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, BRITISH AMERICAN PARLIAMENTARY GROUP, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JANUARY 1 AND DECEMBER 31, 1994.

Name of member or employee	Date		Country	Per diem		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Hon. Tom Lantos	5/5	5/8	Bermuda		737.43		(3)				737.43
Austin Murphy	5/5	5/8	Bermuda		520.28		(3)				520.28
Hon. Sherwood Boehlert	5/5	5/8	Bermuda		719.33		(3)				719.33
Tom Lewis	5/5	5/8	Bermuda		727.88		(3)				727.88
Alex McMillian	5/5	5/8	Bermuda		688.23		(3)				688.23
Sherry Blankenship	5/5	5/8	Bermuda		703.11		(3)				703.11
John Mackey	5/5	5/8	Bermuda		780.86		(3)				780.86
Amy Thompson	5/5	5/8	Bermuda		639.00		(3)				639.30
Peter Abbruzzese	5/5	5/8	Bermuda		688.23		(3)				688.23
Commercial airfair	5/5	5/8	Bermuda		265.00		206.95				471.95
	5/5	5/8	Bermuda		102.20		[4] 565.95				668.15
Delegation expenses: Representational	5/5	5/8	Bermuda						5,957.84		5,957.84
Committee total					6,571.85		772.90		5,957.84		13,302.59

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.
[4] Purchased one-way ticket for Mr. Murphy.

LEE H. HAMILTON,
Apr. 28, 1995.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, NORTH ATLANTIC ASSEMBLY, DELEGATION TO FRANCE AND BELGIUM, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN FEBRUARY 17 AND FEBRUARY 22, 1995.

Name of Member or employee	Date		Country	Per diem		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Hon. Doug Bereuter	2/17	2/18	France		834.46						
	2/18	2/22	Belgium		606.00						1,440.46
Hon. Gerald Solomon	2/17	2/18	France		834.46						
	2/18	2/22	Belgium		606.00						1,440.46
Hon. Tom Bliley	2/17	2/18	France		834.46						
	2/18	2/22	Belgium		606.00						1,440.46
Hon. Jan Meyers	2/17	2/18	France		834.46						
	2/18	2/22	Belgium		606.00						1,440.46
Hon. Floyd Spence	2/17	2/18	France		834.46						
	2/18	2/22	Belgium		606.00						1,440.46
Hon. Marge Roukema	2/17	2/18	France		834.46						
	2/18	2/22	Belgium		606.00						1,440.46
Hon. Herb Bateman	2/17	2/18	France		834.46						
	2/18	2/22	Belgium		606.00						1,440.46
Hon. Paul Gillmor	2/17	2/18	France		834.46						

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, NORTH ATLANTIC ASSEMBLY, DELEGATION TO FRANCE AND BELGIUM, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN FEBRUARY 17 AND FEBRUARY 22, 1995.—Continued

Name of Member or employee	Date		Country	Per diem		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
	2/18	2/22	Belgium		606.00						1,440.46
Hon. Cardiss Collins	2/17	2/18	France		834.46						
	2/18	2/22	Belgium		606.00						1,440.46
Hon. Bill Richardson	2/17	2/18	France		834.46						
	2/18	2/22	Belgium		606.00						1,440.46
Hon. Mike Parker	2/17	2/18	France		834.46						
	2/18	2/22	Belgium		606.00						1,440.46
Hon. Eliot Engel	2/17	2/18	France		834.46						
	2/18	2/22	Belgium		606.00						1,440.46
John Herzberg	2/17	2/18	France		834.46						
	2/18	2/22	Belgium		606.00						1,440.46
Michael Ennis	2/17	2/18	France		834.46						
	2/18	2/22	Belgium		606.00						1,440.46
Jo Weber	2/17	2/18	France		834.46						
	2/18	2/22	Belgium		606.00						1,440.46
Martin Sletzinger	2/17	2/18	France		834.46						
	2/18	2/22	Belgium		606.00						1,440.46
Ron Lasch	2/17	2/18	France		834.46						
	2/18	2/22	Belgium		606.00						1,440.46
Marcia Smith	2/17	2/18	France		834.46						
	2/18	2/22	Belgium		606.00						1,440.46
Linda Pedigo	2/17	2/18	France		834.46						
	2/18	2/22	Belgium		606.00						1,440.46
Committee total					$27,368. 74						$27,368. 74

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DOUG BEREUTER,
Mar. 13, 1995.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, NORTH ATLANTIC ASSEMBLY, DELEGATION TO TURKEY AND THE BALTICS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APRIL 8 AND APRIL 15, 1995.

Name of Member or employee	Date		Country	Per diem		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Hon. Doug Bereuter	4/8	4/10	Turkey		350.00						350.00
	4/10	4/11	Macedonia		196.00						196.00
	4/11	4/12	Romania		298.00						298.00
	4/12	4/15	Latvia		756.00						756.00
Hon. Gerald Solomon	4/8	4/10	Turkey		350.00						350.00
	4/10	4/11	Macedonia		196.00						196.00
	4/11	4/12	Romania		298.00						298.00
	4/12	4/15	Latvia		756.00						756.00
Hon. Tom Bliley	4/8	4/10	Turkey		350.00						350.00
	4/10	4/11	Greece		202.00						202.00
Commercial airfare							1,011.15				1,011.15
John Herzberg	4/8	4/10	Turkey		350.00						350.00
	4/10	4/11	Greece		202.00						202.00
Commercial airfare							1,011.15				1,011.15
Michael Ennis	4/9	4/10	Greece		222.00						222.00
	4/10	4/11	Macedonia		206.00						206.00
	4/11	4/12	Romania		298.00						298.00
	4/12	4/15	Latvia		774.00						774.00
Commercial airfare							1,305.70				1,305.70
Kristi Walseth	4/9	4/10	Greece		222.00						222.00
	4/10	4/11	Macedonia		206.00						206.00
	4/11	4/12	Romania		298.00						298.00
	4/12	4/15	Latvia		774.00						774.00
Commercial airfare							1,305.70				1,305.70
Committee total					7,304,00		4,633.70				11,937.70

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DOUG BEREUTER,
Apr. 26, 1995.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

879. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend the Army National Guard Combat Readiness Reform Act of 1992 and to make certain provisions of such act applicable to the Selected Reserve of the Army, and for other purposes; to the Committee on National Security.

880. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting a report on the Corporation's efforts to maximize the efficient utilization of the resources of the private sector, pursuant to 12 U.S.C. 1827; to the Committee on Banking and Financial Services.

881. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of a proposed manufacturing license agreement for production of major military equipment with Australia (Transmittal No. DTC–23–95), pursuant to 22 U.S.C. 2776(d); to the Committee on International Relations.

882. A letter from the Chairman, Farm Credit System Insurance Corporation, transmitting a report of activities under the Freedom of Information Act for calendar year 1994, pursuant to 5 U.S.C. 552(e); to the Committee on Government Reform and Oversight.

883. A letter from the Deputy Associate Director for Compliance, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Resources.

884. A letter from the Chairman, Interstate Commerce Commission, transmitting the Commission's 108th annual report which summarizes its activities during fiscal year 1994, pursuant to Public Law 96–448, section 217(c)(1) (94 Stat. 1925); to the Committee on Transportation and Infrastructure.

885. A letter from the General Counsel of the Department's of the Treasury and Housing and Urban Development, transmitting a draft of proposed legislation entitled, ''Federal Home Loan Bank System Restructuring and Modernization Act of 1995''; jointly, to the Committees on Banking and Financial Services and the Judiciary.

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. DREIER: Committee on Rules. House Resolution 151. Resolution waiving points of order against the conference report to accompany 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 (Rept. 104–126). Referred to the House Calendar.

SUBSEQUENT ACTION ON A REPORTED BILL

Under clause 5 of rule X the following action was taken by the Speaker:

The Committee of the Whole House on the State of the Union discharged, and referred to the Committee on Science for a period ending not later than June 30, 1995, H.R. 1175 for consideration of such provisions of the bill and amendment as fall within the jurisdiction of the Committee on Science pursuant to clause 1(n), rule X.

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. CRANE (for himself and Mr. RANGEL):

H.R. 1654. A bill to renew the Generalized System of Preferences; to the Committee on Ways and Means.

By Mr. COMBEST:

H.R. 1655. A bill to authorize appropriations for fiscal year 1996 for intelligence and intelligence-related activities of the U.S. Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes; to the Committee on Intelligence (Permanent Select).

By Ms. FURSE (for herself and Mr. NETHERCUTT):

H.R. 1656. A bill to provide for an increase in funding for the conduct and support of diabetes-related research by the National Institutes of Health; to the Committee on Commerce.

By Mr. GONZALEZ (by request):

H.R. 1657. A bill to restructure and modernize the Federal Home Loan Bank System; to the Committee on Banking and Financial Services.

By Mr. HUNTER:

H.R. 1658. A bill to enhance border security in the vicinity of San Diego, CA, through the construction and improvement of physical barriers at the U.S. border and through the forward deployment of Border Patrol agents to the border; to the Committee on the Judiciary.

By Mr. MOORHEAD (for himself and Mrs. SCHROEDER):

H.R. 1659. A bill to amend title 35, United States Code, to establish the Patent and Trademark Office as a Government corporation, and for other purposes; to the Committee on the Judiciary.

By Mr. NEAL of Massachusetts:

H.R. 1660. A bill to amend the Internal Revenue Code of 1986 to eliminate the marriage penalty under the one-time exclusion of gain on the sale of a principal residence by an individual who has attained age 55; to the Committee on Ways and Means.

By Mr. SHAW:

H.R. 1661. A bill to permit partnership and S corporations to elect taxable years other than required years; to the Committee on Ways and Means.

By Mr. SHAW (for himself, Mrs. KENNELLY, Mr. MCCRERY, Mr. NEAL of Massachusetts, Mr. ZIMMER, Mrs. JOHNSON of Connecticut, Mr. GEPHARDT, Mr. GOSS, Mr. MOAKLEY, Mr. HUTCHINSON, Mr. TORKILDSEN, Mrs. MALONEY, Mr. RICHARDSON, Mr. HINCHEY, Mr. CLYBURN, and Mr. NADLER):

H.R. 1662. A bill to amend the Internal Revenue Code of 1986 to provide a credit against income tax to individuals who rehabilitate historic homes or who are the first purchasers of rehabilitated historic homes for use as a principal residence; to the Committee on Ways and Means.

By Mr. SKEEN (for himself, Mr. SCHAEFER, and Mr. CRAPO):

H.R. 1663. A bill to amend the Waste Isolation Pilot Plant Land Withdrawal Act; to the Committee on Commerce, 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. STARK:

H.R. 1664. A bill to provide for demonstration projects to test whether enrollment in the supplemental security income program can be significantly increased by offering nonprofit organizations financial incentives to engage in outreach; to the Committee on Ways and Means.

H.R. 1665. A bill to amend the Social Security Act to provide for findings of presumptive disability under title II of such act in the same manner and to the same extent as is currently applicable under title XVI of such act; to the Committee on Ways and Means, and in addition to the Committee on 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 Mr. STUPAK:

H.R. 1666. A bill to amend the act of October 21, 1970, establishing the Sleeping Bear Dunes National Lakeshore to permit certain persons to continue to use and occupy certain areas within the lakeshore, and for other purposes; to the Committee on Resources.

By Mr. CALLAHAN (for himself, Mr. STUMP, Mr. EVERETT, and Mr. TRAFICANT):

H.J. Res. 88. Joint resolution proposing an amendment to the Constitution of the United States to provide that no person born in the United States be a U.S. citizen on account of birth in the United States unless a parent is a U.S. citizen at the time of the birth; to the Committee on the Judiciary.

By Mr. YOUNG of Alaska:

H. Con. Res. 68. Concurrent resolution expressing the sense of the Congress that Federal tax law should be clarified to allow a reasonable charitable tax deduction for the reasonable and necessary expenses of Alaska Native subsistence whaling captains; to the Committee on Ways and Means.

By Mr. TORRES:

H. Res. 152. Resolution expressing the sense of the House of Representatives that the President should develop a strategy to bring the United States back into active and full membership in the United Nations Educational, Scientific, and Cultural Organization; to the Committee on International Relations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

83. By the SPEAKER: Memorial of the House of Representatives of the State of Hawaii, relative to an integrated pest management control program to prevent the spread of the Brown Tree Snake; to the Committee on Agriculture.

84. Also, memorial of the House of Representatives of the State of Hawaii, relative to urging the U.S. Department of Agriculture to consider the effect of and exclude the State of Hawaii from Federal legislation that would have a detrimental impact on Hawaii's environment; to the Committee on Agriculture.

85. Also, memorial of the House of Representatives of the State of Hawaii, relative to urging the U.S. Department of Agriculture to exclude Hawaii from any Federal legislation that would create exceptions from the Honeybee Act of 1922, as amended; to the Committee on Agriculture.

86. Also, memorial of the House of Representatives of the State of Hawaii, relative to memorializing the Congress of the United States to propose and submit to the several States an amendment to the Constitution of the United States that would provide that no Federal tax shall be imposed for the period before the date of the enactment of the retroactive tax; 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. 70: Mr. DORNAN.

H.R. 72: Mr. MCCOLLUM, Mr. HASTINGS of Florida, Mrs. THURMAN, and Mr. CANADY.

H.R. 73: Mr. MCCOLLUM, Mr. HASTINGS of Florida, Mrs. THURMAN, and Mr. CANADY.

H.R. 89: Mr. KLUG.

H.R. 103: Mr. BONIOR, Mr. NADLER, and Mr. PETERSON of Minnesota.

H.R. 109: Mr. LEWIS of Kentucky, and Mr. HASTINGS of Florida.

H.R. 236: Mr. PAYNE of New Jersey.

H.R. 240: Mr. BEVILL and Mr. STUPAK.

H.R. 333: Mr. LEWIS of Georgia.

H.R. 353: Mr. HASTINGS of Florida and Mr. ROMERO-BARCELO.

H.R. 390: Mr. ANDREWS.

H.R. 399: Mr. VISCLOSKY and Mr. BOUCHER.

H.R. 468: Ms. RIVERS, Mr. STEARNS, and Mr. WATTS of Oklahoma.

H.R. 598: Mr. KANJORSKI, Mr. STOCKMAN, Mr. COBURN, Mr. WELDON of Florida, and Mr. PETERSON of Minnesota.

H.R. 677: Mr. COYNE, Mr. CHRISTENSEN, and Mr. GEJDENSON.

H.R. 682: Mr. HOSTETTLER.

H.R. 733: Ms. ESHOO and Mr. FARR.

H.R. 783: Mr. HASTINGS of Florida and Mr. BUYER.

H.R. 789: Mr. LOBIONDO.

H.R. 892: Mr. STUMP, Mr. ROHRABACHER, Mr. TAYLOR of North Carolina, Mr. HEFLEY, and Mrs. CHENOWETH.

H.R. 950: Mrs. MINK of Hawaii.

H.R. 966: Mrs. KELLY, Mr. FRAZER, Mr. EVANS, and Mr. FRANKS of New Jersey.

H.R. 969: Mr. JACOBS, Mr. MINETA, Mr. MEEHAN, Mrs. MORELLA, and Ms. VELAZQUEZ.

H.R. 972: Mr. CALLAHAN.

H.R. 973: Mr. CALLAHAN.

H.R. 1021: Mr. VISCLOSKY.

H.R. 1023: Mr. CUNNINGHAM and Mr. VISCLOSKY.

H.R. 1090: Mr. QUILLEN and Mr. STEARNS.

H.R. 1104: Mr. BROWNBACK, Mr. SMITH of Michigan, and Mr. CRAPO.

H.R. 1118: Mr. KINGSTON.

H.R. 1119: Mr. CALVERT, Mr. CAMP, and Mrs. MORELLA.

H.R. 1138: Mr. NEAL of Massachusetts and Mr. ENGLISH of Pennsylvania.

H.R. 1229: Ms. ESHOO and Ms. LOWEY.

H.R. 1242: Mr. SHADEGG, Mr. HOKE, Mr. JEFFERSON, and Mr. CRAMER.

H.R. 1272: Ms. LOWEY and Mr. MARTINEZ.

H.R. 1299: Mrs. JOHNSON of Connecticut, Mr. KLECZKA, and Mr. MORAN.

H.R. 1352: Mr. HASTINGS of Washington, Mr. FOLEY, Mr. GORDON, Mr. TAYLOR of North Carolina, Mr. EHLERS, Mr. CASTLE, Mr. UPTON, Mr. CHRYSLER, Ms. KAPTUR, Mr. SISISKY, Mr. NORWOOD, Mr. MCDADE, Mr. WOLF, Ms. PRYCE, Mr. JACOBS, and Mr. HAYES.

H.R. 1385: Mr. FILNER.

H.R. 1448: Mr. PETE GEREN of Texas and Mr. MORAN.

H.R. 1540: Mr. HUNTER, Mr. ACKERMAN, Mrs. COLLINS of Illinois, Mrs. MYRICK, Mr. LIPINSKI, Mr. WOLF, Mr. WALSH, and Mr. HOLDEN.

H.R. 1542: Mr. WELLER, Mr. COSTELLO, Mr. POSHARD, and Mr. EVANS.

H.R. 1560: Mr. MARTINEZ and Mr. VISCLOSKY.

H.R. 1578: Mr. HASTINGS of Florida.

H.R. 1594: Mr. LINDER, Mr. ZIMMER, Mr. SHADEGG, Mr. WELDON of Pennsylvania, Mr. ARCHER, Mr. HAYWORTH, and Mr. HANCOCK.

H.R. 1627: Mr. HAYES and Mr. PETERSON of Minnesota.

H. Con. Res. 8: Mr. SAXTON.

H. Con. Res. 12: Ms. DUNN of Washington.

H. Con. Res. 63: Ms. DUNN of Washington and Mr. WELDON of Pennsylvania.

H. Con. Res. 66: Mr. HANCOCK, Mr. FORBES, Mr. CRANE, Mr. FUNDERBURK, Mr. FAWELL, Mr. NORWOOD, and Mr. BURR.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H. Con. Res. 32: Mr. MCNULTY.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1561

OFFERED BY: MR. GILMAN

(Committee Amendment in the Nature of a Substitute)

AMENDMENT NO. 1: Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''American Overseas Interests Act of 1995''.

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS; TABLE OF CONTENTS.

(a) DIVISIONS.—This Act is organized into three divisions as follows:

(1) Division A—Consolidation of Foreign Affairs Agencies.

(2) Division B—Foreign Relations Authorizations.

(3) Division C—Foreign Assistance Authorizations.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Organization of Act into divisions; table of contents.

DIVISION A—CONSOLIDATION OF FOREIGN AFFAIRS AGENCIES

TITLE I—GENERAL PROVISIONS

Sec. 101. Short title.
Sec. 102. Congressional findings.
Sec. 103. Purposes.
Sec. 104. Definitions.

TITLE II—UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY

CHAPTER 1—GENERAL PROVISIONS

Sec. 201. Effective date.
Sec. 202. References in title.

CHAPTER 2—ABOLITION OF UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY AND TRANSFER OF FUNCTIONS TO SECRETARY OF STATE

Sec. 211. Abolition of United States Arms Control and Disarmament Agency.
Sec. 212. Transfer of functions to Secretary of State.

CHAPTER 3—REORGANIZATION OF DEPARTMENT OF STATE RELATING TO FUNCTIONS TRANSFERRED UNDER THIS TITLE

Sec. 221. Reorganization plan.
Sec. 222. Coordinator for arms control and disarmament.

CHAPTER 4—CONFORMING AMENDMENTS

Sec. 241. References.
Sec. 242. Repeal of establishment of agency.
Sec. 243. Repeal of positions and offices.
Sec. 244. Transfer of authorities and functions under the Arms Control and Disarmament Act to the Secretary of State.
Sec. 245. Conforming amendments.

TITLE III—UNITED STATES INFORMATION AGENCY

CHAPTER 1—GENERAL PROVISIONS

Sec. 301. Effective date.

CHAPTER 2—ABOLITION OF UNITED STATES INFORMATION AGENCY AND TRANSFER OF FUNCTIONS TO SECRETARY OF STATE

Sec. 311. Abolition of United States Information Agency.
Sec. 312. Transfer of functions to Secretary of State.

CHAPTER 3—REORGANIZATION OF DEPARTMENT OF STATE RELATING TO FUNCTIONS TRANSFERRED UNDER THIS TITLE

Sec. 321. Reorganization plan.
Sec. 322. Principal officers.

CHAPTER 4—CONFORMING AMENDMENTS

Sec. 341. References.
Sec. 342. Abolition of Office of Inspector General of the United States Information Agency and transfer of functions to Office of Inspector General of the Department of State.
Sec. 343. Amendments to title 5.
Sec. 344. Amendments to United States Information and Educational Exchange Act of 1948.
Sec. 345. Amendments to the Mutual Educational and Cultural Exchange Act of 1961 (Fulbright-Hays Act).
Sec. 346. International broadcasting activities.
Sec. 347. Television broadcasting to Cuba.
Sec. 348. Radio broadcasting to Cuba.
Sec. 349. National Endowment for Democracy.
Sec. 350. United States scholarship program for developing countries.
Sec. 351. Fascell Fellowship Board.
Sec. 352. National Security Education Board.
Sec. 353. Center for Cultural and Technical Interchange between North and South.
Sec. 354. East-West Center.
Sec. 355. Mission of the Department of State.
Sec. 356. Consolidation of administrative services.
Sec. 357. Grants.
Sec. 358. Ban on domestic activities.
Sec. 359. Conforming repeal to the Arms Control and Disarmament Act.
Sec. 360. Repeal relating to procurement of legal services.
Sec. 361. Repeal relating to payment of subsistence expenses.
Sec. 362. Conforming amendment to the Seed Act.
Sec. 363. International Cultural and Trade Center Commission.
Sec. 364. Foreign Service Act of 1980.
Sec. 365. Au pair programs.
Sec. 366. Exchange program with countries in transition from totalitarianism to democracy.
Sec. 367. Edmund S. Muskie Fellowship program.
Sec. 368. Implementation of convention on cultural property.
Sec. 369. Mike Mansfield Fellowships.

TITLE IV—AGENCY FOR INTERNATIONAL DEVELOPMENT

CHAPTER 1—GENERAL PROVISIONS

Sec. 401. Effective date.
Sec. 402. References in title.

CHAPTER 2—ABOLITION OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND TRANSFER OF FUNCTIONS TO SECRETARY OF STATE

Sec. 411. Abolition of Agency for International Development and the International Development Cooperation Agency.
Sec. 412. Transfer of functions to Secretary of State.

CHAPTER 3—REORGANIZATION OF DEPARTMENT OF STATE RELATING TO FUNCTIONS TRANSFERRED UNDER THIS TITLE

Sec. 421. Reorganization plan.
Sec. 422. Principal officers.

CHAPTER 4—CONFORMING AMENDMENTS

Sec. 441. References.
Sec. 442. Abolition of Office of Inspector General of the Agency for International Development and transfer of functions to Office of Inspector General of the Department of State.
Sec. 443. Abolition of Chief Financial Officer of the Agency for International Development and transfer of functions to Chief Financial Officer Department of State.
Sec. 444. Amendments to title 5, United States Code.
Sec. 445. Public Law 480 program.

TITLE V—TRANSITION

Sec. 501. Reorganization authority.
Sec. 502. Transfer and allocation of appropriations and personnel.
Sec. 503. Incidental transfers.
Sec. 504. Effect on personnel.
Sec. 505. Voluntary separation incentives.
Sec. 506. Savings provisions.
Sec. 507. Property and facilities.
Sec. 508. Authority of Secretary to facilitate transition.
Sec. 509. Recommendations for additional conforming amendments.
Sec. 510. Final report.
Sec. 511. Severability.

DIVISION B—FOREIGN RELATIONS AUTHORIZATIONS

TITLE XX—GENERAL PROVISIONS

Sec. 2001. Short title.
Sec. 2002. Definitions.

TITLE XXI—AUTHORIZATION OF APPROPRIATIONS FOR DEPARTMENT OF STATE AND CERTAIN INTERNATIONAL AFFAIRS FUNCTIONS AND ACTIVITIES

CHAPTER 1—AUTHORIZATIONS OF APPROPRIATIONS

Sec. 2101. Administration of Foreign Affairs.

Sec. 2102. International organizations, programs, and conferences.
Sec. 2103. International commissions.
Sec. 2104. Migration and refugee assistance.
Sec. 2105. Certain other international affairs programs.
Sec. 2106. United States informational, educational, and cultural programs.
Sec. 2107. United States arms control and disarmament.

TITLE XXII—DEPARTMENT OF STATE AUTHORITIES AND ACTIVITIES

CHAPTER 1—AUTHORITIES AND ACTIVITIES

Sec. 2201. Revision of Department of State rewards program.
Sec. 2202. Authorities of Secretary of State.
Sec. 2203. Buying power maintenance account.
Sec. 2204. Expenses relating to certain international claims and proceedings.
Sec. 2205. Consolidation of United States diplomatic missions and consular posts.
Sec. 2206. Denial of passports to noncustodial parents subject to state arrest warrants in cases of nonpayment of child support.
Sec. 2207. Capital investment fund.
Sec. 2208. Efficiency in procurement.
Sec. 2209. Training.
Sec. 2210. Lease-purchase agreements.

CHAPTER 2—CONSULAR AUTHORITIES OF THE DEPARTMENT OF STATE

Sec. 2231. Surcharge for processing certain machine readable visas.
Sec. 2232. Fingerprint check requirement.
Sec. 2233. Use of certain passport processing fees for enhanced passport services.
Sec. 2234. Consular officers.

CHAPTER 3—REFUGEES AND MIGRATION

Sec. 2251. United States emergency refugee and migration assistance fund.
Sec. 2252. Persecution for resistance to coercive population control methods.
Sec. 2253. Report to congress concerning Cuban emigration policies.
Sec. 2254. United States policy regarding the involuntary return of refugees.
Sec. 2255. Extension of certain adjudication provisions.

TITLE XXIII—ORGANIZATION OF THE DEPARTMENT OF STATE; DEPARTMENT OF STATE PERSONNEL; THE FOREIGN SERVICE

CHAPTER 1—ORGANIZATION OF THE DEPARTMENT OF STATE

Sec. 2301. Coordinator for counterterrorism.
Sec. 2302. Special envoy for Tibet.
Sec. 2303. Establishment of Coordinator for Human Rights and Refugees, Bureau of Refugee and Migration Assistance, and Bureau of Democracy, Human Rights, and Labor.
Sec. 2304. Elimination of statutory establishment of certain positions of the Department of State.
Sec. 2305. Establishment of Assistant Secretary of State for Human Resources.
Sec. 2306. Authority of United States permanent representative to the United Nations.

CHAPTER 2—PERSONNEL OF THE DEPARTMENT OF STATE; THE FOREIGN SERVICE

Sec. 2351. Authorized strength of the Foreign Service.
Sec. 2352. Repeal of authority for Senior Foreign Service performance pay.
Sec. 2353. Recovery of costs of health care services.

TITLE XXIV—UNITED STATES PUBLIC DIPLOMACY: AUTHORITIES AND ACTIVITIES FOR UNITED STATES INFORMATIONAL, EDUCATIONAL, AND CULTURAL PROGRAMS

CHAPTER 1—GENERAL PROVISIONS

Sec. 2401. Elimination of permanent authorization.
Sec. 2402. Extension of au pair programs.
Sec. 2403. Educational and cultural exchanges with Hong Kong.
Sec. 2404. Conduct of certain educational and cultural exchange programs in Asia.
Sec. 2405. Educational and cultural exchanges and scholarships for Tibetans and Burmese.
Sec. 2406. Availability of Voice of America and Radio Marti multilingual computer readable text and voice recordings.
Sec. 2407. Retention of interest.
Sec. 2408. USIA office in Pristina, Kosova.

CHAPTER 2—INTERNATIONAL BROADCASTING

Sec. 2431. Expansion of Broadcasting Board of Governors.
Sec. 2432. Plan for Radio Free Asia.
Sec. 2433. Pilot project for freedom broadcasting to Asia.

TITLE XXV—INTERNATIONAL ORGANIZATIONS AND COMMISSIONS

CHAPTER 1—GENERAL PROVISIONS

Sec. 2501. International Boundary and Water Commission.

CHAPTER 2—UNITED NATIONS AND AFFILIATED AGENCIES AND ORGANIZATIONS

Sec. 2521. Reform in budget decisionmaking procedures of the United Nations and its specialized agencies.
Sec. 2522. Limitation on contributions to the United Nations or United Nations affiliated organizations.
Sec. 2523. Report on UNICEF.
Sec. 2524. United Nations budgetary and management reform.

TITLE XXVI—FOREIGN POLICY PROVISIONS

CHAPTER 1—MISCELLANEOUS FOREIGN POLICY PROVISIONS

Sec. 2601. Taiwan Relations Act.
Sec. 2602. Bosnia Genocide Justice Act.
Sec. 2603. Expansion of Commission on Security and Cooperation in Europe.

CHAPTER 2—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 DIALOGUE WITH THE REPUBLIC OF KOREA

Sec. 2641. Findings.
Sec. 2642. Clarification of nuclear nonproliferation obligations of North Korea under the agreed framework.
Sec. 2643. Role of the Republic of Korea under the agreed framework.
Sec. 2644. Further steps to promote United States security and political interests with respect to North Korea.
Sec. 2645. Restrictions on assistance to North Korea and the Korean peninsula energy development organization.

CHAPTER 3—BURMA

Sec. 2651. United States policy concerning the dictatorship in Burma.

CHAPTER 4—TORTURE

Sec. 2661. Definitions.
Sec. 2662. United States policy with respect to the involuntary return of persons subjected to torture.

TITLE XXVII—CONGRESSIONAL STATEMENTS

Sec. 2701. Inter-American organizations.
Sec. 2702. Territorial integrity of Bosnia and Herzegovina.
Sec. 2703. The Laogai system of political prisons.
Sec. 2704. Concerning the use of funds to further normalize relations with Vietnam.
Sec. 2705. Declaration of Congress regarding United States Government human rights policy toward China.
Sec. 2706. Concerning the United Nations Voluntary Fund for Victims of Torture.
Sec. 2707. Recommendations of the President for reform of war powers resolution.
Sec. 2708. Conflict in Kashmir.
Sec. 2709. United States relations with the Former Yugoslav Republic of Macedonia (FYROM).
Sec. 2710. Sense of the Congress relating to Indonesia.
Sec. 2711. Displaced persons.

DIVISION C—FOREIGN ASSISTANCE AUTHORIZATIONS

Sec. 3001. Short title.
Sec. 3002. Declaration of policy.

TITLE XXXI—DEFENSE AND SECURITY ASSISTANCE

CHAPTER 1—MILITARY AND RELATED ASSISTANCE

SUBCHAPTER A—FOREIGN MILITARY FINANCING PROGRAM

Sec. 3101. Authorization of appropriations.
Sec. 3102. Administrative expenses.
Sec. 3103. Assistance for Israel.
Sec. 3104. Assistance for Egypt.
Sec. 3105. Loans for Greece and Turkey.
Sec. 3106. Terms of loans.
Sec. 3107. Nonrepayment of grant assistance.
Sec. 3108. Additional requirements.

SUBCHAPTER B—OTHER ASSISTANCE

Sec. 3121. Defense drawdown special authorities.
Sec. 3122. Stockpiles of defense articles.
Sec. 3123. Transfer of excess defense articles.
Sec. 3124. Nonlethal excess defense articles for Albania.

CHAPTER 2—INTERNATIONAL MILITARY EDUCATION AND TRAINING

Sec. 3141. Authorization of appropriations.
Sec. 3142. Assistance for Indonesia.
Sec. 3143. Additional requirements.

CHAPTER 3—ANTITERRORISM ASSISTANCE

Sec. 3151. Authorization of appropriations.
Sec. 3152. Antiterrorism training assistance.
Sec. 3153. Research and development expenses.

CHAPTER 4—NARCOTICS CONTROL ASSISTANCE

Sec. 3161. Authorization of appropriations.
Sec. 3162. Additional requirements.
Sec. 3163. Notification requirement.
Sec. 3164. Waiver of restrictions for narcotics-related economic assistance.

CHAPTER 5—NONPROLIFERATION AND DISARMAMENT FUND

Sec. 3171. Nonproliferation and Disarmament Fund.

CHAPTER 6—OTHER PROVISIONS

Sec. 3181. Standardization of congressional review procedures for arms transfers.
Sec. 3182. Standardization of third country transfers of defense articles.
Sec. 3183. Increased standardization, rationalization, and interoperability of assistance and sales programs.

Sec. 3184. Repeal of price and availability reporting requirement relating to proposed sale of defense articles and services.
Sec. 3185. Definition of significant military equipment.
Sec. 3186. Requirements relating to the Special Defense Acquisition Fund.
Sec. 3187. Cost of leased defense articles that have been lost or destroyed.
Sec. 3188. Designation of major non-NATO allies.
Sec. 3189. Certification thresholds.
Sec. 3190. Competitive pricing for sales of defense articles and services.
Sec. 3191. Depleted uranium ammunition.
Sec. 3192. End-use monitoring of defense articles and defense services.
Sec. 3193. Brokering activities relating to commercial sales of defense articles and services.

TITLE XXXII—ECONOMIC ASSISTANCE

CHAPTER 1—ECONOMIC SUPPORT ASSISTANCE

Sec. 3201. Economic support fund.
Sec. 3202. Assistance for Israel.
Sec. 3203. Assistance for Egypt.
Sec. 3204. International Fund for Ireland.
Sec. 3205. Law enforcement assistance.

CHAPTER 2—ASSISTANCE FOR PRIVATE SECTOR PROGRAMS AND ACTIVITIES

Sec. 3211. Private sector enterprise funds.
Sec. 3212. Micro- and small enterprise development credits.
Sec. 3213. Microenterprise development grant assistance.

CHAPTER 3—DEVELOPMENT ASSISTANCE

SUBCHAPTER A—DEVELOPMENT ASSISTANCE AUTHORITIES

Sec. 3221. Authorizations of appropriations.
Sec. 3222. Assistance for child survival activities, Vitamin A Deficiency Program, and related activities.
Sec. 3223. Assistance for family planning.
Sec. 3224. Assistance for the independent states of the former Soviet Union.
Sec. 3225. Development Fund for Latin America and the Caribbean.
Sec. 3226. Effectiveness of United States development assistance.
Sec. 3227. Funding for private and voluntary organizations and cooperatives.
Sec. 3228. Sense of the Congress relating to United States cooperatives and credit unions.

SUBCHAPTER B—OPERATING EXPENSES

Sec. 3231. Operating expenses generally.
Sec. 3232. Operating expenses of the office of the inspector general.

CHAPTER 4—PUBLIC LAW 480

Sec. 3241. Levels of assistance for title II.
Sec. 3242. Authorization of appropriations for title III.

CHAPTER 5—HOUSING GUARANTEE PROGRAM

Sec. 3251. Authorization of appropriations for administrative expenses.
Sec. 3252. Additional requirements.

CHAPTER 6—PEACE CORPS

Sec. 3261. Peace Corps.
Sec. 3262. Activities of the Peace Corps in the former Soviet Union.
Sec. 3263. Prohibition on use of funds for abortions.

CHAPTER 7—INTERNATIONAL DISASTER ASSISTANCE

Sec. 3271. Authority to provide reconstruction assistance.
Sec. 3272. Authorizations of appropriations.

CHAPTER 8—OTHER PROVISIONS

Sec. 3281. Exemption from restrictions on assistance through nongovernmental organizations.
Sec. 3282. Funding requirements relating to United States private and voluntary organizations.
Sec. 3283. Documentation requested of private and voluntary organizations.
Sec. 3284. Foreign government parking fines.
Sec. 3285. Human rights reports.
Sec. 3286. Deobligation of certain unexpended economic assistance funds.

TITLE XXXIII—REGIONAL PROVISIONS

Sec. 3301. Prohibition on assistance to foreign governments providing assistance to Cuba.
Sec. 3302. Assistance for Nicaragua.
Sec. 3303. Sense of the Congress regarding relations with Burma.
Sec. 3304. Debt restructuring for Egypt.
Sec. 3305. Prohibition on assistance to foreign governments providing assistance to Iran.
Sec. 3306. Assistance for Pakistan.
Sec. 3307. Return of military equipment of Pakistan.
Sec. 3308. Eligibility of Panama under Arms Export Control Act.
Sec. 3309. Future of the United States military presence in Panama.
Sec. 3310. Peace and stability in the South China Sea.
Sec. 3311. Sense of the Congress regarding narcotics control efforts of Colombia.
Sec. 3312. Notification of arms sales to Saudi Arabia.
Sec. 3313. Assistance for Zaire.

TITLE XXXIV—SPECIAL AUTHORITIES AND OTHER PROVISIONS

CHAPTER 1—SPECIAL AUTHORITIES

Sec. 3401. Enhanced transfer authority.
Sec. 3402. Authority to meet unanticipated contingencies.
Sec. 3403. Special waiver authority.
Sec. 3404. Termination of assistance.

CHAPTER 2—OTHER PROVISIONS

Sec. 3411. Congressional presentation documents.
Sec. 3412. Prohibition on assistance to foreign governments engaged in espionage against the United States.
Sec. 3413. Debt restructuring for foreign assistance.
Sec. 3414. Debt buybacks or sales for debt swaps.
Sec. 3415. Impact on jobs in the United States.
Sec. 3416. Prohibition on assistance to foreign governments that export lethal military equipment to countries supporting international terrorism.
Sec. 3417. Prohibition on assistance to countries that consistently oppose the United States position in the United Nations General Assembly.
Sec. 3418. Limitation on assistance to countries that restrict the transport or delivery of United States humanitarian assistance.
Sec. 3419. Prohibition on assistance to foreign governments, private and voluntary organizations, and other entities that inhibit United States-supported demining operations and activities.

CHAPTER 3—REPEALS

Sec. 3421. Repeal of obsolete provisions.

TITLE XXXV—EFFECTIVE DATE

Sec. 3501. Effective date.

DIVISION A—CONSOLIDATION OF FOREIGN AFFAIRS AGENCIES

TITLE I—GENERAL PROVISIONS

SEC. 101. SHORT TITLE.

This division may be cited as the ''Foreign Affairs Agencies Consolidation Act of 1995''.

SEC. 102. CONGRESSIONAL FINDINGS.

The Congress makes the following findings:

(1) With the end of the Cold War, the international challenges facing the United States have changed, but the fundamental national interests of the United States have not. The security, economic, and humanitarian interests of the United States require continued American engagement in international affairs. The leading role of the United States in world affairs will be as important in the twenty-first century as it has been in the twentieth.

(2) The United States budget deficit requires that the foreign as well as the domestic programs and activities of the United States be carefully reviewed for potential savings. Wherever possible, foreign programs and activities must be streamlined, managed more efficiently, and adapted to the requirements of the post-Cold War era.

(3) In order to downsize the foreign programs and activities of the United States without jeopardizing United States interests, strong and effective leadership will be required. As the official principally responsible for the conduct of foreign policy, the Secretary of State must have the authority to allocate efficiently the resources within the international affairs budget. As a first step in the downsizing process, the proliferation of foreign affairs agencies that occurred during the Cold War must be reversed, and the functions of these agencies must be restored to the Secretary of State.

(4) A streamlined and reorganized foreign affairs structure under the strengthened leadership of the Secretary of State can more effectively promote the international interests of the United States in the next century than the existing structure.

SEC. 103. PURPOSES.

The purposes of this division are—

(1) to consolidate and reinvent foreign affairs agencies of the United States within the Department of State;

(2) to provide for the reorganization of the Department of State to maximize the efficient use of resources, eliminate redundancy in functions, effect budget savings, and improve the management of the State Department;

(3) to strengthen—

(A) the coordination of United States foreign policy; and

(B) the leading role of the Secretary of State in the formulation and articulation of United States foreign policy; and

(4) to abolish, not later than March 1, 1997, the United States Arms Control and Disarmament Agency, the United States Information Agency, the International Development Cooperation Agency, and the Agency for International Development.

SEC. 104. DEFINITIONS.

The following terms have the following meaning for the purposes of this division:

(1) The term ''AID'' means the Agency for International Development.

(2) The term ''ACDA'' means the United States Arms Control and Disarmament Agency.

(3) The term ''appropriate congressional committees'' means the Committee on International Relations of the House of Representatives and the Committee of Foreign Relations of the Senate.

(4) The term ''Department'' means the Department of State.

(5) The term ''Federal agency'' has the meaning given to the term ''agency'' by section 551(1) of title 5, United States Code.

(6) The term ''function'' means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

(7) The term ''office'' includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

(8) The term ''Secretary'' means the Secretary of State.

(9) The term ''USIA'' means the United States Information Agency.

TITLE II—UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY

CHAPTER 1—GENERAL PROVISIONS

SEC. 201. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this title, and the amendments made by this title, shall take effect—

(1) March 1, 1997; or

(2) on such earlier date as the President shall determine to be appropriate and announce by notice published in the Federal Register, which date may be not earlier than 60 calendar days (excluding any day on which either House of Congress is not in session because of an adjournment sine die) after the President has submitted a reorganization plan to the appropriate congressional committees pursuant to section 221.

(b) REORGANIZATION PLAN.—Section 221 shall take effect on the date of enactment of this Act.

SEC. 202. REFERENCES IN TITLE.

Except as specifically provided in this title, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a provision, the reference shall be considered to be made to a provision of the Arms Control and Disarmament Act.

CHAPTER 2—ABOLITION OF UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY AND TRANSFER OF FUNCTIONS TO SECRETARY OF STATE

SEC. 211. ABOLITION OF UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY.

The United States Arms Control and Disarmament Agency is abolished.

SEC. 212. TRANSFER OF FUNCTIONS TO SECRETARY OF STATE.

There are transferred to the Secretary of State all functions of the Director of the United States Arms Control and Disarmament Agency and all functions of the United States Arms Control and Disarmament Agency and any officer or component of such agency under any statute, reorganization plan, Executive order, or other provision of law before the effective date of this title, except as otherwise provided in this title.

CHAPTER 3—REORGANIZATION OF DEPARTMENT OF STATE RELATING TO FUNCTIONS TRANSFERRED UNDER THIS TITLE

SEC. 221. REORGANIZATION PLAN.

(a) SUBMISSION OF PLAN.—Not later than March 1, 1996, the President, in consultation with the Secretary and the Director of the Arms Control and Disarmament Agency, shall transmit to the appropriate congressional committees a reorganization plan providing for—

(1) the abolition of the Arms Control and Disarmament Agency in accordance with this title;

(2) the transfer to the Department of State of the functions and personnel of the Arms Control and Disarmament Agency consistent with the provisions of this title; and

(3) the consolidation, reorganization, and streamlining of the Department upon the transfer of functions under this title in order to carry out such functions.

(b) PLAN ELEMENTS.—The plan under subsection (a) shall—

(1) identify the functions of the Arms Control and Disarmament Agency that will be transferred to the Department under the plan;

(2) identify the personnel and positions of the Agency (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred to the Department, separated from service with the Agency, or be eliminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(3) identify the personnel and positions of the Department (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred within the Department, separated from service with the Department, or eliminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(4) specify the consolidations and reorganization of functions of the Department that will be required under the plan in order to permit the Department to carry out the functions transferred to the Department under the plan;

(5) specify the funds available to the Arms Control and Disarmament Agency that will be transferred to the Department as a result of the transfer of functions of the Agency to the Department;

(6) specify the proposed allocations within the Department of unexpended funds transferred in connection with the transfer of functions under the plan; and

(7) specify the proposed disposition of the property, facilities, contracts, records, and other assets and liabilities of the Agency in connection with the transfer of the functions of the Agency to the Department.

(c) ASSISTANT SECRETARY POSITIONS.—The plan under subsection (a) shall provide for an appropriate number of Assistant Secretaries of State to carry out the functions transferred to the Department under this title.

SEC. 222. COORDINATOR FOR ARMS CONTROL AND DISARMAMENT.

(a) ESTABLISHMENT OF COORDINATOR FOR ARMS CONTROL AND DISARMAMENT.—Section 1(e) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(e)) is amended by adding after paragraph (4) the following new paragraph:

''(5) COORDINATOR FOR ARMS CONTROL AND DISARMAMENT.—

''(A) There shall be within the office of the Secretary of State a Coordinator for Arms Control and Disarmament (hereafter in this paragraph referred to as the ''Coordinator'' who shall be appointed by the President, by and with the advice and consent of the Senate. The Coordinator shall report directly to the Secretary of State.

''(B)(i) The Coordinator shall perform such duties and exercise such power as the Secretary of State shall prescribe.

''(ii) The Coordinator shall be responsible for arms control and disarmament matters. The Coordinator shall head the Bureau of Arms Control and Disarmament.

''(C) The Coordinator shall have the rank and status of Ambassador-at-Large. The Coordinator shall be compensated at the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5314 of title 5, United States Code, or, if the Coordinator is appointed from the Foreign Service, the annual rate of pay which the individual last received under the Foreign Service Schedule, whichever is greater.''.

(b) PARTICIPATION IN MEETINGS OF NATIONAL SECURITY COUNCIL.—Section 101 of the National Security Act of 1947 (50 U.S.C. 402) is amended by adding at the end the following new subsection:

''(i) The Coordinator for Arms Control and Disarmament may, in the role of advisor to the National Security Council on arms control and disarmament matters, and subject to the direction of the President, attend and participate in meetings of the National Security Council.''.

(c) TRANSITION PROVISION.—The President may appoint the individual serving as Director of the Arms Control and Disarmament Agency on the day before the effective date of this title, or such other officials appointed by and with the advice and consent of the Senate and serving within the Department of State or the Arms Control and Disarmament Agency on the day before the effective date of this title as the President considers appropriate, to serve as the acting Coordinator for Arms Control and Disarmament until an individual is appointed to that office in accordance with section 1(e)(5) of the State Department Basic Authorities Act of 1956, as amended by this Act.

CHAPTER 4—CONFORMING AMENDMENTS

SEC. 241. REFERENCES.

Any reference in any statute, reorganization plan, Executive order, regulation, agreement, determination, or other official document or proceeding to—

(1) the Director of the United States Arms Control and Disarmament Agency or any other officer or employee of the United States Arms Control and Disarmament Agency shall be deemed to refer to the Secretary of State; and

(2) the United States Arms Control and Disarmament Agency shall be deemed to refer to the Department of State.

SEC. 242. REPEAL OF ESTABLISHMENT OF AGENCY.

Section 21 of the Arms Control and Disarmament Act (22 U.S.C. 2561; relating to the establishment of the agency) is repealed.

SEC. 243. REPEAL OF POSITIONS AND OFFICES.

The following sections of the Arms Control and Disarmament Act are repealed:

(1) Section 22 (22 U.S.C. 2562; relating to the Director).

(2) Section 23 (22 U.S.C. 2563; relating to the Deputy Director).

(3) Section 24 (22 U.S.C. 2564; relating to Assistant Directors).

(4) Section 25 (22 U.S.C. 2565; relating to bureaus, offices, and divisions).

(5) Section 50 (22 U.S.C 2593; relating to the ACDA Inspector General).

SEC. 244. TRANSFER OF AUTHORITIES AND FUNCTIONS UNDER THE ARMS CONTROL AND DISARMAMENT ACT TO THE SECRETARY OF STATE.

(a) IN GENERAL.—The Arms Control and Disarmament Act (22 U.S.C. 2551 et seq.) is amended—

(1) by striking ''Agency'' each place it appears and inserting ''Department''; and

(2) by striking ''Director'' each place it appears and inserting ''Secretary''.

(b) PURPOSE.—Section 2 (22 U.S.C. 2551) is repealed.

(c) DEFINITIONS.—Section 3 (22 U.S.C. 2552) is amended by striking paragraph (c) and inserting the following:

''(c) The term 'Department' means the Department of State.

''(d) The term 'Secretary' means the Secretary of State.''.

(d) SCIENTIFIC AND POLICY ADVISORY COMMITTEE.—Section 26(b) (22 U.S.C. 2566(b)) is amended by striking '', the Secretary of State, and the Director'' and inserting ''and the Secretary of State''.

(e) PRESIDENTIAL SPECIAL REPRESENTATIVES.—Section 27 (22 U.S.C. 2567) is amended by striking '', acting through the Director''.

(f) PROGRAM FOR VISITING SCHOLARS.—Section 28 (22 U.S.C. 2568) is amended—

(1) in the second sentence, by striking ''Agency's activities'' and inserting ''Department's arms control, nonproliferation, and disarmament activities''; and

(2) in the fourth sentence, by striking '', and all former Directors of the Agency''.

(g) POLICY FORMULATION.—Section 33(a) (22 U.S.C. 2573(a)) is amended by striking ''shall prepare for the President, the Secretary of State,'' and inserting ''shall prepare for the President''.

(h) NEGOTIATION MANAGEMENT.—Section 34 (22 U.S.C. 2574) is amended—

(1) in subsection (a), by striking ''the President and the Secretary of State'' and inserting ''the President''; and

(2) by striking subsection (b).

(i) VERIFICATION OF COMPLIANCE.—Section 37(d) (22 U.S.C. 2577(d)) is amended by striking ''Director's designee'' and inserting ''Secretary's designee''.

(j) GENERAL AUTHORITY.—Section 41 (22 U.S.C. 2581) is repealed.

(k) SECURITY REQUIREMENTS.—Section 45 (22 U.S.C. 2585) is amended by striking subsections (a), (b), and (d).

(l) USE OF FUNDS.—Section 48 (22 U.S.C. 2588) is repealed.

(m) ANNUAL REPORT.—Section 51(a) (22 U.S.C. 2593a(a)) is amended by striking ''the Secretary of State,''.

(n) REQUIREMENT FOR AUTHORIZATION OF APPROPRIATIONS.—Section 53 (22 U.S.C. 2593c) is repealed.

(o) ON-SITE INSPECTION AGENCY.—Section 61 (22 U.S.C. 2595) is amended—

(1) in paragraph (1), by striking ''United States Arms Control and Disarmament Agency'' and inserting ''Department of State''; and

(2) in paragraph (7), by striking ''the United States Arms Control and Disarmament Agency and''.

SEC. 245. CONFORMING AMENDMENTS.

(a) ARMS EXPORT CONTROL ACT.—The Arms Export Control Act is amended—

(1) in section 36(b)(1)(D) (22 U.S.C. 2776(b)(1)(D)), by striking ''Director of the Arms Control and Disarmament Agency in consultation with the Secretary of State and'' and inserting ''Secretary of State in consultation with'';

(2) in section 38(a)(2) (22 U.S.C. 2778(a)(2))—

(A) in the first sentence, by striking ''Director of the United States Arms Control and Disarmament Agency, taking into account the Director's'' and inserting ''Secretary of State, taking into account the Secretary's''; and

(B) in the second sentence, by striking ''The Director of the Arms Control and Disarmament Agency is authorized, whenever the Director'' and inserting ''The Secretary of State is authorized, whenever the Secretary'';

(3) in section 42(a) (22 U.S.C. 2791(a))—

(A) in paragraph (1)(C), by striking ''Director of the United States Arms Control and Disarmament Agency'' and inserting ''Secretary of State''; and

(B) in paragraph (2)—

(i) in the first sentence, by striking ''Director of the United States Arms Control and Disarmament Agency'' and inserting ''Secretary of State''; and

(ii) in the second sentence, by striking ''Director of the Arms Control and Disarmament Agency is authorized, whenever the Director'' and inserting ''Secretary of State, whenever the Secretary'';

(4) in section 71(a) (22 U.S.C. 2797(a)), by striking '', the Director of the Arms Control and Disarmament Agency,'' and inserting '', Secretary of State,'';

(5) in section 71(b)(1) (22 U.S.C. 2797(b)(1)), by striking ''Director of the United States Arms Control and Disarmament Agency'' and inserting ''Secretary of State'';

(6) in section 71(b)(2) (22 U.S.C. 2797(b)(2))—

(A) by striking ''Director of the United States Arms Control and Disarmament Agency'' and inserting ''Secretary of State''; and

(B) by striking '', or the Director'';

(7) in section 71(c) (22 U.S.C. 2797(c)), by striking ''Director of the United States Arms Control and Disarmament Agency,'' and inserting ''Secretary of State''; and

(8) in section 73(d) (22 U.S.C. 2797(d)), by striking ''Director of the United States Arms Control and Disarmament Agency'' and inserting ''Secretary of State''.

(b) UNITED STATES INSTITUTE OF PEACE ACT.—Section 1706(b) of the United States Institute of Peace Act (22 U.S.C. 4605(b)) is amended—

(1) by striking out paragraph (3);

(2) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively; and

(3) in paragraph (4) (as redesignated by paragraph (2)), by striking ''Eleven'' and inserting ''Twelve''.

(c) THE ATOMIC ENERGY ACT OF 1954.—The Atomic Energy Act of 1954 is amended—

(1) in section 57 b. (42 U.S.C. 2077(b))—

(A) in the first sentence, by striking ''the Arms Control and Disarmament Agency,'', and

(B) in the second sentence, by striking ''the Director of the Arms Control and Disarmament Agency,''; and

(2) in section 123 (42 U.S.C. 2153)—

(A) in subsection a. (in the text after paragraph (9)—

(i) by striking ''and in consultation with the Director of the Arms Control and Disarmament Agency (''the Director'')'', and

(ii) by striking ''and the Director'' and inserting ''and the Secretary of Defense'',

(B) in subsection d., in the first proviso, by striking ''Director of the Arms Control and Disarmament Agency'' and inserting ''Secretary of Defense'', and

(C) in the first undesignated paragraph following subsection d., by striking ''the Arms Control and Disarmament Agency,''.

(d) THE NUCLEAR NON-PROLIFERATION ACT OF 1978.—The Nuclear Non-Proliferation Act of 1978 is amended—

(1) in section 4, by striking paragraph (2);

(2) in section 102, by striking ''the Secretary of State, and the Director of the Arms Control and Disarmament Agency'' and inserting ''and the Secretary of State''; and

(3) in section 602(c), by striking ''the Arms Control and Disarmament Agency,''.

(e) TITLE 5, UNITED STATES CODE.—Title 5, United States Code, is amended—

(1) in section 5313, by striking ''Director of the United States Arms Control and Disarmament Agency.'';

(2) in section 5314, by striking ''Deputy Director of the United States Arms Control and Disarmament Agency.''; and

(3) in section 5315, by striking ''Assistant Directors, United States Arms Control and Disarmament Agency (4).''.

TITLE III—UNITED STATES INFORMATION AGENCY

CHAPTER 1—GENERAL PROVISIONS

SEC. 301. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this title, and the amendments made by this title, shall take effect—

(1) March 1, 1997; or

(2) on such earlier date as the President shall determine to be appropriate and announce by notice published in the Federal Register, which date may be not earlier than 60 calendar days (excluding any day on which either House of Congress is not in session because of an adjournment sine die) after the President has submitted a reorganization plan to the appropriate congressional committees pursuant to section 321.

(b) REORGANIZATION PLAN.—Section 321 shall take effect on the date of enactment of this Act.

CHAPTER 2—ABOLITION OF UNITED STATES INFORMATION AGENCY AND TRANSFER OF FUNCTIONS TO SECRETARY OF STATE

SEC. 311. ABOLITION OF UNITED STATES INFORMATION AGENCY.

The United States Information Agency is abolished.

SEC. 312. TRANSFER OF FUNCTIONS TO SECRETARY OF STATE.

There are transferred to the Secretary of State all functions of the Director of the United States Information Agency and all functions of the United States Information Agency and any officer or component of such agency under any statute, reorganization plan, Executive order, or other provision of law before the effective date of this title, except as otherwise provided in this title.

CHAPTER 3—REORGANIZATION OF DEPARTMENT OF STATE RELATING TO FUNCTIONS TRANSFERRED UNDER THIS TITLE

SEC. 321. REORGANIZATION PLAN.

(a) SUBMISSION OF PLAN.—Not later than March 1, 1996, the President, in consultation with the Secretary and the Director of the United States Information Agency, shall transmit to the appropriate congressional committees a reorganization plan providing for—

(1) the abolition of the United States Information Agency in accordance with this title;

(2) the transfer to the Department of State of the functions and personnel of the United States Information Agency consistent with the provisions of this title; and

(3) the consolidation, reorganization, and streamlining of the Department upon the transfer of functions under this title in order to carry out such functions.

(b) PLAN ELEMENTS.—The plan under subsection (a) shall—

(1) identify the functions of the United States Information Agency that will be transferred to the Department under the plan;

(2) identify the personnel and positions of the Agency (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred to the Department, separated from service with the Agency, or be eliminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(3) identify the personnel and positions of the Department (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred within the Department, separated from service with the Department, or eliminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(4) specify the consolidations and reorganization of functions of the Department that will be required under the plan in order to permit the Department to carry out the functions transferred to the Department under the plan;

(5) specify the funds available to the United States Information Agency that will be transferred to the Department as a result of the transfer of functions of the Agency to the Department;

(6) specify the proposed allocations within the Department of unexpended funds transferred in connection with the transfer of functions under the plan; and

(7) specify the proposed disposition of the property, facilities, contracts, records, and other assets and liabilities of the Agency in connection with the transfer of the functions of the Agency to the Department.

(c) ASSISTANT SECRETARY POSITIONS.—The plan under subsection (a) shall provide for an appropriate number of Assistant Secretaries of State to carry out the functions transferred to the Department under this title.

SEC. 322. PRINCIPAL OFFICERS.

(a) UNDER SECRETARY OF STATE FOR PUBLIC DIPLOMACY.—

(1) ESTABLISHMENT.—Section 1(b) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(b) is amended—

(A) by striking ''There'' and inserting the following:

''(1) IN GENERAL.—There''; and

(B) by adding at the end the following:

''(2) UNDER SECRETARY FOR PUBLIC DIPLOMACY.—There shall be in the Department of State an Under Secretary for Public Diplomacy who shall have responsibility to assist the Secretary and the Deputy Secretary in the formation and implementation of United States public diplomacy policies and activities, including international educational and cultural exchange programs, information, and international broadcasting.''.

(2) TRANSITION PROVISION.—The President may appoint the individual serving as Director of the United States Information Agency on the day before the effective date of this title, or such other official appointed by and with the advice and consent of the Senate and serving within the Department of State or the United States Information Agency as the President considers appropriate, to serve as the acting Under Secretary for Public Diplomacy until an individual is appointed to that office in accordance with section (1)(b)(1) of the State Department Basic Authorities Act of 1956, as amended by this Act.

(b) ASSISTANT SECRETARIES.—

(1) ESTABLISHMENT.—Section 1(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(c)) is amended by adding after paragraph (2) the following:

''(3) ASSISTANT SECRETARY FOR ACADEMIC PROGRAMS AND CULTURAL EXCHANGES.—There shall be in the Department of State an Assistant Secretary for Academic Programs and Cultural Exchanges who shall report to the Under Secretary for Public Diplomacy.

''(4) ASSISTANT SECRETARY FOR INFORMATION, POLICY, AND PROGRAMS.—There shall be in the Department of State an Assistant Secretary for Information, Policy, and Programs who shall report to the Under Secretary for Public Diplomacy.''.

(2) TRANSITION PROVISION.—The President may appoint such officials appointed by and with the advice and consent of the Senate and serving within the Department of State or the United States Information Agency as the President considers appropriate to serve as the acting Assistant Secretary for Academic Programs and Cultural Exchanges and to serve as the acting Assistant Secretary for Information, Policy, and Programs until individuals are appointed to those offices in accordance with section 1(c)(1) of the State Department Basic Authorities Act of 1956, as amended by this Act.

CHAPTER 4—CONFORMING AMENDMENTS

SEC. 341. REFERENCES.

Any reference in any statute, reorganization plan, Executive order, regulation, agreement, determination, or other official document or proceeding to—

(1) the Director of the United States Information Agency, the Director of the International Communication Agency, or any other officer or employee of the United States Information Agency shall be deemed to refer to the Secretary of State; and

(2) the United States Information Agency, USIA, or the International Communication Agency shall be deemed to refer to the Department of State.

SEC. 342. ABOLITION OF OFFICE OF INSPECTOR GENERAL OF THE UNITED STATES INFORMATION AGENCY AND TRANSFER OF FUNCTIONS TO OFFICE OF INSPECTOR GENERAL OF THE DEPARTMENT OF STATE.

(a) ABOLITION OF OFFICE OF INSPECTOR GENERAL OF THE USIA.—

(1) The Office of Inspector General of the United States Information Agency is abolished.

(2) Section 11 of the Inspector General Act of 1978 (5 U.S.C. App.) is amended—

(A) in paragraph (1) by striking '', the Office of Personnel Management or the United States Information Agency'' and inserting ''or the Office of Personnel Management''; and

(B) in paragraph (2) by striking ''the United States Information Agency,''.

(3) Section 5315 of title 5, United States Code, is amended by striking the following:

''Inspector General, United States Information Agency.''.

(b) FUNCTIONS OF OFFICE OF INSPECTOR GENERAL OF THE UNITED STATES INFORMATION AGENCY TRANSFERRED TO OFFICE OF INSPECTOR GENERAL OF THE DEPARTMENT OF STATE.—There are transferred to the Office of the Inspector General of the Department of State the functions that the Office of Inspector General of the United States Information Agency exercised before the effective date of this title (including all related functions of the Inspector General of the United States Information Agency).

(c) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—The Director of the Office of Management and Budget, in consultation with the Secretary of State, is authorized to make such incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this section.

SEC. 343. AMENDMENTS TO TITLE 5.

Title 5, United States Code, is amended—

(1) in section 5313, by striking ''Director of the United States Information Agency.'';

(2) in section 5315, by striking ''Deputy Director of the United States Information Agency.''; and

(3) in section 5316, by striking ''Deputy Director, Policy and Plans, United States Information Agency.'' and striking ''Associate Director (Policy and Plans), United States Information Agency.''.

SEC. 344. AMENDMENTS TO UNITED STATES INFORMATION AND EDUCATIONAL EXCHANGE ACT OF 1948.

(a) IN GENERAL.—Except as otherwise provided in this section, the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1431 et seq.) is amended—

(1) by striking ''United States Information Agency'' each place it appears and inserting ''Department of State'';

(2) by striking ''Director of the United States Information Agency'' each place it appears and inserting ''Secretary of State'';

(3) by striking ''Director'' each place it appears and inserting ''Secretary of State'';

(4) by striking ''USIA'' each place it appears and inserting ''Department of State''; and

(5) by striking ''Agency'' each place it appears and inserting ''Department of State''.

(b) SATELLITE AND TELEVISION BROADCASTS.—Section 505 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1464a) is amended—

(1) by striking ''Director of the United States Information Agency'' each of the four places it appears and inserting ''Secretary of State'';

(2) in subsection (b), by striking ''To be effective, the United States Information Agency'' and inserting ''To be effective in carrying out this subsection, the Department of State'';

(3) by striking ''USIA–TV'' each place it appears and inserting ''DEPARTMENT OF STATE–TV''; and

(4) by striking subsection (e).

(c) UNITED STATES ADVISORY COMMISSION ON PUBLIC DIPLOMACY.—Section 604 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1469) is amended—

(1) in subsection (c)(1)—

(A) by striking ''the Director of the United States Information Agency,''; and

(B) by striking ''Director or the Agency, and shall appraise the effectiveness of policies and programs of the Agency'' and inserting ''Secretary of State or the Department of State, and shall appraise the effectiveness of the information, educational, and cultural policies and programs of the Department'';

(2) in subsection (c)(2)—

(A) in the first sentence by striking ''the Secretary of State, and the Director of the United States Information Agency'' and inserting ''and the Secretary of State'';

(B) in the second sentence by striking ''by the Agency'' and inserting ''by the Department of State''; and

(C) by striking ''Director for effectuating the purposes of the Agency'' and inserting ''Secretary for effectuating the information, educational, and cultural functions of the Department'';

(3) in subsection (c)(3), by striking ''programs conducted by the Agency'' and inserting ''information, educational, and cultural programs conducted by the Department of State''; and

(4) in subsection (c)(4), by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State''.

SEC. 345. AMENDMENTS TO THE MUTUAL EDUCATIONAL AND CULTURAL EXCHANGE ACT OF 1961 (FULBRIGHT-HAYS ACT).

(a) IN GENERAL.—The Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2451 et seq.) is amended by striking ''Director of the International Communication Agency'' and ''Director'' each place either term appears and inserting ''Secretary of State''.

(b) REPEAL OF DEFUNCT ADVISORY COMMISSIONS.—Section 106 of such Act (22 U.S.C. 2456) is amended by striking subsection (c).

(c) BUREAU OF EDUCATIONAL AND CULTURAL AFFAIRS.—Section 112 of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2460) is amended—

(1) by striking the first sentence of subsection (a);

(2) by striking ''Bureau'' each place it appears and inserting ''Department of State''; and

(3) by striking subsection (e).

SEC. 346. INTERNATIONAL BROADCASTING ACTIVITIES.

(a) IN GENERAL.—Title III of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236) is amended—

(1) in section 305(b)(1), by striking ''Agency's'' and inserting ''Department's'';

(2) in section 306, by striking '', acting through the Director of the United States Information Agency,'' and inserting '', acting through the Under Secretary of State for Public Diplomacy,'';

(3) by striking ''Director of the United States Information Agency'' each place it appears and inserting ''Secretary of State'';

(4) by striking all references to ''United States Information Agency'' that were not stricken in paragraph (3) and inserting ''Department of State'';

(5) by striking ''Bureau'' each place it appears and inserting ''Office''; and

(6) in section 305(a)(1), by striking ''title,'' and inserting ''title (including activities of the Voice of America previously carried out by the United States Information Agency),''.

(b) CONFORMING AMENDMENT TO TITLE 5.—Section 5315 of title 5, United States Code, is amended by striking ''Director of the International Broadcasting Bureau, the United States Information Agency'' and inserting ''Director of the International Broadcasting Office, the Department of State''.

SEC. 347. TELEVISION BROADCASTING TO CUBA.

(a) AUTHORITY.—Section 243(a) of the Television Broadcasting to Cuba Act (as contained in part D of title II of Public Law 101–246) (22 U.S.C. 1465bb(a)) is amended by striking ''United States Information Agency (hereafter in this part referred to as the 'Agency')'' and inserting ''Department of State (hereafter in this part referred to as the 'Department')''.

(b) TELEVISION MARTI SERVICE.—Section 244 of such Act (22 U.S.C. 1465cc) is amended—

(1) in subsection (a)—

(A) by amending the first sentence to read as follows: ''The Secretary of State shall administer within the Voice of America the Television Marti Service.''; and

(B) in the third sentence, by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State'';

(2) in subsection (b)—

(A) in the subsection heading, by striking ''USIA'' and inserting ''DEPARTMENT OF STATE'',

(B) by striking ''Agency facilities'' and inserting ''Department facilities''; and

(C) by striking ''United States Information Agency Television Service'' and inserting ''Department of State Television Service''; and

(3) in subsection (c)—

(A) by striking ''USIA AUTHORITY.—The Agency'' and inserting ''SECRETARY OF STATE AUTHORITY.—The Secretary of State''; and

(B) by striking ''Agency'' the second place it appears and inserting ''Secretary of State''.

(c) ASSISTANCE FROM OTHER GOVERNMENT AGENCIES.—Section 246 of such Act (22 U.S.C. 1465dd) is amended—

(1) by striking ''United States Information Agency'' and inserting ''Department of State''; and

(2) by striking ''the Agency'' and inserting ''the Department''.

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 247(a) of such Act (22 U.S.C. 1465ee(a)) is repealed.

SEC. 348. RADIO BROADCASTING TO CUBA.

(a) FUNCTIONS OF THE DEPARTMENT OF STATE.—Section 3 of the Radio Broadcasting to Cuba Act (22 U.S.C. 1465a) is amended—

(1) in the section heading, by striking ''UNITED STATES INFORMATION AGENCY'' and inserting ''DEPARTMENT OF STATE'';

(2) in subsection (a), by striking ''United States Information Agency (hereafter in this Act referred to as the 'Agency')'' and inserting ''Department of State (hereafter in this Act referred to as the 'Department')''; and

(3) in subsection (f), by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State''.

(b) CUBA SERVICE.—Section 4 of such Act (22 U.S.C. 1465b) is amended—

(1) by amending the first sentence to read as follows: ''The Secretary of State shall administer within the Voice of America the Cuba Service (hereafter in this section referred to as the 'Service').''; and

(2) in the third sentence, by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State''.

(c) ASSISTANCE FROM OTHER GOVERNMENT AGENCIES.—Section 6 of such Act (22 U.S.C. 1465d) is amended—

(1) in subsection (a)—

(A) by striking ''United States Information Agency'' and inserting ''Department of State''; and

(B) by striking ''the Agency'' and inserting ''the Department''; and

(2) in subsection (b)—

(A) by striking ''The Agency'' and inserting ''The Department''; and

(B) by striking ''the Agency'' and inserting ''the Secretary of State''.

(d) FACILITY COMPENSATION.—Section 7 of such Act (22 U.S.C. 1465e) is amended—

(1) in subsection (b), by striking ''the Agency'' and inserting ''the Department''; and

(2) in subsection (d), by striking ''Agency'' and inserting ''Department''.

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 8 of such Act (22 U.S.C. 1465f) is amended—

(1) by striking subsections (a) and (b) and inserting the following:

''(a) The amount obligated by the Department of State each fiscal year to carry out this Act shall be sufficient to maintain broadcasts to Cuba under this Act at rates no less than the fiscal year 1985 level of obligations by the former United States Information Agency for such broadcasts.''; and

(2) by redesignating subsection (c) as subsection (b).

SEC. 349. NATIONAL ENDOWMENT FOR DEMOCRACY.

(a) GRANTS.—Section 503 of Public Law 98–164, as amended (22 U.S.C. 4412) is amended—

(1) in subsection (a)—

(A) by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State'';

(B) by striking ''the Agency'' and inserting ''the Department of State''; and

(C) by striking ''the Director'' and inserting ''the Secretary of State''; and

(2) in subsection (b), by striking ''United States Information Agency'' and inserting ''Department of State''.

(b) AUDITS.—Section 504(g) of such Act (22 U.S.C. 4413(g)) is amended by striking ''United States Information Agency'' and inserting ''Department of State''.

(c) FREEDOM OF INFORMATION.—Section 506 of such Act (22 U.S.C. 4415) is amended—

(1) in subsection (b)—

(A) by striking ''Director'' each of the three places it appears and inserting ''Secretary''; and

(B) by striking ''of the United States Information Agency'' and inserting ''of State''; and

(2) in subsection (c)—

(A) in the subsection heading by striking ''USIA'' and inserting ''DEPARTMENT OF STATE'';

(B) by striking ''Director'' each of the three places it appears and inserting ''Secretary'';

(C) by striking ''of the United States Information Agency'' and inserting ''of State''; and

(D) by striking ''United States Information Agency'' and inserting ''Department of State''.

SEC. 350. UNITED STATES SCHOLARSHIP PROGRAM FOR DEVELOPING COUNTRIES.

(a) PROGRAM AUTHORITY.—Section 603 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (22 U.S.C. 4703) is amended by striking ''United States Information Agency'' and inserting ''Department of State''.

(b) GUIDELINES.—Section 604(11) of such Act (22 U.S.C. 4704(11)) is amended by striking ''United States Information Agency'' and inserting ''Department of State''.

(c) POLICY REGARDING OTHER INTERNATIONAL EDUCATIONAL PROGRAMS.—Section 606(b) of such Act (22 U.S.C. 4706(b)) is amended—

(1) in the subsection heading, by striking ''USIA'' and inserting ''STATE DEPARTMENT''; and

(2) by striking ''Director of United States Information Agency'' and inserting ''Secretary of State''.

(d) GENERAL AUTHORITIES.—Section 609(e) of such Act (22 U.S.C. 4709(e)) is amended by striking ''United States Information Agency'' and inserting ''Department of State''.

SEC. 351. FASCELL FELLOWSHIP BOARD.

Section 1003(b) of the Fascell Fellowship Act (22 U.S.C. 4902(b)) is amended—

(1) in the text above paragraph (1), by striking ''9 members'' and inserting ''8 members'';

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (3).

SEC. 352. NATIONAL SECURITY EDUCATION BOARD.

Section 803 of the Intelligence Authorization Act, Fiscal Year 1992 (50 U.S.C. 1903(b)) is amended—

(1) in subsection (b)—

(A) by striking paragraph (6); and

(B) by redesignating paragraphs (7) and (8) as paragraphs (6) and (7); and

(2) in subsection (c), by striking ''subsection (b)(7)'' and inserting ''subsection (b)(6)''.

SEC. 353. CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN NORTH AND SOUTH.

Section 208 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2075) is amended by striking ''Director of the United States Information Agency'' each place it appears and inserting ''Secretary of State''.

SEC. 354. EAST-WEST CENTER.

(a) DUTIES.—Section 703 of the Mutual Security Act of 1960 (22 U.S.C. 2055) is amended—

(1) in the text above paragraph (1), by striking ''Director of the United States Information Agency (hereinafter referred to as the 'Director')'' and inserting ''Secretary of State (hereinafter referred to as the 'Secretary')''; and

(2) in paragraph (1), by striking ''establishment and''.

(b) ADMINISTRATION.—Section 704 of such Act (22 U.S.C. 2056) is amended—

(1) by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State''; and

(2) by striking ''Director'' each place it appears and inserting ''Secretary''.

SEC. 355. MISSION OF THE DEPARTMENT OF STATE.

Section 202 of the Foreign Relations Authorization Act, Fiscal Year 1979 (22 U.S.C. 1461–1) is amended—

(1) in the first sentence, by striking ''mission of the International Communication Agency'' and inserting ''mission of the Department of State in carrying out its information, educational, and cultural functions'';

(2) in the second sentence, in the text above paragraph (1), by striking ''International Communication Agency'' and inserting ''Department of State'';

(3) in paragraph (1)(B), by striking ''Agency'' and inserting ''Department''; and

(4) in paragraph (5), by striking ''mission of the Agency'' and inserting ''mission described in this section''.

SEC. 356. CONSOLIDATION OF ADMINISTRATIVE SERVICES.

Section 23(a) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2695(a)) is amended—

(1) by striking ''(including'' and all that follows through ''Agency)''; and

(2) by striking ''other such agencies'' and inserting ''other Federal agencies''.

SEC. 357. GRANTS.

Section 212 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 1475h) is amended—

(1) in subsection (a), by striking ''United States Information Agency'' and inserting ''Department of State, in carrying out its international information, educational, and cultural functions,'';

(2) in subsection (b), by striking ''United States Information Agency'' and inserting ''Department of State'';

(3) in subsection (c)—

(A) in paragraph (1), by striking ''United States Information Agency shall substantially comply with United States Information Agency'' and inserting ''Department of State, in carrying out its international information, educational, and cultural functions, shall substantially comply with Department of State''; and

(B) in paragraphs (2) and (3)—

(i) by striking ''United States Information Agency'' and inserting ''Department of State''; and

(ii) by striking ''Agency'' each of the places it appears and inserting ''Department''; and

(4) by striking subsection (d).

SEC. 358. BAN ON DOMESTIC ACTIVITIES.

Section 208 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (22 U.S.C. 1461–1a) is amended—

(1) by striking out ''United States Information Agency'' each of the two places it appears and inserting ''Department of State''; and

(2) by inserting ''in carrying out its international information, educational, and cultural activities'' before ''shall be distributed''.

SEC. 359. CONFORMING REPEAL TO THE ARMS CONTROL AND DISARMAMENT ACT.

Section 34(b) of the Arms Control and Disarmament Act (22 U.S.C. 2574(b)) is repealed.

SEC. 360. REPEAL RELATING TO PROCUREMENT OF LEGAL SERVICES.

Section 26(b) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2698(b)) is repealed.

SEC. 361. REPEAL RELATING TO PAYMENT OF SUBSISTENCE EXPENSES.

Section 32 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2704) is amended by striking the second sentence.

SEC. 362. CONFORMING AMENDMENT TO THE SEED ACT.

Section 2(c) of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5401(c)) is amended in paragraph (17) by striking ''United States Information Agency'' and inserting ''Department of State''.

SEC. 363. INTERNATIONAL CULTURAL AND TRADE CENTER COMMISSION.

Section 7(c) of the Federal Triangle Development Act (40 U.S.C. 1106(c)) is amended—

(1) in the text above subparagraph (A), by striking ''15 members'' and inserting ''14 members'';

(2) by striking subparagraph (F); and

(3) by redesignating subparagraphs (G) through (J) as subparagraphs (F) through (I), respectively.

SEC. 364. FOREIGN SERVICE ACT OF 1980.

(a) OTHER AGENCIES UTILIZING SERVICE.—Section 202(a) of the Foreign Service Act of 1980 (22 U.S.C. 3922(a)) is amended by striking paragraph (1).

(b) BOARD OF THE FOREIGN SERVICE.—Section 210 of such Act (22 U.S.C. 3930) is amended by striking ''the United States Information Agency, the United States International Development Cooperation Agency,''.

SEC. 365. AU PAIR PROGRAMS.

Section 8 of the Eisenhower Exchange Fellowship Act of 1990 (Public Law 101–454) is amended by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State''.

SEC. 366. EXCHANGE PROGRAM WITH COUNTRIES IN TRANSITION FROM TOTALITARIANISM TO DEMOCRACY.

Section 602 of the National and Community Service Act of 1990 (22 U.S.C. 2452a) is amended—

(1) in the second sentence of subsection (a), by striking ''United States Information Agency'' and inserting ''Department of State''; and

(2) in subsection (b)—

(A) by striking ''appropriations account of the United States Information Agency'' and inserting ''appropriate appropriations account of the Department of State''; and

(B) by striking ''and the United States Information Agency''.

SEC. 367. EDMUND S. MUSKIE FELLOWSHIP PROGRAM.

Section 227 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2452 note) is amended—

(1) by striking ''United States Information Agency'' and inserting ''Department of State''; and

(2) by striking subsection (d).

SEC. 368. IMPLEMENTATION OF CONVENTION ON CULTURAL PROPERTY.

Title III of the Convention on Cultural Property Implementation Act (19 U.S.C. 2601 et seq.) is amended by striking ''Director of the United States Information Agency'' each place it appears and inserting ''Secretary of State''.

SEC. 369. MIKE MANSFIELD FELLOWSHIPS.

Section 252(a) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 6101(a)) is amended by striking ''Director of the United States Information Agency'' and inserting ''Secretary of State''.

TITLE IV—AGENCY FOR INTERNATIONAL DEVELOPMENT

CHAPTER 1—GENERAL PROVISIONS

SEC. 401. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this title, and the amendments made by this title, shall take effect—

(1) on March 1, 1997; or

(2) on such earlier date as the President shall determine to be appropriate and announce by notice published in the Federal Register, which date may be not earlier than 60 calendar days (excluding any day on which either House of Congress is not in session because of an adjournment sine die) after the President has submitted a reorganization plan to the appropriate congressional committees pursuant to section 421.

(b) REORGANIZATION PLAN.—Section 421 shall take effect on the date of enactment of this Act.

SEC. 402. REFERENCES IN TITLE.

Except as specifically provided in this title, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a provision, the reference shall be considered to be made to a provision of the Foreign Assistance Act of 1961.

CHAPTER 2—ABOLITION OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND TRANSFER OF FUNCTIONS TO SECRETARY OF STATE

SEC. 411. ABOLITION OF AGENCY FOR INTERNATIONAL DEVELOPMENT AND THE INTERNATIONAL DEVELOPMENT COOPERATION AGENCY.

The Agency for International Development and the International Development Cooperation Agency are abolished.

SEC. 412. TRANSFER OF FUNCTIONS TO SECRETARY OF STATE.

There are transferred to the Secretary of State all functions of the Administrator of the Agency for International Development and the Director of the International Development Cooperation Agency and all functions of the Agency for International Development and the International Development Cooperation Agency and any officer or component of such agencies under any statute, reorganization plan, Executive order, or other provision of law before the effective date of this title, except as otherwise provided in this title.

CHAPTER 3—REORGANIZATION OF DEPARTMENT OF STATE RELATING TO FUNCTIONS TRANSFERRED UNDER THIS TITLE

SEC. 421. REORGANIZATION PLAN.

(a) SUBMISSION OF PLAN.—Not later than March 1, 1996, the President, in consultation with the Secretary and the Administrator of the Agency for International Development, shall transmit to the appropriate congressional committees a reorganization plan providing for—

(1) the abolition of the Agency for International Development in accordance with this title;

(2) the transfer to the Department of State of the functions and personnel of the Agency for International Development consistent with the provisions of this title; and

(3) the consolidation, reorganization, and streamlining of the Department upon the transfer of functions under this title in order to carry out such functions.

(b) PLAN ELEMENTS.—The plan under subsection (a) shall—

(1) identify the functions of the Agency for International Development that will be transferred to the Department under the plan;

(2) identify the personnel and positions of the Agency (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred to the Department, separated from service with the Agency, or be eliminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(3) identify the personnel and positions of the Department (including civil service personnel, Foreign Service personnel, and detailees) that will be transferred within the Department, separated from service with the Department, or eliminated under the plan, and set forth a schedule for such transfers, separations, and terminations;

(4) specify the consolidations and reorganization of functions of the Department that will be required under the plan in order to permit the Department to carry out the functions transferred to the Department under the plan;

(5) specify the funds available to the Agency for International Development that will be transferred to the Department under this title as a result of the transfer of functions of the Agency to the Department;

(6) specify the proposed allocations within the Department of unexpended funds transferred in connection with the transfer of functions under the plan; and

(7) specify the proposed disposition of the property, facilities, contracts, records, and other assets and liabilities of the Agency in connection with the transfer of the functions of the Agency to the Department.

(c) ASSISTANT SECRETARY POSITIONS.—The plan under subsection (a) shall provide for an appropriate number of Assistant Secretaries of State to carry out the functions transferred to the Department under this title.

SEC. 422. PRINCIPAL OFFICERS.

(a) UNDER SECRETARY OF STATE FOR DEVELOPMENT AND ECONOMIC AFFAIRS.—

(1) ESTABLISHMENT.—Section 1(b) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(b)) is amended by adding after paragraph (2) the following new paragraph:

''(3) UNDER SECRETARY FOR DEVELOPMENT AND ECONOMIC AFFAIRS.—There shall be in the Department of State an Under Secretary for Development and Economic Affairs who shall assist the Secretary and the Deputy Secretary in the formation and implementation of United States policies and activities

concerning international development and economic affairs.''.

(b) TRANSITION PROVISION.—The President may appoint the individual serving as Administrator of the Agency for International Development on the day before the effective date of this title, or such other official appointed by and with the advice and consent of the Senate and serving within the Department of State or the Agency for International Development as the President considers appropriate, to serve as the acting Under Secretary for Development and Economic Affairs until an individual is appointed to that office in accordance with section 1(b)(1) of the State Department Basic Authorities Act of 1956, as amended by this Act.

CHAPTER 4—CONFORMING AMENDMENTS

SEC. 441. REFERENCES.

Any reference in any statute, reorganization plan, Executive order, regulation, agreement, determination, or other official document or proceeding to—

(1) the Administrator of the Agency for International Development, or any other officer or employee of the Agency for International Development shall be deemed to refer to the Secretary of State;

(2) the Director or any other officer or employee of the International Development Cooperation Agency (IDCA) shall be deemed to refer to the Secretary of State; or

(3) the Agency for International Development, AID, the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961, or the International Development Cooperation Agency (IDCA) shall be deemed to refer to the Department of State.

SEC. 442. ABOLITION OF OFFICE OF INSPECTOR GENERAL OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND TRANSFER OF FUNCTIONS TO OFFICE OF INSPECTOR GENERAL OF THE DEPARTMENT OF STATE.

(a) ABOLITION OF OFFICE OF INSPECTOR GENERAL OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT.—The Office of Inspector General of the Agency for International Development is abolished.

(b) AMENDMENTS TO THE INSPECTOR GENERAL ACT OF 1978.—The Inspector General Act of 1978 (5 U.S.C. App.) is amended as follows:

(1) Section 8A is repealed.

(2) Section 11(1) is amended by striking ''the Administrator of the Agency for International Development,''.

(3) Section 11(2) is amended by striking ''the Agency for International Development,''.

(c) AMENDMENTS TO TITLE 5, UNITED STATES CODE.—Section 5315 of title 5, United States Code, is amended by striking the following: ''Inspector General, Agency for International Development.''.

(d) FUNCTIONS OF OFFICE OF INSPECTOR GENERAL OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT TRANSFERRED TO OFFICE OF INSPECTOR GENERAL OF THE DEPARTMENT OF STATE.—There are transferred to the Office of Inspector General of the Department of State the functions that the Office of Inspector General of the Agency for International Development exercised before the effective date of this title (including all related functions of the Inspector General of the Agency for International Development).

(e) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—The Inspector General of the Department of State, is authorized to make such incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this section.

SEC. 443. ABOLITION OF CHIEF FINANCIAL OFFICER OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT AND TRANSFER OF FUNCTIONS TO CHIEF FINANCIAL OFFICER DEPARTMENT OF STATE.

(a) ABOLITION OF OFFICE OF CHIEF FINANCIAL OFFICER OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT.—The Office of Chief Financial Officer of the Agency for International Development is abolished.

(b) AMENDMENT TO TITLE 31, UNITED STATES CODE.—Section 901(b)(2) of title 31, United States Code, is amended by striking subparagraph (A).

(c) FUNCTIONS OF OFFICE OF CHIEF FINANCIAL OFFICER OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT TRANSFERRED TO OFFICE OF CHIEF FINANCIAL OFFICER OF THE DEPARTMENT OF STATE.—There are transferred to the Office of Chief Financial Officer of the Department of State the functions that the Office of Chief Financial Officer of the Agency for International Development exercised before the effective date of this title (including all related functions of the Chief Financial Officer of the Agency for International Development).

(d) TRANSFER AND ALLOCATIONS OF APPROPRIATIONS AND PERSONNEL.—The Director of the Office of Management and Budget, in consultation with the Secretary of State, is authorized to make such incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of this section.

SEC. 444. AMENDMENTS TO TITLE 5, UNITED STATES CODE.

Title 5, United States Code, is amended—

(1) in section 5313, by striking ''Administrator, Agency for International Development.'';

(2) in section 5314, by striking ''Deputy Administrator, Agency for International Development.'';

(3) in section 5315—

(A) by striking ''Assistant Administrators, Agency for International Development (6).''; and

(B) by striking ''Regional Assistant Administrators, Agency for International Development (4).''; and

(4) in section 5316 by striking ''General Counsel of the Agency for International Development.''.

SEC. 445. PUBLIC LAW 480 PROGRAM.

The Agricultural Trade Development and Assistance Act of 1954 (Public Law 83–480; 7 U.S.C. 1691 et seq.) is amended by striking ''Administrator'' each place it appears and inserting ''Under Secretary of State for Development and Economic Affairs''.

TITLE V—TRANSITION

SEC. 501. REORGANIZATION AUTHORITY.

(a) IN GENERAL.—The Secretary is authorized, subject to the requirements of this division, to allocate or reallocate any function transferred to the Department under any title of this division among the officers of the Department, and to establish, consolidate, alter, or discontinue such organizational entities within the Department as may be necessary or appropriate to carry out any reorganization under this division, but the authority of the Secretary under this section does not extend to—

(1) the abolition of organizational entities or officers established by this Act or any other Act; or

(2) the alteration of the delegation of functions to any specific organizational entity or officer required by this Act or any other Act.

(b) REQUIREMENTS AND LIMITATIONS ON REORGANIZATION PLANS.—A reorganization plan pursuant to any title of this division may not have the effect of—

(1) creating a new executive department;

(2) continuing a function beyond the period authorized by law for its exercise or beyond the time when it would have terminated if the reorganization had not been made;

(3) authorizing an agency to exercise a function which is not authorized by law at the time the plan is transmitted to Congress;

(4) creating a new agency which is not a component or part of an existing executive department or independent agency; or

(5) increasing the term of an office beyond that provided by law for the office.

SEC. 502. TRANSFER AND ALLOCATION OF APPROPRIATIONS AND PERSONNEL.

(a) IN GENERAL.—Except as otherwise provided in this Act, the personnel employed in connection with, and the assets, liabilities, contracts, property, records, and unexpended balance of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available to, or to be made available in connection with the functions and offices, or portions thereof transferred by any title of this division, subject to section 1531 of title 31, United States Code, shall be transferred to the Secretary for appropriate allocation.

(b) LIMITATION ON USE OF TRANSFERRED FUNDS.—Unexpended and unobligated funds transferred pursuant to any title of this division shall be used only for the purposes for which the funds were originally authorized and appropriated.

(c) AUTHORIZED STRENGTH OF THE FOREIGN SERVICE.—When an agency is abolished under this division, the limitations for fiscal years 1996 and 1997 under section 2351 of this Act on the members of the Foreign Service authorized to be employed by such agency shall be added to the limitations under such section which apply to the Department of State.

SEC. 503. INCIDENTAL TRANSFERS.

The Director of the Office of Management and Budget, in consultation with the Secretary of State, is authorized to make such incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, as may be necessary to carry out the provisions of any title of this division. The Director of the Office of Management and Budget, in consultation with the Secretary of State, shall provide for the termination of the affairs of all entities terminated by this division and for such further measures and dispositions as may be necessary to effectuate the purposes of any title of this division.

SEC. 504. EFFECT ON PERSONNEL.

(a) EXECUTIVE SCHEDULE POSITIONS.—Except as otherwise provided in this division, any person who, on the day preceding the date of the abolition of an agency the functions of which are transferred under any title of this division, held a position compensated in accordance with the Executive Schedule prescribed in chapter 53 of title 5, United States Code, and who, without a break in service, is appointed in the Department to a position having duties comparable to the duties performed immediately preceding such appointment shall continue to be compensated in such new position at not less than the rate provided for such previous position, for the duration of the service of such person in such new position.

(b) TERMINATION OF CERTAIN POSITIONS.—Positions whose incumbents are appointed by the President, by and with the advice and consent of the Senate, the functions of which are transferred by any title of this division, shall terminate on the effective date of that title.

(c) EXCEPTED SERVICE.—(1) Subject to paragraph (2), in the case of employees occupying positions in the excepted service or the Senior Executive Service, any appointment authority established pursuant to law or regulations of the Office of Personnel Management for filling such positions shall be transferred.

(2) The Department of State may decline a transfer of authority under paragraph (1) (and the employees appointed pursuant thereto) to the extent that such authority relates to positions excepted from the competitive service because of their confidential, policy-making, policy-determining, or policy-advocating character, and noncareer positions in the Senior Executive Service (within the meaning of section 3132(a)(7) of title 5, United States Code).

(d) EMPLOYEE BENEFIT PROGRAMS.—(1) Any employee accepting employment with the Department of State as a result of a transfer pursuant to any title of this division may retain for 1 year after the date such transfer occurs membership in any employee benefit program of the former agency, including insurance, to which such employee belongs on the date of the enactment of this Act if—

(A) the employee does not elect to give up the benefit or membership in the program; and

(B) the benefit or program is continued by the Secretary of State.

(2) The difference in the costs between the benefits which would have been provided by such agency or entity and those provided by this section shall be paid by the Secretary of State. If any employee elects to give up membership in a health insurance program or the health insurance program is not continued by the Secretary of State, the employee shall be permitted to select an alternate Federal health insurance program within 30 days of such election or notice, without regard to any other regularly scheduled open season.

(e) SENIOR EXECUTIVE SERVICE.—Any employee in the career Senior Executive Service who is transferred pursuant to any title of this division shall be placed in a position at the Department of State which is comparable to the position the employee held in the agency.

(f) ASSIGNMENTS.—(1) Transferring employees shall be provided reasonable notice of new positions and assignments prior to their transfer pursuant to any title of this division.

(2) Foreign Service personnel transferred to the Department of State pursuant to any title of this division shall be eligible for any assignment open to Foreign Service personnel within the Department for which such transferred personnel are qualified.

(g) TREATMENT OF PERSONNEL EMPLOYED IN TERMINATED FUNCTIONS.—The provisions of this subsection shall apply with respect to officers and employees of the agencies identified in section 505(b) whose employment is terminated as a result of the abolition of the agency or the reorganization and consolidation of functions of the Department of State under any title of this division:

(1) Under such regulations as the Office of Personnel Management may prescribe, the head of any agency in the executive branch may appoint in the competitive service any person who is certified by the head of the former agency as having served satisfactorily in the former agency and who passes such examination as the Office of Personnel Management may prescribe. Any person so appointed shall, upon completion of the prescribed probationary period, acquire a competitive status.

(2) The head of any agency in the executive branch having an established merit system in the excepted service may appoint in such service any person who is certified by the head of the former agency as having served satisfactorily in the former agency and who passes such examination as the head of such agency in the executive branch may prescribe.

(3) Any appointment under this subsection shall be made within a period of one year after completion of the appointee's service in the former agency.

(4) Any law, Executive order, or regulation which would disqualify an applicant for appointment in the competitive service or in the excepted service concerned shall also disqualify an applicant for appointment under this subsection.

SEC. 505. VOLUNTARY SEPARATION INCENTIVES.

(a) AUTHORITY TO PAY INCENTIVES.—The head of an agency referred to in subsection (b) may pay voluntary incentive payments to employees of the agency in order to avoid or minimize the need for involuntary separations from the agency as a result of the abolition of the agency and the reorganization and consolidation of functions of the Department of State under any title of this division.

(b) COVERED AGENCIES.—Subsection (a) applies to the following agencies:

(1) The Department of State.

(2) The United States Arms Control and Disarmament Agency.

(3) The United States Information Agency.

(4) The Agency for International Development.

(c) PAYMENT REQUIREMENTS.—The head of an agency shall pay voluntary separation incentive payments in accordance with the provisions of section 3 of the Federal Workforce Restructuring Act of 1994 (Public Law 103–226; 108 Stat. 111), except that an employee of the agency shall be deemed to be eligible for payment of a voluntary separation incentive payment under that section if the employee separates from service with the agency during the period beginning on the date of enactment of this Act and ending—

(1) in the case of an agency referred to in paragraph (2), (3), or (4) of subsection (b), on the date of the abolition of that agency under this division; and

(2) in the case of the Department of State, on September 30, 1997.

(d) TERMINATION OF AUTHORITY.—The authority of the head of an agency to authorize payment of voluntary separation incentive payments under this section shall expire on—

(1) in the case of an agency referred to in paragraph (2), (3), or (4) of subsection (b), on the date of the abolition of that agency under this division; and

(3) in the case of the Department of State, September 30, 1997.

(e) BUDGET ACT COMPLIANCE.—Any new spending authority (within the meaning of section 401 of the Congressional Budget Act of 1974) which is provided under this section shall be effective for any fiscal year only to the extent or in such amounts as are provided in advance in appropriations Acts.

(f) EFFECT OF SUBSEQUENT EMPLOYMENT WITH THE GOVERNMENT.—An employee who has received a voluntary separation incentive payment under this section and accepts employment with the Government of the United States within 5 years after the date of the separation on which the payment is based shall be required to repay the entire amount of the incentive payment to the agency that paid the incentive payment.

(g) ADDITIONAL AGENCY CONTRIBUTIONS TO THE RETIREMENT FUND.—

(1) IN GENERAL.—In addition to any other payments which it is required to make under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, in fiscal years 1996, 1997, and 1998 each agency under subsection (b) of this section shall, before the end of each such fiscal year, remit to the Office of Personnel Management for deposit in the Treasury of the United States for credit of the Civil Service Retirement and Disability Fund an amount equal to the product of—

(A) the number of employees of such agency who, as of March 31st of such fiscal year, are subject to subchapter III of chapter 83 or chapter 84 of such title; multiplied by

(B) $80.

(2) REGULATIONS.—The Director of the Office of Personnel Management may prescribe any regulations necessary to carry out this subsection.

SEC. 506. SAVINGS PROVISIONS.

(a) CONTINUING LEGAL FORCE AND EFFECT.—All orders, determinations, rules, regulations, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions—

(1) that have been issued, made, granted, or allowed to become effective by the President, any Federal agency or official thereof, or by a court of competent jurisdiction, in the performance of functions that are transferred under any title of this division; and

(2) that are in effect at the time such title takes effect, or were final before the effective date of such title and are to become effective on or after the effective date of such title,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the President, the Secretary, or other authorized official, a court of competent jurisdiction, or by operation of law.

(b) PENDING PROCEEDINGS.—(1) The provisions of any title of this division shall not affect any proceedings, including notices of proposed rulemaking, or any application for any license, permit, certificate, or financial assistance pending on the effective date of any title of this division before any department, agency, commission, or component thereof, functions of which are transferred by any title of this division. Such proceedings and applications, to the extent that they relate to functions so transferred, shall be continued.

(2) Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted. Orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by the Secretary, by a court of competent jurisdiction, or by operation of law.

(3) Nothing in this Act shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(4) The Secretary is authorized to promulgate regulations providing for the orderly transfer of proceedings continued under this subsection to the Department.

(c) NO EFFECT ON JUDICIAL PROCEEDINGS.—Except as provided in subsection (e)—

(1) the provisions of this Act shall not affect suits commenced prior to the effective date of this Act, and

(2) in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and effect as if this Act had not been enacted.

(d) NON-ABATEMENT OF PROCEEDINGS.—No suit, action, or other proceeding commenced by or against any officer in the official capacity of such individual as an officer of any department or agency, functions of which are transferred by any title of this division, shall abate by reason of the enactment of this Act. No cause of action by or against any department or agency, functions of which are transferred by any title of this division, or by or against any officer thereof in the official capacity of such officer shall abate by reason of the enactment of this Act.

(e) CONTINUATION OF PROCEEDING WITH SUBSTITUTION OF PARTIES.—If, before the date on which any title of this division takes effect, any department or agency, or officer thereof in the official capacity of such officer, is a party to a suit, and under this Act any function of such department, agency, or officer is transferred to the Secretary or any other official of the Department, then such suit shall be continued with the Secretary or other appropriate official of the Department substituted or added as a party.

(f) REVIEWABILITY OF ORDERS AND ACTIONS UNDER TRANSFERRED FUNCTIONS.—Orders and actions of the Secretary in the exercise of functions transferred under any title of this division shall be subject to judicial review to the same extent and in the same manner as if such orders and actions had been by the agency or office, or part thereof, exercising such functions immediately preceding their transfer. Any statutory requirements relating to notice, hearings, action upon the record, or administrative review that apply to any function transferred by any title of this division shall apply to the exercise of such function by the Secretary.

SEC. 507. PROPERTY AND FACILITIES.

The Secretary of State shall review the property and facilities transferred to the Department under this division to determine whether such property and facilities are required by the Department.

SEC. 508. AUTHORITY OF SECRETARY TO FACILITATE TRANSITION.

Prior to, or after, any transfer of a function under any title of this division, the Secretary is authorized to utilize—

(1) the services of such officers, employees, and other personnel of an agency with respect to functions that will be or have been transferred to the Department by any title of this division; and

(2) funds appropriated to such functions for such period of time as may reasonably be needed to facilitate the orderly implementation of any title of this division.

SEC. 509. RECOMMENDATIONS FOR ADDITIONAL CONFORMING AMENDMENTS.

The Congress urges the President, in consultation with the Secretary of State and the heads of other appropriate agencies, to develop and submit to the Congress recommendations for such additional technical and conforming amendments to the laws of the United States as may be appropriate to reflect the changes made by this division.

SEC. 510. FINAL REPORT.

Not later than October 1, 1998, the President, in consultation with the Secretary of the Treasury and the Director of the Office of Management and Budget shall submit to the appropriate congressional committees a report which provides a final accounting of the finances and operations of the United States Arms Control and Disarmament Agency, the United States Information Agency, and the Agency for International Development.

SEC. 511. SEVERABILITY.

If a provision of this division or its application to any person or circumstance is held invalid, neither the remainder of this division nor the application of the provision to other persons or circumstances shall be affected.

DIVISION B—FOREIGN RELATIONS AUTHORIZATIONS

TITLE XX—GENERAL PROVISIONS

SEC. 2001. SHORT TITLE.

This division may be cited as the ''Foreign Relations Authorization Act, Fiscal Years 1996 and 1997''.

SEC. 2002. DEFINITIONS.

The following terms have the following meaning for the purposes of this division:

(1) The term ''AID'' means the Agency for International Development.

(2) The term ''ACDA'' means the United States Arms Control and Disarmament Agency.

(3) The term ''appropriate congressional committees'' means the Committee on International Relations of the House of Representatives and the Committee of Foreign Relations of the Senate.

(4) The term ''Department'' means the Department of State.

(5) The term ''Federal agency'' has the meaning given to the term ''agency'' by section 551(1) of title 5, United States Code.

(6) The term ''function'' means any duty, obligation, power, authority, responsibility, right, privilege, activity, or program.

(7) The term ''office'' includes any office, administration, agency, institute, unit, organizational entity, or component thereof.

(8) The term ''Secretary'' means the Secretary of State.

(9) The term ''USIA'' means the United States Information Agency.

TITLE XXI—AUTHORIZATION OF APPROPRIATIONS FOR DEPARTMENT OF STATE AND CERTAIN INTERNATIONAL AFFAIRS FUNCTIONS AND ACTIVITIES

CHAPER 1—AUTHORIZATIONS OF APPROPRIATIONS

SEC. 2101. ADMINISTRATION OF FOREIGN AFFAIRS.

(a) AUTHORIZATION OF APPROPRIATIONS.—The following amounts are authorized to be appropriated for the Department of State under ''Administration of Foreign Affairs'' to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law, including the diplomatic security program:

(1) DIPLOMATIC AND CONSULAR PROGRAMS.—

(A) AUTHORIZATION OF APPROPRIATIONS.—For ''Diplomatic and Consular Programs'', of the Department of State $1,728,797,000 for the fiscal year 1996 and $1,676,903,000 for the fiscal year 1997.

(B) LIMITATION.—Of the amounts authorized to be appropriated by subparagraph (A), $5,000,000 for fiscal year 1996 and $5,000,000 for fiscal year 1997 are authorized to be appropriated only for the purpose of processing immigrant visas for persons who are outside their countries of nationality, have asserted a fear of returning to their countries of nationality and a credible basis for such fear, and for whom immigrant visas are currently available.

(2) SALARIES AND EXPENSES.—

(A) AUTHORIZATION OF APPROPRIATIONS.—For ''Salaries and Expenses'', of the Department of State $366,276,000 for the fiscal year 1996 and $355,287,000 for the fiscal year 1997.

(B) LIMITATION.—Of the amounts authorized to be appropriated by subparagraph (A), $11,900,000 for fiscal year 1996 and $11,900,000 for fiscal year 1997 are authorized to be appropriated only for salaries and expenses of the Bureau of Refugee and Migration Assistance.

(3) CAPITAL INVESTMENT FUND.—For ''Capital Investment Fund'', of the Department of State $20,000,000 for the fiscal year 1996 and $20,000,000 for the fiscal year 1997.

(4) ACQUISITION AND MAINTENANCE OF BUILDINGS ABROAD.—For ''Acquisition and Maintenance of Buildings Abroad'', $391,760,000 for the fiscal year 1996 and $391,760,000 for the fiscal year 1997.

(5) REPRESENTATION ALLOWANCES.—For ''Representation Allowances'', $4,780,000 for the fiscal year 1996 and $4,780,000 for the fiscal year 1997.

(6) EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE.—For ''Emergencies in the Diplomatic and Consular Service'', $6,000,000 for the fiscal 1996 and $6,000,000 for the fiscal year 1997.

(7) OFFICE OF THE INSPECTOR GENERAL.—For ''Office of the Inspector General'', $23,469,000 for the fiscal year 1996 and $23,469,000 for the fiscal year 1997.

(8) PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN.—For ''Payment to the American Institute in Taiwan'', $15,165,000 for the fiscal year 1996 and $14,710,000 for the fiscal year 1997.

(9) PROTECTION OF FOREIGN MISSIONS AND OFFICIALS.—For ''Protection of Foreign Missions and Officials'', $9,579,000 for the fiscal year 1996 and $9,579,000 for the fiscal year 1997.

(10) REPATRIATION LOANS.—For ''Repatriation Loans'', $776,000 for the fiscal year 1996 and $776,000 for the fiscal year 1997, for administrative expenses.

SEC. 2102. INTERNATIONAL ORGANIZATIONS, PROGRAMS, AND CONFERENCES.

(a) ASSESSED CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS.—There are authorized to be appropriated for ''Contributions to International Organizations'', $873,505,000 for the fiscal year 1996 and $867,050,000 for the fiscal year 1997 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to international organizations and to carry out other authorities in law consistent with such purposes.

(b) VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for ''Voluntary Contributions to International Organizations'', $309,375,000 for the fiscal year 1996 and $302,902,000 for the fiscal year 1997.

(2) LIMITATIONS.—

(A) UNICEF.—

(i) Of the amounts authorized to be appropriated under paragraph (1), $103,000,000 for fiscal year 1996 and $103,000,000 for fiscal year 1997 is authorized to be appropriated only for the United Nations Children's Fund (UNICEF).

(ii) For fiscal year 1996, not more than 25 percent of the amount under clause (i) may be made available to the United Nations Children's Fund (UNICEF) until 30 days after the submission to Congress of the report required by section 2523.

(B) INTERNATIONAL ATOMIC ENERGY AGENCY.—

(i) Of the amounts authorized to be appropriated under paragraph (1), $43,000,000 for each of fiscal years 1996 and 1997 is authorized to be appropriated only for the International Atomic Energy Agency (IAEA).

(ii) Amounts under clause (i) are authorized to be made available to the International Atomic Energy Agency only if the

Secretary determines and reports to the appropriate congressional committees that Israel is not being denied its right to participate in the activities of the International Atomic Energy Agency.

(C) WAR CRIMES TRIBUNAL FOR THE FORMER YUGOSLAVIA.—Of the amounts authorized to be appropriated under paragraph (1), $15,000,000 for fiscal year 1996 and $15,000,000 for fiscal year 1997, or 25 percent of the budget for the tribunal for each such fiscal year, whichever amount is less, are authorized to be made available for the United Nations Voluntary Fund for the United Nations International Criminal Tribunal for the Former Yugoslavia, located at The Hague, Netherlands.

(D) WORLD FOOD PROGRAM.—Of the amounts authorized to be appropriated under paragraph (1), $5,000,000 for fiscal year 1996 and $5,000,000 for fiscal year 1997 are authorized to be appropriated only for the World Food Program.

(E) UNITED NATIONS VOLUNTARY FUND FOR VICTIMS OF TORTURE.—Of the amounts authorized to be appropriated under paragraph (1) $1,500,000 for fiscal year 1996 and $3,000,000 for fiscal year 1997 are authorized to be appropriated only for the United Nations Voluntary Fund for Victims of Torture.

(F) UNITED NATIONS POPULATION FUND.—

(i) Of the amounts authorized to be appropriated under paragraph (1) not more than $25,000,000 for each of the fiscal years 1996 and 1997 shall be available for the United Nations Population Fund (UNFPA).

(ii) Of the amount made available for the United Nations Population Fund under clause (i)—

(I) for fiscal year 1996, not more than 50 percent of such amount may be disbursed to the Fund before March 1, 1996; and

(II) for fiscal year 1997, not more than 50 percent of such amount may be disbursed to the Fund before March 1, 1997.

(iii) Notwithstanding any other provision of law, none of the funds made available for the United Nations Population Fund shall be available for the United States proportionate share for activities in the People's Republic of China.

(iv)(I) Not later than February 15, 1996, and February 15, 1997, the Secretary of State shall submit a report indicating the amount that the United Nations Population Fund is budgeting for activities in the People's Republic of China for 1996 or 1997, as appropriate, to the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

(II) Before March 1, for each of the fiscal years 1996 and 1997, if the United Nations Population Fund is budgeting an amount in excess of $7,000,000 for activities in the People's Republic of China, a sum equal to the amount in excess of $7,000,000 shall be deducted from amounts otherwise available for payment to the United Nations Population Fund.

(v) Amounts made available for the United Nations Population Fund under clause (i) may only be paid to the Fund if—

(I) the Fund maintains such amounts in a separate account from other funds; and

(II) the Fund does not commingle amounts provided under clause (i) with other funds.

(G) ORGANIZATION FOR AMERICAN STATES.—Of the amounts authorized to be appropriated under paragraph (1), $15,000,000 for fiscal year 1996 and $15,000,000 for fiscal year 1997 are authorized to be appropriated only for the Organization for American States.

(H) LIMITATION CONCERNING USE OF FUNDS UNDER SECTION 307 OF THE FOREIGN ASSISTANCE ACT OF 1961.—Notwithstanding any other provision of law or of this Act, none of the funds authorized to be appropriated under paragraph (1) are authorized to be appropriated for the United States proportionate share, in accordance with section 307(c) of the Foreign Assistance Act of 1961, for any programs identified in section 307, or for Libya, Iran, or any Communist country listed in section 620(f) of the Foreign Assistance Act of 1961.

(I) UNITED NATIONS DEVELOPMENT PROGRAM.—

(i) TOTAL LIMITATION.—Of the amounts authorized to be appropriated under paragraph (1), for each of the fiscal years 1996 and 1997 not to exceed $70,000,000 shall be available for the United Nations Development Program.

(ii) BURMA.—

(I) Subject to subclauses (II) and (III), for each of the fiscal years 1996 and 1997 none of the funds made available for United Nations Development Program (or United Nations Development Program—Administered Funds) shall be available for programs and activities in or for Burma.

(II) Of the amount made available for United Nations Development Program (and United Nations Development Program—Administered Funds) for fiscal year 1996, $18,200,000 of such amount shall be disbursed only if the President certifies to the Congress that the United Nations Development Program has terminated its activities in and for Burma.

(III) Of the amount made available for United Nations Development Program (and United Nations Development Program—Administered Funds) for fiscal year 1997, $25,480,000 shall be disbursed only if the President certifies to the Congress that the United Nations Development Program has terminated its activities in and for Burma.

(3) AVAILABILITY OF FUNDS.—Amounts authorized to be appropriated under paragraph (1) are authorized to remain available until expended.

(c) ASSESSED CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for ''Contributions for International Peacekeeping Activities'', $445,000,000 for the fiscal year 1996 and $345,000,000 for the fiscal year 1997 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to international peacekeeping activities and to carry out other authorities in law consistent with such purposes.

(2) LIMITATION.—None of the funds authorized to be appropriated under paragraph (1) may be made available for contributions to the United Nations Protection Force unless the President determines and reports to the Congress during the calendar year in which the funds are to be provided that—

(A) the Government of Bosnia and Herzegovina supports the continued presence of the United Nations Protection Force within its territory;

(B) the United Nations Protection Force is effectively carrying out its mandate under United Nations Security Council resolutions 761, 776, 781, 786, and 836, and is effectively encouraging compliance with United Nations Security Council resolutions 752, 757, 770, 771, 787, 820, and 824.

(C) the United Nations Protection Force is providing full cooperation and support consistent with its mandate to the efforts of the United Nations War Crimes Tribunal for the former Yugoslavia to investigate war crimes and to apprehend and prosecute suspected war criminals;

(D) the United Nations Protection Force is providing full cooperation and support consistent with its mandate to United States diplomatic, military, and relief personnel in Bosnia; and

(E) the United Nations Protection Force has investigated and taken appropriate action against any United Nations Protection Force personnel or units suspected of participating in illegal or improper activities, such as black marketeering, embezzlement, expropriation of property, and assaults on civilians.

(d) PEACEKEEPING OPERATIONS.—There are authorized to be appropriated for ''Peacekeeping Operations'', $68,260,000 for the fiscal year 1996 and $68,260,000 for the fiscal year 1997 for the Department of State to carry out section 551 of Public Law 87–195.

(e) INTERNATIONAL CONFERENCES AND CONTINGENCIES.—

(1) GENERAL PROVISION.—There are authorized to be appropriated for ''International Conferences and Contingencies'', $5,000,000 for the fiscal year 1996 and $6,000,000 for the fiscal year 1997 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to international conferences and contingencies and to carry out other authorities in law consistent with such purposes.

(2) CONDITIONAL AUTHORITY.—

(A) Subject to subparagraph (B), in addition to such amounts as are authorized to be appropriated under paragraph (1), there is authorized to be appropriated for ''International Conferences and Contingencies'', $1,000,000 for the fiscal year 1996 for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States with respect to international conferences and contingencies and to carry out other authorities in law consistent with such purposes.

(B) The authorization of appropriations under subparagraph (A) shall take effect only after the Secretary of State certifies to the appropriate congressional committees with respect to any United Nations Fourth Conference on Women that is held in Beijing that—

(i) no funds of the Department of State were expended for travel by any United States official or delegate to the Fourth World Conference on Women, to be held in Beijing, August and September 1995, or

(ii)(I) that the United States vigorously urged the United Nations to grant accreditation to a wide range of nongovernmental organizations, including United States-based groups representing Taiwanese and Tibetan women, in accordance with relevant international standards and precedents;

(II) that the United States pressed the Government of China to issue visas equitably to representatives of accredited nongovernmental organizations;

(III) that the United States encouraged the Government of China and the United Nations to provide the accredited nongovernmental organizations with access to the main conference site that is substantially equivalent in manner and degree to access afforded at previous major United Nations conferences;

(IV) that the United States delegation to the Fourth World Conference on Women vigorously and publicly supported access by representatives of accredited nongovernmental organizations to the conference, especially with respect to United States nongovernmental organizations;

(V) that the United States delegation to the Fourth World Conference on Women vigorously promoted universal respect for internationally recognized human rights, including the rights of women; and

(VI) that, if the goals of subparagraphs (I), (II), or (III) were not fully accomplished, the United States issued a formal, public, protest to the United Nations for such a departure from accepted international standards.

(f) FOREIGN CURRENCY EXCHANGE RATES.—In addition to amounts otherwise authorized to be appropriated by subsections (a) and (b) of this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 1996 and 1997 to offset adverse fluctuations in foreign currency exchange rates. Amounts appropriated under this subsection shall be available for obligation and expenditure only to the extent that the Director of the Office of Management and Budget determines and certifies to Congress that such amounts are necessary due to such fluctuations.

SEC. 2103. INTERNATIONAL COMMISSIONS.

The following amounts are authorized to be appropriated under ''International Commissions'' for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law:

(1) INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO.—For ''International Boundary and Water Commission, United States and Mexico''—

(A) for ''Salaries and Expenses'' $13,858,000 for the fiscal year 1996 and $12,472,000 for the fiscal year 1997; and

(B) for ''Construction'' $10,393,000 for the fiscal year 1996 and $9,353,000 for the fiscal year 1997.

(2) INTERNATIONAL BOUNDARY COMMISSION, UNITED STATES AND CANADA.—For ''International Boundary Commission, United States and Canada'', $740,000 for the fiscal year 1996 and $666,000 for the fiscal year 1997.

(3) INTERNATIONAL JOINT COMMISSION.—For ''International Joint Commission'', $3,500,000 for the fiscal year 1996 and $3,195,000 for the fiscal year 1997.

(4) INTERNATIONAL FISHERIES COMMISSIONS.—For ''International Fisheries Commissions'', $14,669,000 for the fiscal year 1996 and $13,202,000 for the fiscal year 1997.

SEC. 2104. MIGRATION AND REFUGEE ASSISTANCE.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) MIGRATION AND REFUGEE ASSISTANCE.—

(A) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for ''Migration and Refugee Assistance'' for authorized activities, $560,000,000 for the fiscal year 1996 and $590,000,000 for the fiscal year 1997.

(B) LIMITATION.—None of the funds authorized to be appropriated by this section are authorized to be appropriated for salaries and administrative expenses of the Bureau of Migration and Refugee Assistance.

(2) REFUGEES RESETTLING IN ISRAEL.—There are authorized to be appropriated $80,000,000 for the fiscal year 1996 and $80,000,000 for the fiscal year 1997 for assistance for refugees resettling in Israel from other countries.

(3) HUMANITARIAN ASSISTANCE FOR DISPLACED BURMESE.—There are authorized to be appropriated $1,500,000 for the fiscal year 1996 and $1,500,000 for the fiscal year 1997 for humanitarian assistance, including but not limited to food, medicine, clothing, and medical and vocational training to persons displaced as a result of civil conflict in Burma, including persons still within Burma.

(4) RESETTLEMENT OF VIETNAMESE, LAOTIANS, AND CAMBODIANS.—There are authorized to be appropriated $30,000,000 for fiscal year 1996 for the admission and resettlement of persons who—

(A) are or were nationals and residents of Vietnam, Laos, or Cambodia;

(B) are within a category of aliens referred to in section 599D(b)(2)(C) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101–167); and

(C) are or were at any time after January 1, 1989, residents of refugee camps in Hong Kong, Thailand, Indonesia, Malaysia, or the Philippines.

(b) GENERAL LIMITATIONS.—None of the funds authorized to be appropriated by subsection (a) are authorized to be available for any program or activity that provides for, promotes, or assists in the repatriation of any person to Vietnam, Laos, or Cambodia, unless the President has certified that—

(1) all persons described in subsection (a)(4) who were residents of refugee camps as of July 1, 1995, have been offered resettlement outside their countries of nationality;

(2) all nationals of Vietnam, Laos, or Cambodia who were residents of refugee camps as of July 1, 1995, who are not persons described in subsection (a)(4) have, at any time after such date, either had access to a process for the determination of whether they are refugees, or been offered resettlement outside their countries of nationality; and

(3) the process referred to in paragraph (2) is genuinely calculated to determine whether each applicant is a refugee, and that the procedures, standards, and personnel employed in such process ensure that the risk of return to persecution is no greater than in the process available under United States law to persons physically present in the United States.

(c) AVAILABILITY OF FUNDS.—Funds appropriated pursuant to subsection (a) are authorized to be available until expended.

(d) REFUGEE CAMP DEFINED.—For the purposes of this section, the term ''refugee camp'' means any place in which people who left Vietnam, Cambodia, or Laos are housed or held by a government or international organization, regardless of the designation of such place by such government or organization.

SEC. 2105. CERTAIN OTHER INTERNATIONAL AFFAIRS PROGRAMS.

The following amounts are authorized to be appropriated for the Department of State to carry out the authorities, functions, duties, and responsibilities in the conduct of the foreign affairs of the United States and for other purposes authorized by law:

(1) ASIA FOUNDATION.—For ''Asia Foundation'', $10,000,000 for the fiscal year 1996 and $9,000,000 for the fiscal year 1997.

SEC. 2106. UNITED STATES INFORMATIONAL, EDUCATIONAL, AND CULTURAL PROGRAMS.

The following amounts are authorized to be appropriated to carry out international information activities and educational and cultural exchange programs under the United States Information and Educational Exchange Act of 1948, the Mutual Educational and Cultural Exchange Act of 1961, Reorganization Plan Number 2 of 1977, the United States International Broadcasting Act of 1994, the Radio Broadcasting to Cuba Act, the Television Broadcasting to Cuba Act, the Board for International Broadcasting Act, the Inspector General Act of 1978, the North/South Center Act of 1991, the National Endowment for Democracy Act, and to carry out other authorities in law consistent with such purposes:

(1) SALARIES AND EXPENSES.—For ''Salaries and Expenses'', $450,645,000 for the fiscal year 1996 and $428,080,000 for the fiscal year 1997.

(2) TECHNOLOGY FUND.—For ''Technology Fund'' for the United States Information Agency, $5,050,000 for the fiscal year 1996 and $5,050,000 for the fiscal year 1997.

(3) EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS.—

(A) FULBRIGHT ACADEMIC EXCHANGE PROGRAMS.—For the ''Fulbright Academic Exchange Programs'', $117,484,200 for the fiscal year 1996 and $113,680,800 for the fiscal year 1997.

(B) SOUTH PACIFIC EXCHANGES.—For the ''South Pacific Exchanges'', $900,000 for the fiscal year 1996 and $900,000 for the fiscal year 1997.

(C) EAST TIMORESE SCHOLARSHIPS.—For the ''East Timorese Scholarships'', $800,000 for the fiscal year 1996 and $800,000 for the fiscal year 1997.

(D) CAMBODIAN SCHOLARSHIPS.—For the ''Cambodian Scholarships'', $141,000 for the fiscal year 1996 and $141,000 for the fiscal year 1997.

(E) TIBETAN EXCHANGES.—For the ''Educational and Cultural Exchanges with Tibet'' under section 236 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236), $500,000 for the fiscal year 1996 and $500,000 for the fiscal year 1997.

(F) OTHER PROGRAMS.—For ''Hubert H. Humphrey Fellowship Program'', ''Edmund S. Muskie Fellowship Program'', ''International Visitors Program'', ''Mike Mansfield Fellowship Program'', ''Claude and Mildred Pepper Scholarship Program of the Washington Workshops Foundation'', ''Citizen Exchange Programs'', ''Congress-Bundestag Exchange Program'', ''Newly Independent States and Eastern Europe Training'', ''Institute for Representative Government'', and ''Arts America'', $87,265,800 for the fiscal year 1996 and $87,341,400 for the fiscal year 1997.

(4) INTERNATIONAL BROADCASTING ACTIVITIES.—

(A) AUTHORIZATION OF APPROPRIATIONS.—For ''International Broadcasting Activities'', $321,191,000 for the fiscal year 1996, and $286,191,000 for the fiscal year 1997.

(B) LIMITATION.—Of the amounts authorized to be appropriated under subparagraph (A) $3,000,000 for fiscal year 1996 and $3,000,000 for fiscal year 1997 are authorized to be appropriated only to carry out the Pilot Project for Freedom Broadcasting to Asia authorized by section 2443.

(C) VOICE OF AMERICA FARSI SERVICE.—Of the amounts authorized to be appropriated under subparagraph (A) $1,873,521 for the fiscal year 1996 and $1,873,521 for the fiscal year 1997 are authorized to be appropriated only to carry out the Voice of America Farsi Service.

(5) RADIO CONSTRUCTION.—For ''Radio Construction'', $75,164,000 for the fiscal year 1996, and $67,647,000 for the fiscal year 1997.

(6) RADIO FREE ASIA.—For ''Radio Free Asia'', $10,000,000 for the fiscal year 1996 and $10,000,000 for the fiscal year 1997.

(7) BROADCASTING TO CUBA.—For ''Broadcasting to Cuba'', $24,809,000 for the fiscal year 1996 and $24,809,000 for the fiscal year 1997.

(8) OFFICE OF THE INSPECTOR GENERAL.—For ''Office of the Inspector General'', $4,300,000 for the fiscal year 1996 and $3,870,000 for the fiscal year 1997.

(9) CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST.—For ''Center for Cultural and Technical Interchange between East and West'', $15,000,000 for the fiscal year 1996 and $10,000,000 for the fiscal year 1997.

(10) NATIONAL ENDOWMENT FOR DEMOCRACY—For ''National Endowment for Democracy'', $34,000,000 for the fiscal year 1996 and $34,000,000 for the fiscal year 1997.

(11) CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN NORTH AND SOUTH.—For ''Center for Cultural and Technical Interchange between North and South'' $4,000,000 for the fiscal year 1996 and $3,000,000 for the fiscal year 1997.

SEC. 2107. UNITED STATES ARMS CONTROL AND DISARMAMENT.

There are authorized to be appropriated to carry out the purposes of the Arms Control and Disarmament Act—

(1) $44,000,000 for the fiscal year 1996 and $40,500,000 for the fiscal year 1997; and

(2) such sums as may be necessary for each of the fiscal years 1996 and 1997 for increases in salary, pay, retirement, other employee benefits authorized by law, and to offset adverse fluctuations in foreign currency exchange rates.

TITLE XXII—DEPARTMENT OF STATE AUTHORITIES AND ACTIVITIES

CHAPTER 1—AUTHORITIES AND ACTIVITIES

SEC. 2201. REVISION OF DEPARTMENT OF STATE REWARDS PROGRAM.

(a) IN GENERAL.—Section 36 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2708) is amended to read as follows:

"SEC. 36. DEPARTMENT OF STATE REWARDS PROGRAM.

''(a) ESTABLISHMENT.—(1) There is established a program for the payment of rewards to carry out the purposes of this section.

''(2) The rewards program established by this section shall be administered by the Secretary of State, in consultation, where appropriate, with the Attorney General.

''(b) PURPOSE.—(1) The rewards program established by this section shall be designed to assist in the prevention of acts of international terrorism, international narcotics trafficking, and other related criminal acts.

''(2) The Secretary of State may pay a reward to any individual who furnishes information leading to—

''(A) the arrest or conviction in any country of any individual for the commission of an act of international terrorism against a United States person or United States property;

''(B) the arrest or conviction in any country of any individual conspiring or attempting to commit an act of international terrorism against a United States person or United States property;

''(C) the arrest or conviction in any country of any individual for committing, primarily outside the territorial jurisdiction of the United States, any narcotics-related offense if that offense involves or is a significant part of conduct that involves—

''(i) a violation of United States narcotics laws and which is such that the individual would be a major violator of such laws; or

''(ii) the killing or kidnapping of—

''(I) any officer, employee, or contract employee of the United States Government while such individual is engaged in official duties, or on account of that individual's official duties, in connection with the enforcement of United States narcotics laws or the implementing of United States narcotics control objectives; or

''(II) a member of the immediate family of any such individual on account of that individual's official duties, in connection with the enforcement of United States narcotics laws or the implementing of United States narcotics control objectives; or

''(iii) an attempt or conspiracy to commit any of the acts described in clause (i) or (ii); or

''(D) the arrest or conviction in any country of any individual aiding or abetting in the commission of an act described in subparagraphs (A) through (C); or

''(E) the prevention, frustration, or favorable resolution of an act described in subparagraphs (A) through (C).

''(c) COORDINATION.—(1) To ensure that the payment of rewards pursuant to this section does not duplicate or interfere with the payment of informants or the obtaining of evidence or information, as authorized to the Department of Justice, the offering, administration, and payment of rewards under this section, including procedures for—

''(A) identifying individuals, organizations, and offenses with respect to which rewards will be offered;

''(B) the publication of rewards;

''(C) offering of joint rewards with foreign governments;

''(D) the receipt and analysis of data; and

''(E) the payment and approval of payment,

shall be governed by procedures developed by the Secretary of State, in consultation with the Attorney General.

''(2) Before making a reward under this section in a matter over which there is Federal criminal jurisdiction, the Secretary of State shall advise and consult with the Attorney General.

''(d) FUNDING.—(1) There is authorized to be appropriated to the Department of State from time to time such amounts as may be necessary to carry out the purposes of this section, notwithstanding section 102 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (Public Law 99–93).

''(2) No amount of funds may be appropriated which, when added to the amounts previously appropriated but not yet obligated, would cause such amounts to exceed $15,000,000.

''(3) To the maximum extent practicable, funds made available to carry out this section should be distributed equally for the purpose of preventing acts of international terrorism and for the purpose of preventing international narcotics trafficking.

''(4) Amounts appropriated to carry out the purposes of this section shall remain available until expended.

''(e) ADDITIONAL FUNDING.—(1) In extraordinary circumstances and when it is important to the national security of the United States, the Secretary of State may use fees collected for processing machine readable nonimmigrant visas and machine readable combined border crossing identification cards and nonimmigrant visas pursuant to section 140 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236; 8 U.S.C. 1351 note) to carry out the purposes of this section, subject to the limitation contained in subsection (d)(2).

''(2) The authority contained in paragraph (1) may be used only if the Secretary notifies the appropriate congressional committees 15 days in advance in accordance with regular reprogramming procedures. Such notification shall contain a detailed justification of the circumstances necessitating the use of such fees for the purposes of this section.

''(f)— LIMITATION AND CERTIFICATION.—(1) A reward under this section may not exceed $2,000,000.

''(2) A reward under this section of more than $100,000 may not be made without the approval of the President or the Secretary of State.

''(3) Any reward granted under this section shall be approved and certified for payment by the Secretary of State.

''(4) The authority of paragraph (2) may not be delegated to any other officer or employee of the United States Government.

''(5) If the Secretary determines that the identity of the recipient of a reward or of the members of the recipient's immediate family must be protected, the Secretary may take such measures in connection with the payment of the reward as he considers necessary to effect such protection.

''(g) INELIGIBILITY.—An officer or employee of any governmental entity who, while in the performance of his or her official duties, furnishes information described in subsection (b) shall not be eligible for a reward under this section.

''(h) REPORTS.—(1) Not later than 30 days after paying any reward under this section, the Secretary of State shall submit a report to the appropriate congressional committees with respect to such reward. The report, which may be submitted on a classified basis if necessary, shall specify the amount of the reward paid, to whom the reward was paid, and the acts with respect to which the reward was paid. The report shall also discuss the significance of the information for which the reward was paid in dealing with those acts.

''(2) Not later than 60 days after the end of each fiscal year, the Secretary of State shall submit an annual report to the appropriate congressional committees with respect to the operation of the rewards program authorized by this section. Such report shall provide information on the total amounts expended during such fiscal year to carry out the purposes of this section, including amounts spent to publicize the availability of rewards. Such report shall also include information on all requests for the payment of rewards under this section, including the reasons for the denial of any such requests.

''(i) DEFINITIONS.—As used in this section—

''(1) the term 'appropriate congressional committees' means the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate;

''(2) the term 'act of international terrorism' includes, but is not limited to—

''(A) any act substantially contributing to the acquisition of unsafeguarded special nuclear material (as defined in section 830(8) of the Nuclear Proliferation Prevention Act of 1994) or any nuclear explosive device (as defined in section 830(4) of that Act) by an individual, group, or non-nuclear weapon state (as defined in section 830(5) of that Act); and

''(B) any act, as determined by the Secretary of State, which materially supports the conduct of international terrorism, including the counterfeiting of United States currency or the illegal use of other monetary instruments by an individual, group, or country supporting international terrorism as determined for purposes of section 6(j) of the Export Administration Act of 1979;

''(3) the term 'United States narcotics laws' means the laws of the United States for the prevention and control of illicit traffic in controlled substances (as such term is defined for purposes of the Controlled Substances Act); and

''(4) the term 'member of the immediate family' includes—

''(A) a spouse, parent, brother, sister, or child of the individual;

''(B) a person to whom the individual stands in loco parentis; and

''(C) any other person living in the individual's household and related to the individual by blood or marriage.''.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the Secretary of State should pursue additional means of funding the program established by section 36 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2708), including the authority to seize and dispose of assets used in the commission of any offense under sections 1028, 1541 through 1544, and 1546 of title 18, United States Code, and to retain the proceeds derived from the disposition of such assets, or to participate in asset sharing programs conducted by the Department of Justice, to carry out the purposes of section 36 of that Act.

SEC. 2202. AUTHORITIES OF SECRETARY OF STATE.

Section 203(4) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 4303(4)) is amended in the third sentence by striking ''should'' both places it appears and inserting ''shall''.

SEC. 2203. BUYING POWER MAINTENANCE ACCOUNT.

Section 24(b)(7) of the State Department Basic Authorities Act of 1956 (22 U.S.C.

2696(b)(7)) is amended by striking subparagraph (D).

SEC. 2204. EXPENSES RELATING TO CERTAIN INTERNATIONAL CLAIMS AND PROCEEDINGS.

(a) RECOVERY OF CERTAIN EXPENSES.—The Department of State Appropriation Act, 1937 (49 Stat. 1321, 22 U.S.C. 2661, as amended by section 142(b) of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (Public Law 100–204)) is amended in the fifth undesignated paragraph under the heading entitled ''INTERNATIONAL FISHERIES COMMISSION'' by striking ''extraordinary''.

(b) PROCUREMENT OF SERVICES.—Section 38(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2710(c)) is amended in the first sentence by inserting ''personal and'' before ''other support services''.

SEC. 2205. CONSOLIDATION OF UNITED STATES DIPLOMATIC MISSIONS AND CONSULAR POSTS.

(a) CONSOLIDATION PLAN.—The Secretary of State shall develop a worldwide plan for the consolidation, wherever practicable, on a regional or areawide basis, of United States missions and consular posts abroad.

(b) CONTENTS OF PLAN.—The plan shall—

(1) identify specific United States diplomatic missions and consular posts for consolidation;

(2) identify those missions and posts at which the resident ambassador would also be accredited to other specified states in which the United States either maintained no resident official presence or maintained such a presence only at staff level; and

(3) provide an estimate of—

(A) the amount by which expenditures would be reduced through the reduction in the number of United States Government personnel assigned abroad;

(B) the reduction in the costs of maintaining United States properties abroad; and

(C) the amount of revenues generated to the United States through the sale or other disposition of United States properties associated with the posts to be consolidated abroad.

(c) TRANSMITTAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of State shall transmit a copy of the plan to the appropriate congressional committees.

SEC. 2206. DENIAL OF PASSPORTS TO NONCUSTODIAL PARENTS SUBJECT TO STATE ARREST WARRANTS IN CASES OF NONPAYMENT OF CHILD SUPPORT.

The Secretary of State is authorized to refuse to issue a passport or to revoke, restrict, or limit a passport in any case in which the Secretary of State determines or is informed by competent authority that the applicant or passport holder is a noncustodial parent who is the subject of an outstanding State warrant of arrest for nonpayment of child support, where the amount in controversy is not less than $10,000.

SEC. 2207. CAPITAL INVESTMENT FUND.

Section 135 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 2684a) is amended—

(1) in subsection (a) by inserting ''and enhancement'' after ''procurement'';

(2) in subsection (c) by striking ''are authorized to'' and inserting ''shall'';

(3) in subsection (d) by striking ''for expenditure to procure capital equipment and information technology'' and inserting in lieu thereof ''for purposes of subsection (a)''; and

(4) by amending subsection (e) to read as follows:

''(e) REPROGRAMMING PROCEDURES.—Funds credited to the Capital Investment Fund shall not be available for obligation or expenditure except in compliance with the procedures applicable to reprogrammings under section 34 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2710).''.

SEC. 2208. EFFICIENCY IN PROCUREMENT.

(a) IN GENERAL.—To the maximum extent practicable, United States Government agencies performing functions at diplomatic and consular posts abroad shall avoid duplicative acquisition actions.

(b) AUTHORITY.—Notwithstanding any other provision of law, a contract awarded in accordance with the Competition in Contracting Act by an agency of the United States Government performing functions at diplomatic and consular posts abroad may be amended without competition to permit other such United States Government agencies to obtain goods or services under such contract, if unit prices are not increased as a result of any such amendment.

SEC. 2209. TRAINING.

Section 701 of the Foreign Service Act of 1980 (22 U.S.C. 4021) is amended—

(1) by redesignating subsection (d)(4) as subsection (g); and

(2) by inserting after subsection (d) the following new subsections:

''(e)(1) The Secretary of State is authorized to provide appropriate training through the institution to employees of any United States company engaged in business abroad, and to the families of such employees, when such training is in the national interest of the United States.

''(2) In the case of any company under contract to provide services to the Department of State, the Secretary of State is authorized to provide job-related training to any company employee who is performing such services.

''(3) Training under this subsection shall be on a reimbursable or advance-of-funds basis. Such reimbursements or advances shall be credited to the currently applicable appropriation account.

''(4) Training under this subsection is authorized only to the extent that it will not interfere with the institution's primary mission of training employees of the Department and of other agencies in the field of foreign relations.

''(f)(1) The Secretary of State is authorized to provide on a reimbursable basis foreign language training programs to Members of Congress and officers and employees of Congress.

''(2) Reimbursements under this subsection, to the extent practicable, should be equivalent to the rate of reimbursement charged other agencies of the United States Government for comparable training.

''(3) Reimbursements collected under this subsection shall be credited to the currently available applicable appropriation account.

''(4) Training under this subsection is authorized only to the extent that it will not interfere with the institution's primary mission of training employees of the Department and of other agencies in the field of foreign relations.''.

SEC. 2210. LEASE-PURCHASE AGREEMENTS.

Whenever the Department of State enters into lease-purchase agreements involving property in foreign countries pursuant to section 1 of the Foreign Service Buildings Act (22 U.S.C. 292), budget authority shall be scored on an annual basis over the period of the lease in an amount equal to the annual lease payments.

CHAPTER 2—CONSULAR AUTHORITIES OF THE DEPARTMENT OF STATE

SEC. 2231. SURCHARGE FOR PROCESSING CERTAIN MACHINE READABLE VISAS.

Section 140(a) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103—236) is amended—

(1) by striking paragraphs (2) and (3) and inserting the following:

''(2) For fiscal years 1996 and 1997, not more than $250,000,000 in fees collected under the authority of paragraph (1) shall be deposited as an offsetting collection to any Department of State appropriation to recover the costs of the Department of State's border security program, including the costs of—

''(1) installation and operation of the machine readable visa and automated name-check process;

''(2) improving the quality and security of the United States passport;

''(3) passport and visa fraud investigations; and

''(4) the technological infrastructure to support and operate the programs referred to in paragraphs (1) through (3).

Such fees shall remain available for obligation until expended.

''(3) For any fiscal year, fees collected under the authority of paragraph (1) in excess of the amount specified for such fiscal year under paragraph (2) shall be deposited in the general fund of the Treasury as miscellaneous receipts.''; and

(2) by striking paragraph (5).

SEC. 2232. FINGERPRINT CHECK REQUIREMENT.

Section 140 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103-236; 8 U.S.C. 1182 note) as amended by section 505 of the Department of State and Related Agencies Appropriation Act, Fiscal Year 1995 (Public Law 103-317) is amended by adding at the end the following:

''(h) FINGERPRINT CHECK REQUIREMENT.—If a visa applicant is determined to have a criminal history record under subsection (d)(1), has been physically present in the United States, and is more than 16 years of age, the applicant shall provide a fingerprint record for submission with the application, at no cost to the Department of State. The Department of State shall submit such fingerprint record to the Federal Bureau of Investigation for analysis to determine whether the applicant has been convicted of a felony under State or Federal law in the United States.''.

SEC. 2233. USE OF CERTAIN PASSPORT PROCESSING FEES FOR ENHANCED PASSPORT SERVICES.

For each of the fiscal years 1996 and 1997, of the fees collected for expedited passport processing and deposited to an offsetting collection pursuant to the Department of State and Related Agencies Appropriations Act for Fiscal Year 1995 (Public Law 103—317; 22 U.S.C. 214), 10 percent shall be available only for enhancing passport services for United States citizens, improving the integrity and efficiency of the passport issuance process, improving the secure nature of the United States passport, investigating passport fraud, and deterring entry into the United States by terrorists, drug traffickers, or other criminals.

SEC. 2234. CONSULAR OFFICERS.

(a) PERSONS AUTHORIZED TO ISSUE REPORTS OF BIRTH ABROAD.—Section 33 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2705) is amended in paragraph (2) by inserting ''(or any United States citizen employee of the Department of State designated by the Secretary of State to adjudicate nationality abroad pursuant to such regulations as the Secretary may prescribe)'' after ''consular officer''.

(b) PROVISIONS APPLICABLE TO CONSULAR OFFICERS.—Section 31 of the Act of August 18, 1856 (Rev. Stat. 1689, 22 U.S.C. 4191), is amended by inserting ''and to such other United States citizen employees of the Department of State as may be designated by the Secretary of State pursuant to such regulations as the Secretary may prescribe'' after ''such officers''.

CHAPTER 3—REFUGEES AND MIGRATION

SEC. 2251. UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND.

(a) LIMITATION ON TRANSFERS FROM EMERGENCY FUND.—Section 2(c) of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601(c)) is amended by adding after paragraph (3) the following:

''(4) Notwithstanding any other provision of this Act, the President shall notify the appropriate congressional committees not less than 15 days before transferring or otherwise making available amounts from the United States Emergency Refugee and Migration Assistance Fund under paragraph (1).''.

(b) NOTIFICATION OF EXPENDITURES FROM FUND.—Section 2(d) of the Migration and Refugee Assistance Act of 1962 (22 U.S.C. 2601(c)) is amended to read as follows:

''(d)(1) Except as provided in paragraph (2), and notwithstanding any other provision of this Act, the President shall notify the appropriate congressional committees at least 15 days in advance of the obligation or expenditure of sums from the United States Emergency Refugee and Migration Assistance Fund under subsection (c).

''(2) Notwithstanding the notification requirement of paragraph (1), the President may obligate and expend sums from the United States Emergency Refugee and Migration Assistance Fund if the President determines, and promptly certifies to the appropriate congressional committees, that unforseen emergency circumstances require the immediate obligation of sums from such fund. Any such certification shall fully inform such committees of the amount and use of such sums from the Fund.

''(3) For purposes of this section, the term 'appropriate congressional committees' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.''.

SEC. 2252. PERSECUTION FOR RESISTANCE TO COERCIVE POPULATION CONTROL METHODS.

Section 101(a)(42) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(42)) is amended by adding at the end the following: ''For purposes of determinations under this Act, a person who has been forced to abort a pregnancy or to undergo involuntary sterilization, or who has been persecuted for failure or refusal to undergo such a procedure or for other resistance to a coercive population control program, shall be deemed to have been persecuted on account of political opinion, and a person who has a well founded fear that he or she will be forced to undergo such a procedure or subjected to persecution for such failure, refusal, or resistance shall be deemed to have a well founded fear of persecution on account of political opinion.''.

SEC. 2253. REPORT TO CONGRESS CONCERNING CUBAN EMIGRATION POLICIES.

Beginning 3 months after the date of the enactment of this Act and every subsequent 6 months, the President shall transmit a report to the appropriate congressional committees concerning the methods employed by the Government of Cuba to enforce the United States—Cuba agreement of September 1994 to restrict the emigration of the Cuban people from Cuba to the United States, and the treatment by the Government of Cuba of persons who have been returned to Cuba pursuant to the United States—Cuba agreement of May 1995. Each report transmitted pursuant to this section shall include a detailed account of United States efforts to monitor such enforcement and treatment.

SEC. 2254. UNITED STATES POLICY REGARDING THE INVOLUNTARY RETURN OF REFUGEES.

(a) IN GENERAL.—No funds authorized to be appropriated by this Act shall be available to involuntarily return any person to a country in which the person has a well founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion, or promote or assist such involuntary return.

(b) INVOLUNTARILY RETURN DEFINED—As used in this section, the term ''involuntarily return'' means to take action by which it is reasonably foreseeable that a person will be required to return to a country against the person's will, regardless of whether such return is induced by physical force and regardless of whether the person is physically present in the United States.

SEC. 2255. EXTENSION OF CERTAIN ADJUDICATION PROVISIONS.

The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101—167) is amended—

(1) in section 599D (8 U.S.C. 1157 note)—

(A) in subsection (b)(3), by striking ''and 1996'' and inserting ''1996, and 1997''; and

(B) in subsection (e), by striking out ''October 1, 1996'' each place it appears and inserting ''October 1, 1997''; and

(2) in section 599E (8 U.S.C. 1255 note) in subsection (b)(2), by striking out ''September 30, 1996'' and inserting ''September 30, 1997''.

TITLE XXIII—ORGANIZATION OF THE DEPARTMENT OF STATE; DEPARTMENT OF STATE PERSONNEL; THE FOREIGN SERVICE

CHAPTER 1—ORGANIZATION OF THE DEPARTMENT OF STATE

SEC. 2301. COORDINATOR FOR COUNTERTERRORISM.

(a) ESTABLISHMENT.—Section 1(e) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(e)) is amended—

(1) by striking ''In'' and inserting the following:

''(1) In''; and

(2) by inserting at the end the following:

''(2) COORDINATOR FOR COUNTERTERRORISM.—

''(A) There shall be within the office of the Secretary of State a Coordinator for Counterterrorism (hereafter in this paragraph referred to as the 'Coordinator') who shall be appointed by the President, by and with the advice and consent of the Senate.

''(B)(i) The Coordinator shall perform such duties and exercise such power as the Secretary of State shall prescribe.

''(ii) The principal duty of the Coordinator shall be the overall supervision (including policy oversight of resources) of international counterterrorism activities. The Coordinator shall be the principal advisor to the Secretary of State on international counterterrorism matters. The Coordinator shall be the principal counterterrorism official within the senior management of the Department of State and shall report directly to the Secretary of State.

''(C) The Coordinator shall have the rank and status of Ambassador-at-Large. The Coordinator shall be compensated at the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5314 of title 5, United States Code, or, if the Coordinator is appointed from the Foreign Service, the annual rate of pay which the individual last received under the Foreign Service Schedule, whichever is greater.

''(D) For purposes of diplomatic protocol among officers of the Department of State, the Coordinator shall take precedence after the Secretary of State, the Deputy Secretary of State, and the Under Secretaries of State and shall take precedence among the Assistant Secretaries of State in the order prescribed by the Secretary of State.''.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Section 161 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (P.L. 103-236) is amended by striking subsection (e).

(c) TRANSITION PROVISION.—The individual serving as Coordinator for Counterterrorism of the Department of State on the day before the effective date of this division may continue to serve in that position.

SEC. 2302. SPECIAL ENVOY FOR TIBET.

(a) FINDINGS.—The Congress makes the following findings:

(1) The Government of the People's Republic of China withholds meaningful participation in the governance of Tibet from Tibetans and has failed to abide by its own constitutional guarantee of autonomy for Tibetans.

(2) The Government of the People's Republic of China is responsible for the destruction of much of Tibet's cultural and religious heritage since 1959 and continues to threaten the survival of Tibetan culture and religion.

(3) The Government of the People's Republic of China, through direct and indirect incentives, has established discriminatory development programs which have resulted in an overwhelming flow of Chinese immigrants into Tibet, including those areas incorporated into the Chinese provinces of Sichuan, Yunnan, Gansu, and Quinghai in recent years, and have excluded Tibetans from participation in important policy decisions, further threatening traditional Tibetan life.

(4) The Government of the People's Republic of China denies Tibetans their fundamental human rights, as reported in the Department of State's Country Reports on Human Rights Practices for 1995.

(5) The President and the Congress have determined that the promotion of human rights in Tibet and the protection of Tibet's religion and culture are important elements in United States-China relations and have urged senior members of the Government of the People's Republic of China to enter into substantive negotiations on these matters with the Dalai Lama or his representative.

(6) The Dalai Lama has repeatedly stated his willingness to begin substantive negotiations without preconditions.

(7) The Government of the People's Republic of China has failed to respond in a good faith manner by reciprocating a willingness to begin negotiations without preconditions, and no substantive negotiations have begun.

(b) UNITED STATES SPECIAL ENVOY FOR TIBET.—Section 1(e) of the State Department Basic Authorities Act (U.S.C. 2651a(e)) is amended by adding after paragraph (2) the following new paragraph:

''(3) UNITED STATES SPECIAL ENVOY FOR TIBET.—

''(A) There shall be within the Department of State a United States Special Envoy for Tibet, who shall be appointed by the President, by and with the advice and consent of the Senate. The United States Special Envoy for Tibet shall hold office at the pleasure of the President.

''(B) The United States Special Envoy for Tibet shall have the personal rank of ambassador.

''(C) The United States Special Envoy for Tibet is authorized and encouraged—

''(i) to promote substantive negotiations between the Dalai Lama or his representatives and senior members of the Government of the People's Republic of China;

''(ii) to promote good relations between the Dalai Lama and his representatives and the United States Government, including meeting with members or representatives of the Tibetan government-in-exile; and

''(iii) to travel regularly throughout Tibet and Tibetan refugee settlements.

''(D) The United States Special Envoy for Tibet shall—

''(i) consult with the Congress on policies relevant to Tibet and the future and welfare of all Tibetan people;

''(ii) coordinate United States Government policies, programs, and projects concerning Tibet; and

''(iii) report to the Secretary of State regarding the matters described in section 536(a)(2) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236).''.

SEC. 2303. ESTABLISHMENT OF COORDINATOR FOR HUMAN RIGHTS AND REFUGEES, BUREAU OF REFUGEE AND MIGRATION ASSISTANCE, AND BUREAU OF DEMOCRACY, HUMAN RIGHTS, AND LABOR.

(a) ESTABLISHMENT OF COORDINATOR FOR HUMAN RIGHTS AND REFUGEES.—

Section 1(e) of the State Department Basic Authorities Act (22 U.S.C. 2651a(e)) is amended by adding after paragraph (3) the following new paragraph:

''(4) COORDINATOR FOR HUMAN RIGHTS AND REFUGEES.—

''(A) There shall be within the office of the Secretary of State a Coordinator for Human Rights and Refugees (hereafter in this paragraph referred to as the 'Coordinator') who shall be appointed by the President, by and with the advice and consent of the Senate. The Coordinator shall report directly to the Secretary of State.

''(B) The Coordinator shall be responsible for matters pertaining to human rights, refugees, and humanitarian affairs (including matters relating to prisoners of war and members of the United States Armed Forces missing in action) in the conduct of foreign policy. The Coordinator shall head the Bureau of Refugee and Migration Assistance and the Bureau of Democracy, Human Rights, and Labor.

''(C) The Coordinator shall have the rank and status of Ambassador-at-Large. The Coordinator shall be compensated at the annual rate of basic pay in effect for a position at level IV of the Executive Schedule under section 5314 of title 5, United States Code, or, if the Coordinator is appointed from the Foreign Service, the annual rate of pay which the individual last received under the Foreign Service Schedule, whichever is greater.

''(D) For purposes of diplomatic protocol among officers of the Department of State, the Coordinator shall take precedence after the Secretary of State, the Deputy Secretary of State, and the Under Secretaries of State and shall take precedence among the Assistant Secretaries of State in the order prescribed by the Secretary of State.''.

(b) TERMINATION OF ASSISTANT SECRETARY OF STATE FOR DEMOCRACY, HUMAN RIGHTS, AND LABOR.—

(1) IN GENERAL.—Section 1(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(c)) is amended by striking paragraph (2).

(2) CONFORMING AMENDMENTS.—The Foreign Assistance Act of 1961 is amended—

(A) in section 116(c) (22 U.S.C. 2151n), by striking ''Assistant Secretary of State for Democracy, Human Rights, and Labor'' and inserting ''Secretary'';

(B) in sections 502B, 502B, and 505(g)(4)(A) by striking '', prepared with the assistance of the Assistant Secretary of State for Democracy, Human Rights, and Labor,''; and

(C) in section 573(c) by striking ''Assistant Secretary of State for Democracy, Human Rights, and Labor'' and inserting ''Secretary of State''.

(c) ESTABLISHMENT OF BUREAU OF REFUGEE AND MIGRATION ASSISTANCE AND BUREAU OF DEMOCRACY, HUMAN RIGHTS, AND LABOR.—Section 1 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a) is amended by adding after subsection (e) the following new subsection:

''(f) ESTABLISHMENT OF CERTAIN BUREAUS, OFFICES, AND OTHER ORGANIZATIONAL ENTITIES WITHIN THE DEPARTMENT OF STATE.—

''(1) BUREAU OF REFUGEE AND MIGRATION ASSISTANCE.—There is established within the Department of State the Bureau of Refugee and Migration Assistance which shall assist the Secretary of State in carrying out the Migration and Refugee Assistance Act of 1962. The Bureau shall be headed by the Coordinator for Human Rights and Refugees.

''(2) BUREAU OF DEMOCRACY, HUMAN RIGHTS, AND LABOR.—There is established within the Department of State the Bureau of Democracy, Human Rights, and Labor. The Bureau shall be headed by the Coordinator for Human Rights and Refugees. The Bureau shall continuously observe and review all matters pertaining to human rights and humanitarian affairs (including matters relating to prisoners of war and members of the United States Armed Forces missing in action) in the conduct of foreign policy including the following:

''(A) Gathering detailed information regarding humanitarian affairs and the observance of and respect for internationally recognized human rights in each country to which the requirements of section 116 and 502B of the Foreign Assistance Act of 1961 are relevant.

''(B) Preparing the statements and reports to Congress required under section 502B of the Foreign Assistance Act of 1961.

''(C) Making recommendations to the Secretary of State regarding compliance with sections 116 and 502B of the Foreign Assistance Act of 1961, and as part of the Bureau's overall policy responsibility for the creation of United States Government human rights policy, advising the Secretary on the policy framework under which section 116(e) projects are developed and consulting with the Secretary on the selection and implementation of such projects.

''(D) Performing other responsibilities which serve to promote increased observance of internationally recognized human rights by all countries.''.

SEC. 2304. ELIMINATION OF STATUTORY ESTABLISHMENT OF CERTAIN POSITIONS OF THE DEPARTMENT OF STATE.

(a) ASSISTANT SECRETARY OF STATE FOR SOUTH ASIAN AFFAIRS.—Section 122 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2652b) is repealed.

(b) DEPUTY ASSISTANT SECRETARY OF STATE FOR BURDENSHARING.—Section 161 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (22 U.S.C. 2651a note) is amended by striking subsection (f).

(c) ASSISTANT SECRETARY FOR OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS.—Section 9 of the Department of State Appropriations Authorization Act of 1973 (22 U.S.C. 2655a) is repealed.

SEC. 2305. ESTABLISHMENT OF ASSISTANT SECRETARY OF STATE FOR HUMAN RESOURCES.

Section 1(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2651a(c)) is amended by adding after paragraph (1) the following new paragraph:

''(2) ASSISTANT SECRETARY FOR HUMAN RESOURCES.—There shall be in the Department of State an Assistant Secretary for Human Resources who shall be responsible to the Secretary of State for matters relating to human resources including the implementation of personnel policies and programs within the Department of State and international affairs functions and activities carried out through the Department of State. The Assistant Secretary shall have substantial professional qualifications in the field of human resource policy and management.''.

SEC. 2306. AUTHORITY OF UNITED STATES PERMANENT REPRESENTATIVE TO THE UNITED NATIONS.

Section 2(a) of the United Nations Participation Act of 1945 (22 U.S.C. 287(a)) is amended by striking ''hold office at the pleasure of the President'' and inserting ''serve at the pleasure of the President and subject to the direction of the Secretary of State''.

CHAPTER 2—PERSONNEL OF THE DEPARTMENT OF STATE; THE FOREIGN SERVICE

SEC. 2351. AUTHORIZED STRENGTH OF THE FOREIGN SERVICE.

(a) END FISCAL YEAR 1996 LEVELS.—The number of members of the Foreign Service authorized to be employed as of September 30, 1996—

(1) for the Department of State, shall not exceed 9,000, of whom not more than 720 shall be members of the Senior Foreign Service;

(2) for the United States Information Agency, shall not exceed 1,150, of whom not more than 165 shall be members of the Senior Foreign Service; and

(3) for the Agency for International Development, not to exceed 1,800, of whom not more than 240 shall be members of the Senior Foreign Service.

(b) END FISCAL YEAR 1997 LEVELS.—The number of members of the Foreign Service authorized to be employed as of September 30, 1997—

(1) for the Department of State, shall not exceed 8,800, of whom not more than 680 shall be members of the Senior Foreign Service;

(2) for the United States Information Agency, not to exceed 1,100 of whom not more than 160 shall be members of the Senior Foreign Service; and

(3) for the Agency for International Development, not to exceed 1,775 of whom not more than 230 shall be members of the Senior Foreign Service.

(c) DEFINITION.—For the purposes of this section, the term ''members of the Foreign Service'' is used within the meaning of such term under section 103 of the Foreign Service Act of 1980 (22 U.S.C 3903), except that such term does not include—

(1) members of the Service under paragraphs (6) and (7) of such section;

(2) members of the Service serving under temporary resident appointments abroad;

(3) members of the Service employed on less than a full-time basis;

(4) members of the Service subject to involuntary separation in cases in which such separation has been suspended pursuant to section 1106(8) of the Foreign Service Act of 1980; and

(5) members of the Service serving under non-career limited appointments.

(d) WAIVER AUTHORITY.—(1) Subject to paragraph (2), the President may waive any limitation under subsection (a) or (b) to the extent that such waiver is necessary to carry on the foreign affairs functions of the United States.

(2) Not less than 15 days before the President exercises a waiver under paragraph (1), such agency head shall notify the Chairman of the Committee on Foreign Relations of the Senate and the Chairman of the Committee on International Relations of the House of Representatives. Such notice shall include an explanation of the circumstances and necessity for such waiver.

SEC. 2352. REPEAL OF AUTHORITY FOR SENIOR FOREIGN SERVICE PERFORMANCE PAY.

(a) REPEAL.—Section 405 of the Foreign Service Act of 1980 (22 U.S.C. 3965) is repealed.

(b) CONFORMING AMENDMENT.—Section 2 of the Foreign Service Act of 1980 is amended in the table of contents by striking the item related to section 405.

SEC. 2353. RECOVERY OF COSTS OF HEALTH CARE SERVICES.

(a) AUTHORITIES.—Section 904 of the Foreign Service Act of 1980 (22 U.S.C. 4084) is amended—

(1) in subsection (a) by—

(A) striking ''and'' before ''members of the families of such members and employees''; and

(B) by inserting immediately before the period '', and for care provided abroad) such other persons as are designated by the Secretary of State, except that such persons shall be considered persons other than covered beneficiaries for purposes of subsections (g) and (h)'';

(2) in subsection (d) by inserting '', subject to the provisions of subsections (g) and (h)'' after ''treatment''; and

(3) by adding the following new subsections:

''(g)(1) In the case of a person who is a covered beneficiary, the Secretary of State is authorized to collect from a third-party payer the reasonable costs incurred by the Department of State on behalf of such person for health care services to the same extent that the covered beneficiary would be eligible to receive reimbursement or indemnification from the third-party payer for such costs.

''(2) If the insurance policy, plan, contract, or similar agreement of that third-party payer includes a requirement for a deductible or copayment by the beneficiary of the plan, then the Secretary of State may collect from the third-party payer only the reasonable costs of the care provided less the deductible or copayment amount.

''(3) A covered beneficiary shall not be required to pay any deductible or copayment for health care services under this subsection.

''(4) No provision of any insurance, medical service, or health plan contract or agreement having the effect of excluding from coverage or limiting payment of charges for care in the following circumstances shall operate to prevent collection by the Secretary of State under paragraph (1)—

''(A) care provided directly or indirectly by a governmental entity;

''(B) care provided to an individual who has not paid a required deductible or copayment; or

''(C) care provided by a provider with which the third-party payer has no participation agreement.

''(5) No law of any State, or of any political subdivision of a State, and no provision of any contract or agreement shall operate to prevent or hinder recovery or collection by the United States under this section.

''(6) As to the authority provided in paragraph (1) of this subsection—

''(A) the United States shall be subrogated to any right or claim that the covered beneficiary may have against a third-party payer;

''(B) the United States may institute and prosecute legal proceedings against a third-party payer to enforce a right of the United States under this subsection; and

''(C) the Secretary may compromise, settle, or waive a claim of the United States under this subsection.

''(7) The Secretary shall prescribe regulations for the administration of this subsection and subsection (h). Such regulations shall provide for computation of the reasonable cost of health care services.

''(8) Regulations prescribed under this subsection shall provide that medical records of a covered beneficiary receiving health care under this subsection shall be made available for inspection and review by representatives of the payer from which collection by the United States is sought for the sole purpose of permitting the third party to verify—

''(A) that the care or services for which recovery or collection is sought were furnished to the covered beneficiary; and

''(B) that the provisions of such care or services to the covered beneficiary meets criteria generally applicable under the health plan contract involved, except that this paragraph shall be subject to the provisions of paragraphs (2) and (4).

''(9) Amounts collected under this subsection or under subsection (h) from a third-party payer or from any other payer shall be deposited as an offsetting collection to any Department of State appropriation and shall remain available until expended.

''(10) For purposes of this section—

''(A) the term 'covered beneficiary' means an individual eligible to receive health care under this section whose health care costs are to be paid by a third-party payer under a contractual agreement with such payer;

''(B) the term 'services', as used in 'health care services' includes products; and

''(C) the term 'third-party payer' means an entity that provides a fee-for-service insurance policy, contract, or similar agreement through the Federal Employees Health Benefit program, under which the expenses of health care services for individuals are paid.

''(h) In the case of a person, other than a covered beneficiary, who receives health care services pursuant to this section, the Secretary of State is authorized to collect from such person the reasonable costs of health care services incurred by the Department of State on behalf of such person. The United States shall have the same rights against persons subject to the provisions of this subsection as against third-party payers covered by subsection (g).''.

(b) EFFECTIVE DATE.—Subsection (a) shall take effect October 1, 1996.

TITLE XXIV—UNITED STATES PUBLIC DIPLOMACY: AUTHORITIES AND ACTIVITIES FOR UNITED STATES INFORMATIONAL, EDUCATIONAL, AND CULTURAL PROGRAMS

CHAPTER 1—GENERAL PROVISIONS

SEC. 2401. ELIMINATION OF PERMANENT AUTHORIZATION.

Section 208 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 is amended by striking subsection (e).

SEC. 2402. EXTENSION OF AU PAIR PROGRAMS.

Section 8 of the Eisenhower Exchange Fellowship Act of 1990 (Public Law 101–454) is amended in the last sentence by striking ''fiscal year 1995'' and inserting ''fiscal year 1997''.

SEC. 2403. EDUCATIONAL AND CULTURAL EXCHANGES WITH HONG KONG.

The Director of the United States Information Agency shall conduct programs of educational and cultural exchange between the United States and the people of Hong Kong.

SEC. 2404. CONDUCT OF CERTAIN EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS IN ASIA.

In carrying out programs of educational and cultural exchange in Hong Kong, China, Vietnam, Cambodia, Tibet, Burma, and East Timor, the Director of the United States Information Agency shall take appropriate steps to provide opportunities for participation in such programs to human rights and democracy leaders of such countries and persons who are nationals but not residents of such countries.

SEC. 2405. EDUCATIONAL AND CULTURAL EXCHANGES AND SCHOLARSHIPS FOR TIBETANS AND BURMESE.

(a) ESTABLISHMENT OF EDUCATIONAL AND CULTURAL EXCHANGE FOR TIBETANS.—The Director of the United States Information Agency shall establish programs of educational and cultural exchange between the United States and the people of Tibet. Such programs shall include opportunities for training and, as the Director considers appropriate, may include the assignment of personnel and resources abroad.

(b) SCHOLARSHIPS FOR TIBETANS AND BURMESE.—

(1) For each of the fiscal years 1996 and 1997, at least 30 scholarships shall be made available to Tibetan students and professionals who are outside Tibet, and at least 15 scholarships shall be made available to Burmese students and professionals who are outside Burma.

(2) WAIVER.—Paragraph (1) shall not apply to the extent that the Director of the United States Information Agency determines that there are not enough qualified students to fulfill such allocation requirement.

(3) SCHOLARSHIP DEFINED.—For the purposes of this section, the term ''scholarship'' means an amount to be used for full or partial support of tuition and fees to attend an educational institution, and may include fees, books, and supplies, equipment required for courses at an educational institution, living expenses at a United States educational institution, and travel expenses to and from, and within, the United States.

SEC. 2406. AVAILABILITY OF VOICE OF AMERICA AND RADIO MARTI MULTILINGUAL COMPUTER READABLE TEXT AND VOICE RECORDINGS.

(a) IN GENERAL.—Notwithstanding section 208 of the Foreign Relations Authorization Act, Fiscal Years 1986 and 1987 (22 U.S.C. 1461–1a) and the second sentence of section 501 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1461), the Director of the United States Information Agency is authorized to make available, upon request, to the Linguistic Data Consortium of the University of Pennsylvania computer readable multilingual text and recorded speech in various languages. The Consortium shall, directly or indirectly as appropriate, reimburse the Director for any expenses involved in making such materials available.

(b) TERMINATION.—Subsection (a) shall cease to have effect 5 years after the date of the enactment of this Act.

SEC. 2407. RETENTION OF INTEREST.

Notwithstanding any other provision of law, with the approval of the National Endowment for Democracy, grant funds made available by the National Endowment for Democracy may be deposited in interest-bearing accounts pending disbursement and any interest which accrues may be retained by the grantee and used for the purposes for which the grant was made.

SEC. 2408. USIA OFFICE IN PRISTINA, KOSOVA.

(a) ESTABLISHMENT OF OFFICE.—The Director of the United States Information Agency shall seek to establish an office in Pristina, Kosova, for the following purposes:

(1) Disseminating information about the United States.

(2) Promoting discussions on human rights, democracy, rule of law, and conflict resolution.

(3) Facilitating United States private sector involvement in educational and cultural activities in Kosova.

(4) Advising the United States Government with respect to public opinion in Kosova.

(b) REPORT TO CONGRESS.—Not later than April 1 of each year until subsection (a) has been fully implemented, the Director of the United States Information Agency shall submit a detailed report on developments relating to the implementation of subsection (a) to the appropriate congressional committees.

CHAPTER 2—INTERNATIONAL BROADCASTING

SEC. 2431. EXPANSION OF BROADCASTING BOARD OF GOVERNORS.

Section 304(b) of the United States International Broadcasting Act of 1994 (22 U.S.C. 6203) is amended—

(1) in paragraph (1) by striking ''9'' and inserting ''11'';

(2) in paragraph (1)(A) by striking ''8'' and inserting ''10''; and

(3) in paragraph (3) by striking ''4'' and inserting ''5''.

SEC. 2432. PLAN FOR RADIO FREE ASIA.

Section 309(c) of the United States International Broadcasting Act (22 U.S.C. 6208(c)) is amended to read as follows:

''(c) SUBMISSION OF PLAN.—Not later than 90 days after the date of the enactment of the Foreign Relations Authorization Act, Fiscal Years 1996 and 1997, the Director of the United States Information Agency shall submit to the Congress a detailed plan for the establishment and operation of Radio Free Asia in accordance with this section. Such plan shall include the following:

''(1) A description of the manner in which Radio Free Asia would meet the funding limitations provided in subsection (d)(4).

''(2) A description of the numbers and qualifications of employees it proposes to hire.

''(3) How it proposes to meet the technical requirements for carrying out its responsibilities under this section.''.

SEC. 2433. PILOT PROJECT FOR FREEDOM BROADCASTING TO ASIA.

(a) AUTHORITY.—The Director of the United States Information Agency shall make grants for broadcasting to the People's Republic of China, Burma, Cambodia, Laos, North Korea, Tibet, and Vietnam. Such broadcasting shall provide accurate and timely information, news, and commentary about events in the respective countries of Asia and elsewhere, and shall be a forum for a variety of opinions and voices from within Asian nations whose people do not fully enjoy freedom of expression.

(b) PURPOSE.—The purpose of such grants shall be to provide such broadcasting on an interim basis during the period before Radio Free Asia becomes fully operational.

(c) APPLICATIONS.—In considering applications for grants, the Director of the United States Information Agency shall give strong preference to entities which (1) take advantage of the expertise of political and religious dissidents and pro-democracy and human rights activists from within the countries to whom broadcasting is directed, including exiles from these countries; and (2) take advantage of contracts or similar arrangements with existing broadcast facilities so as to provide immediate broadcast coverage with low overhead.

(d) PLAN.—Not later than 30 days after the date of the enactment of this Act, the Director of the United States Information Agency shall submit to the appropriate congressional committees a plan for implementing this section which shall include details concerning timetable for implementation, grant criteria, and grant application procedures. The procedures and timetable should be designed to ensure that grantees will begin broadcasting not later than 120 days after the date of the enactment of this Act.

TITLE XXV—INTERNATIONAL ORGANIZATIONS AND COMMISSIONS

CHAPTER 1—GENERAL PROVISIONS

SEC. 2501. INTERNATIONAL BOUNDARY AND WATER COMMISSION.

The Act of May 13, 1924 (49 Stat. 660, 22 U.S.C. 277–277f), is amended in section 3 (22 U.S.C. 277b) by adding at the end the following new subsection:

''(d) Pursuant to the authority of subsection (a) and in order to facilitate further compliance with the terms of the Convention for Equitable Distribution of the Waters of the Rio Grande, May 21, 1906, United States-Mexico, the Secretary of State, acting through the United States Commissioner of the International Boundary and Water Commission, may make improvements to the Rio Grande Canalization Project, originally authorized by the Act of August 29, 1935 (49 Stat. 961). Such improvements may include all such works as may be needed to stabilize the Rio Grande in the reach between the Percha Diversion Dam in New Mexico and the American Diversion Dam in El Paso.''.

CHAPTER 2—UNITED NATIONS AND AFFILIATED AGENCIES AND ORGANIZATIONS

SEC. 2521. REFORM IN BUDGET DECISIONMAKING PROCEDURES OF THE UNITED NATIONS AND ITS SPECIALIZED AGENCIES.

(a) ASSESSED CONTRIBUTIONS.—Of amounts authorized to be appropriated for ''Assessed Contributions to International Organizations'' by this Act, the President may withhold 20 percent of the funds appropriated for the United States assessed contribution to the United Nations or to any of its specialized agencies for any calendar year if the United Nations or any such agency has failed to implement or to continue to implement consensus-based decisionmaking procedures on budgetary matters which assure that sufficient attention is paid to the views of the United States and other member states that are the major financial contributors to such assessed budgets.

(b) NOTICE TO CONGRESS.—The President shall notify the Congress when a decision is made to withhold any share of the United States assessed contribution to the United Nations or its specialized agencies pursuant to subsection (a) and shall notify the Congress when the decision is made to pay any previously withheld assessed contribution. A notification under this subsection shall include appropriate consultation between the President (or the President's representative) and the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

(c) CONTRIBUTIONS FOR PRIOR YEARS.—Subject to the availability of appropriations, payment of assessed contributions for prior years may be made to the United Nations or any of its specialized agencies notwithstanding subsection (a) if such payment would further United States interests in that organization.

(d) REPORT TO CONGRESS.—Not later than February 1 of each year, the President shall submit to the appropriate congressional committees a report concerning the amount of United States assessed contributions paid to the United Nations and each of its specialized agencies during the preceding calendar year.

SEC. 2522. LIMITATION ON CONTRIBUTIONS TO THE UNITED NATIONS OR UNITED NATIONS AFFILIATED ORGANIZATIONS.

The United States shall not make any voluntary or assessed contribution—

(1) to any affiliated organization of the United Nations which grants full membership as a state to any organization or group that does not have the internationally recognized attributes of statehood, or

(2) to the United Nations, if the United Nations grants full membership as a state in the United Nations to any organization or group that does not have the internationally recognized attributes of statehood,

during any period in which such membership is effective.

SEC. 2523. REPORT ON UNICEF.

Not later than December 31, 1995, the Secretary of State shall transmit to the appropriate congressional committees a report on (1) the progress of UNICEF toward effective financial, program, and personnel management; (2) the progress of UNICEF in shifting its health, child survival, and maternal survival programs toward efficient and low-overhead contractors, with particular emphasis on nongovernmental organizations; and (3) the extent to which UNICEF has demonstrated its commitment to its traditional mission of child health and welfare and resisted pressure to become involved in functions performed by other United Nations agencies.

SEC. 2524. UNITED NATIONS BUDGETARY AND MANAGEMENT REFORM.

(a) IN GENERAL.—The United Nations Participation Act of 1945 (22 U.S.C. 287 et seq.) is amended by adding at the end the following new section:

''SEC. 10. (a) WITHHOLDING OF CONTRIBUTIONS RELATED TO THE ROLE OF THE INSPECTOR GENERAL OF THE UNITED NATIONS.—

''(1) ASSESSED CONTRIBUTIONS FOR REGULAR UNITED NATIONS BUDGET.—For fiscal year 1996 and for each subsequent fiscal year, 20 percent of the amount of funds made available for that fiscal year for United States assessed contributions for the regular United Nations budget shall be withheld from obligation and expenditure unless a certification for that fiscal year has been made under subsection (b).

''(2) ASSESSED CONTRIBUTIONS FOR UNITED NATIONS PEACEKEEPING.—For fiscal year 1996 and for each subsequent fiscal year, 50 percent of the amount of funds made available for that fiscal year for United States assessed contributions for United Nations peacekeeping activities shall be withheld from obligation and expenditure unless a certification for that fiscal year has been made under subsection (b).

''(3) VOLUNTARY CONTRIBUTIONS FOR UNITED NATIONS PEACEKEEPING.—For fiscal year 1996 and for each subsequent fiscal year, the United States may not pay any voluntary contribution to the United Nations for international peacekeeping activities unless a certification for that fiscal year has been made under subsection (b).

''(b) CERTIFICATION.—The certification referred to in subsection (a) for any fiscal year is a certification by the President to the Congress, submitted on or after the beginning of that fiscal year, of each of the following:

''(1) The United Nations has an independent office of Inspector General to conduct and supervise objective audits, inspections, and investigations relating to programs and operations of the United Nations.

''(2) The United Nations has an Inspector General who was appointed by the Secretary General with the approval of the General Assembly and whose appointment was made principally on the basis of the appointee's integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigation.

''(3) The Inspector General is authorized to—

''(A) make investigations and reports relating to the administration of the programs and operations of the United Nations;

''(B) have access to all records, documents, and other available materials relating to those programs and operations;

''(C) have direct and prompt access to any official of the United Nations; and

''(D) have access to all records and officials of the specialized agencies of the United Nations.

''(4) The United Nations has fully implemented, and made available to all member states, procedures that effectively protect the identity of, and prevent reprisals against, any staff member of the United Nations making a complaint or disclosing information to, or cooperating in any investigation or inspection by, the United Nations Inspector General.

''(5) The United Nations has fully implemented procedures that ensure compliance with recommendations of the United Nations Inspector General.

''(6) The United Nations has required the United Nations Inspector General to issue an annual report and has ensured that the annual report and all other reports of the Inspector General are made available to the General Assembly without modification.

''(7) The United Nations has provided, and is committed to providing, sufficient budgetary resources to ensure the effective operation of the United Nations Inspector General.''.

(b) WITHHOLDING OF CONTRIBUTIONS RELATED TO CONTRACTING OF THE UNITED NATIONS.—The United Nations Participation Act of 1945 (22 U.S.C. 287 et seq.) is further amended by adding at the end the following new section:

''SEC. 11. (a) WITHHOLDING OF CONTRIBUTIONS RELATED TO TIMELY NOTICE OF CONTRACT OPPORTUNITIES AND CONTRACT AWARDS.—

''(1) WITHHOLDING OF ASSESSED CONTRIBUTIONS FOR REGULAR UNITED NATIONS BUDGET.—For fiscal year 1997 and for each subsequent fiscal year, 10 percent of the amount of funds made available for that fiscal year for United States assessed contributions for the regular United Nations budget shall be withheld from obligation and expenditure unless a certification for that fiscal year has been made under paragraph (2).

''(2) CERTIFICATION.—The certification referred to in paragraph (1) for any fiscal year is a certification by the President to the Congress, submitted on or after the beginning of that fiscal year, that the United Nations has implemented a system requiring (A) prior notification for the submission of all qualified bid proposals on all United Nations procurement opportunities over $100,000 and (B) a public announcement of the award of any contract over $100,000. To the extent practicable, notifications shall be made in the Commerce Business Daily.

''(b) WITHHOLDING OF CONTRIBUTIONS RELATED TO DISCRIMINATION AGAINST COMPANIES WHICH CHALLENGE CONTRACT AWARDS.—

''(1) WITHHOLDING OF ASSESSED CONTRIBUTIONS FOR REGULAR UNITED NATIONS BUDGET.—For fiscal year 1997 and for each subsequent fiscal year, 10 percent of the amount of funds made available for that fiscal year for United States assessed contributions for the regular United Nations budget shall be withheld from obligation and expenditure unless a certification for that fiscal year has been made under paragraph (2).

''(2) CERTIFICATION.—The certification referred to in paragraph (1) for any fiscal year is a certification by the President to the Congress, submitted on or after the beginning of that fiscal year, that the procurement regulations of the United Nations prohibit punitive actions such as the suspension of contract eligibility for contractors who challenge contract awards or complain about delayed payments.

''(c) WITHHOLDING OF CONTRIBUTIONS RELATED TO ESTABLISHMENT OF A UNITED NATIONS CONTRACT REVIEW PROCESS.—

''(1) WITHHOLDING OF ASSESSED CONTRIBUTIONS FOR REGULAR UNITED NATIONS BUDGET.—For fiscal year 1998 and for each subsequent fiscal year, 10 percent of the amount of funds made available for that fiscal year for United States assessed contributions for the regular United Nations budget shall be withheld from obligation and expenditure unless a certification for that fiscal year has been made under paragraph (2).

''(2) CERTIFICATION.—The certification referred to in paragraph (1) for any fiscal year is a certification by the President to the Congress, submitted on or after the beginning of that fiscal year, that the United Nations has established a contract review process for contracts over $100,000 and a process to assure unsuccessful bidders a timely opportunity to challenge awards for contracts over $100,000 such bidders consider to have been made improperly.''.

(c) PROCUREMENT INFORMATION.—Section 4(d) of the United Nations Participation Act of 1945 (22 U.S.C. 287b(d)), as amended by section 407 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103-236) is amended in paragraph (2)(B) by inserting before the period '', including local procurement contracts''.

TITLE XXVI—FOREIGN POLICY PROVISIONS

CHAPTER 1—MISCELLANEOUS FOREIGN POLICY PROVISIONS

SEC. 2601. TAIWAN RELATIONS ACT.

(a) APPLICABILITY.—Section 3 of the Taiwan Relations Act (22 U.S.C. 3302) is amended by adding at the end the following new subsection:

''(d) The provisions of subsections (a) and (b) supersede any provision of the Joint Communique of the United States and China of August 17, 1982.''.

(b) VISITS TO THE UNITED STATES BY OFFICIALS OF THE GOVERNMENT OF THE REPUBLIC OF CHINA ON TAIWAN.—Section 4 of the Taiwan Relations Act (22 U.S.C. 3303) is amended by adding at the end the following new subsection:

''(e) The Congress finds and declares that there are no legitimate foreign policy grounds for preventing members of the government chosen by the people of Taiwan from making private visits to the United States. Accordingly, notwithstanding any other provision of law, no official of the government of the Republic of China on Taiwan may be excluded from the United States on the basis of a determination by the Secretary of State that the entry or proposed activities in the United States of such individual would have potentially serious adverse foreign policy consequences for the United States.''.

SEC. 2602. BOSNIA GENOCIDE JUSTICE ACT.

(a) SHORT TITLE.—This section may be cited as the ''Bosnia Genocide Justice Act''.

(b) POLICY.—

(1) IN GENERAL.—Consistent with international law, it is the policy of the United States to bring to justice persons responsible for genocide, war crimes, crimes against humanity and other serious violations of international humanitarian law committed in the territory of the former Yugoslavia since 1991.

(2) SENSE OF CONGRESS.—The Congress urges the President—

(A) to collect or assist appropriate organizations and individuals to collect relevant data on these crimes committed in the former Yugoslavia;

(B) to share such data with the War Crimes Tribunal for the former Yugoslavia established by the Security Council of the United Nations;

(C) to assist United Nations efforts to investigate, prosecute, and try those responsible for genocide, war crimes, crimes against humanity and other serious violations of international humanitarian law committed in the territory of the former Yugoslavia since 1991;

(D) to submit to the Congress implementing legislation to enable compliance with requests and orders of the tribunal; and

(E) to support the ongoing work of the Tribunal through adequate financial contributions to the United Nations Voluntary Fund for the War Crimes Tribunal for the former Yugoslavia for 1996 and 1997.

(c) REPORTING REQUIREMENT.—Beginning 6 months after the date of enactment of this Act, and every 6 months thereafter during fiscal years 1996 and 1997, the President shall submit a report describing the steps taken to implement the provisions of this section to the appropriate congressional committees.

SEC. 2603. EXPANSION OF COMMISSION ON SECURITY AND COOPERATION IN EUROPE.

Section 3(a) of the Act entitled ''An Act to establish a Commission on Security and Cooperation in Europe'', approved June 3, 1976 (22 U.S.C. 3003) is amended—

(1) in subsection (a) by striking ''twenty-one'' and inserting ''twenty-nine''; and

(2) by striking paragraphs (1) and (2) and inserting the following:

''(1) Thirteen Members of the House of Representatives appointed by the Speaker of the House of Representatives. Seven Members shall be selected from the majority party and six Members shall be selected, after consulation with the minority leader of the House, from the minority party.

''(2) Thirteen Members of the Senate appointed by the President of the Senate. Seven Members shall be selected from the majority party of the Senate, after consultation with the majority leader, and six Members shall be selected, after consultation with the minority leader of the Senate, from the minority party.''.

CHAPTER 2—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 DIALOGUE WITH THE REPUBLIC OF KOREA

SEC. 2641. FINDINGS.

The Congress makes the following findings:

(1) The United States-Democratic People's Republic of Korea Agreed Framework (hereafter in this chapter referred to as the ''Agreed Framework''), entered into on October 21, 1994, between the United States and North Korea, requires North Korea to stop and eventually dismantle its graphite-moderated nuclear reactor program and related facilities, and comply fully with its obligations under the Treaty on the Non-Proliferation of Nuclear Weapons, in exchange for alternative energy sources, including interim supplies of heavy fuel oil for electric generators and more proliferation-resistant light water reactor technology.

(2) The Agreed Framework also commits North Korea to ''consistently take steps to implement the North-South Joint Declaration on the Denuclearization of the Korean Peninsula'' and ''engage in North-South'' dialogue with the Republic of Korea.

(3) The Agreed Framework does not indicate specific criteria for full normalization of relations between the United States and North Korea, and does not link the sequencing of actions in the Agreed Framework with any time-frame for carrying out the provisions of the North-South Joint Declaration on the Denuclearization of the Korean Peninsula and carrying out the dialogue between North Korea and the Republic of Korea.

(4) The commitment by North Korea to carry out the letter and spirit of the Agreed Framework has been put into doubt by actions of North Korea since October 21, 1994,

including the suspected diversion of United States heavy fuel oil in apparent contravention of the agreed purpose of the interim fuel deliveries, the refusal to accept light water reactors from the Republic of Korea, the harsh denunciations of the Government of the Republic of Korea, and other actions contrary to the commitment by North Korea to engage in a dialogue with such Government, and the continued conduct of provocative, offensive oriented military exercises.

(5) The nuclear threat posed by North Korea is just one of a number of security concerns of the United States arising out of the policies of North Korea.

SEC. 2642. CLARIFICATION OF NUCLEAR NONPROLIFERATION OBLIGATIONS OF NORTH KOREA UNDER THE AGREED FRAMEWORK.

It is the sense of the Congress that in discussions or negotiations with the Government of North Korea pursuant to the implementation of the United States-Democratic People's Republic of Korea Agreed Framework entered into on October 21, 1994, the President should uphold the following minimum conditions relating to nuclear nonproliferation:

(1) All spent fuel from the graphite-moderated nuclear reactors and related facilities of North Korea should be removed from the territory of North Korea as is consistent with the Agreed Framework.

(2) The International Atomic Energy Agency should have the freedom to conduct any and all inspections that it deems necessary to fully account for the stocks of plutonium and other nuclear materials in North Korea, including special inspections of suspected nuclear waste sites, before any nuclear components controlled by the Nuclear Supplier Group Guidelines are delivered for a light water reactor for North Korea.

(3) The dismantlement of all declared graphite-based nuclear reactors and related facilities in North Korea, including reprocessing units, should be completed in accordance with the Agreed Framework and in a manner that effectively bars in perpetuity any reactivation of such reactors and facilities.

(4) The United States should suspend actions described in the Agreed Framework if North Korea reloads its existing 5 megawatt nuclear reactor or resumes construction of nuclear facilities other than those permitted to be built under the Agreed Framework.

SEC. 2643. ROLE OF THE REPUBLIC OF KOREA UNDER THE AGREED FRAMEWORK.

It is further the sense of the Congress that the Republic of Korea should play the central role in the project to provide light water reactors to North Korea under the Agreed Framework.

SEC. 2644. FURTHER STEPS TO PROMOTE UNITED STATES SECURITY AND POLITICAL INTERESTS WITH RESPECT TO NORTH KOREA.

It is further the sense of the Congress that, after the date of the enactment of this Act, the President should not take further steps toward upgrading diplomatic relations with North Korea beyond opening liaison offices or relaxing trade and investment barriers imposed against North Korea without—

(1) action by the Government of North Korea to engage in a North-South dialogue with the Government of the Republic of Korea;

(2) significant progress toward implementation of the North-South Joint Declaration on the Denuclearization of the Korean Peninsula; and

(3) progress toward the achievement of several long-standing United States policy objectives regarding North Korea and the Korean Peninsula, including—

(A) reducing the number of military forces of North Korea along the Demilitarized Zone and relocating such military forces away from the Demilitarized Zone;

(B) prohibiting any movement by North Korea toward the deployment of an intermediate range ballistic missile system; and

(C) prohibiting the export by North Korea of missiles and other weapons of mass destruction, including related technology and components.

SEC. 2645. RESTRICTIONS ON ASSISTANCE TO NORTH KOREA AND THE KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION.

Chapter 1 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2370 et seq.) is amended by adding at the end the following new section:

"SEC. 620G. ASSISTANCE TO NORTH KOREA AND THE KOREAN PENINSULA ENERGY DEVELOPMENT ORGANIZATION.

''No assistance may be provided under this Act or any other provision of law to North Korea or the Korean Peninsula Energy Development Organization unless—

''(1) such assistance is provided in accordance with all requirements, limitations, and procedures otherwise applicable to the provision of such assistance for such purposes; and

''(2) the President—

''(A) notifies the congressional committees specified in section 634A(a) of this Act prior to the obligation of such assistance in accordance with the procedures applicable to reprogramming notifications under that section, irrespective of the amount of the proposed obligation of such assistance; and

''(B) determines and reports to such committees that the provision of such assistance is vital to the national interests of the United States.''.

(b) EFFECTIVE DATE.—Section 620G of the Foreign Assistance Act of 1961, as added by subsection (a), applies with respect to assistance provided to North Korea or the Korean Peninsula Energy Development Organization on or after the date of the enactment of this Act.

CHAPTER 3—BURMA

SEC. 2651. UNITED STATES POLICY CONCERNING THE DICTATORSHIP IN BURMA.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that the President should take steps to encourage the United Nations Security Council to—

(1) impose an international arms embargo on Burma;

(2) affirm support for human rights and the protection of all Karen, Karenni, and other minorities in Burma;

(3) condemn Burmese officials responsible for crimes against humanity;

(4) take steps to encourage multilateral assistance programs for refugees from Burma in Thailand and India; and

(5) reduce United Nations activities in Burma, including UNDP (United Nations Development Program), UNICEF (United Nations Children's Fund), UNFPA (United Nations Family Planning Agency), World Health Organization (WHO), Food and Agriculture Organization (FAO), and UNIDCP (United Nations International Drug Control Program) activities.

(b) REDUCTION IN DIPLOMATIC PRESENCE.—It is the sense of the Congress that the President should reduce the diplomatic presence of the United States in Burma by reducing the total number of the members of the Foreign Service stationed in Burma on the date of enactment of this Act.

CHAPTER 4—TORTURE

SEC. 2661. DEFINITIONS.

(a) TORTURE.—As used in this chapter, the term ''torture'' means any act by which severe pain or suffering, whether physical or mental, is intentionally inflicted on a person for such purposes as obtaining from the person or a third person information or a confession, punishing the person for an act the person or a third person has committed or is suspected of having committed, or intimidating or coercing the person or a third person, or for any reason based on discrimination of any kind, when such pain or suffering is inflicted by, at the instigation of, or with the consent or acquiescence of a public official or other person acting in an official capacity. It does not include pain or suffering arising only from, inherent in, or incidental to lawful sanctions.

(b) SUBSTANTIAL GROUNDS FOR BELIEVING.—As used in this chapter, the term ''substantial grounds for believing'' means substantial evidence.

(c) IN DANGER OF BEING SUBJECTED TO TORTURE.—As used in this chapter, the term ''in danger of being subjected to torture'' means circumstances in which a reasonable person would fear subjection to torture.

(d) INVOLUNTARILY RETURN.—As used in this chapter, the term ''involuntarily return'' means to take action by which it is reasonably foreseeable that a person will be required to return to a country against the person's will, regardless of whether such return is induced by physical force and regardless of whether the person is physically present in the United States.

SEC. 2662. UNITED STATES POLICY WITH RESPECT TO THE INVOLUNTARY RETURN OF PERSONS SUBJECTED TO TORTURE.

No funds authorized to be appropriated by this Act are authorized to be available to expel, extradite, or otherwise involuntarily return a person to a country in which there are substantial grounds for believing the person would be in danger of being subjected to torture, or to support, promote, or assist such involuntary return.

TITLE XXVII—CONGRESSIONAL STATEMENTS

SEC. 2701. INTER-AMERICAN ORGANIZATIONS.

Taking into consideration the long-term commitment by the United States to the affairs of this Hemisphere and the need to build further upon the linkages between the United States and its neighbors, the Secretary of State, in allocating the level of resources for international organizations, should pay particular attention to funding levels of the Inter-American organizations.

SEC. 2702. TERRITORIAL INTEGRITY OF BOSNIA AND HERZEGOVINA.

(a) FINDINGS.—The Congress makes the following findings:

(1) The sovereign and independent state of Bosnia-Herzegovina was formally recognized by the United States of America on April 7, 1992.

(2) The sovereign and independent state of Bosnia-Herzegovina was admitted as a full participating State of the Conference on Security and Cooperation in Europe on April 30, 1992.

(3) The sovereign and independent state of Bosnia-Herzegovina was admitted as a Member state of the United Nations on May 22, 1992.

(4) The United States has declared its determination to respect and put into practice the Declaration on Principles Guiding Relations between Participating States contained in the Final Act of the Conference on Security and Cooperation in Europe.

(5) Each of the principles has been violated during the course of war in Bosnia-Herzegovina: sovereign equality and respect for the rights inherent in sovereignty, refraining from the threat or use of force; inviolability of frontiers; territorial integrity of States; peaceful settlement of disputes; nonintervention in internal affairs; respect for human rights and fundamental freedoms,

including the freedom of thought, conscience, religion or belief; equal rights and self-determination of peoples; cooperation among States; and fulfillment in good faith of obligations under international law.

(6) Principle II of the Final Act commits the participating States to ''refrain from any manifestation of force for the purpose of inducing another participating State to renounce the full exercise of its sovereign rights''.

(7) Principle III of the Final Act commits the participating States to ''refrain from any demand for, or act of, seizure and usurpation of part or all of the territory of any participating State''.

(8) Principle IV of the Final Act commits the participating States to ''respect the territorial integrity of each of the participating States'' and ''refrain from any action inconsistent with the purposes and principles of the Charter of the United Nations against the territorial integrity, political independence or the unity of any participating State''.

(9) The Charter of Paris for a New Europe commits the participating States ''to cooperate in defending democratic institutions against activities which violate the independence, sovereign equality, or territorial integrity of the participating States''.

(10) The Helsinki Document 1992 reaffirms ''the validity of the guiding principles and common values of the Helsinki Final Act and the Charter of Paris, embodying responsibilities of States towards each other and of governments towards their own people'' which serve as the ''collective conscience of our community''.

(11) The Charter of the United Nations calls upon Member states to respect the territorial integrity and political independence of any state in keeping with the Purposes of the United Nations.

(12) The sovereign and independent state of Bosnia-Herzegovina has been and continues to be subjected to armed aggression Bosnian Serb forces, Croatian Serb forces, and others in violation of Final Act and the Charter.

(13) Unchecked armed aggression and genocide threatens the lives of innocent civilians as well as the very existence of the sovereign and independent state of Bosnia-Herzegovina.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the United States should refuse to recognize the incorporation of any of the territory of Bosnia-Herzegovina into the territory of any neighboring state or the creation of any new state or states within the borders of Bosnia-Herzegovina resulting from the threat or use of force, coercion, or any other means inconsistent with international law.

SEC. 2703. THE LAOGAI SYSTEM OF POLITICAL PRISONS.

(a) FINDINGS.—The Congress makes the following findings:

(1) The Chinese gulag, known as the Laogai, was created as a primary means of political repression and control when the Communists assumed power in China in 1949.

(2) The Laogai has caused millions of people to suffer grave human rights abuses over the past 46 years, including countless deaths.

(3) The Laogai continues to be used to incarcerate unknown numbers of ordinary citizens for political reasons, including workers, students, intellectuals, religious believers, and Tibetans.

(4) So-called ''thought reform'' is a standard practice of Laogai officials, and reports of torture are routinely received by human rights organizations from Laogai prisoners and survivors.

(5) Negotiations about unfettered access to Laogai prisoners between the Chinese Government and the International Red Cross have ceased.

(6) The Laogai is in reality a huge system of forced labor camps in which political and penal criminals are slave laborers producing an array of products for export throughout the world, including the United States.

(7) The Chinese Government continues to maintain, as part of its official propaganda and in defiance of significant evidence to the contrary gathered by many human rights organizations, that the Laogai is a prison system like any other in the world.

(8) Testimony delivered before the Subcommittee on International Operations and Human Rights of the Committee on International Relations of the House of Representatives has documented human rights abuses in the Laogai which continue to this day.

(9) The American people have repeatedly expressed their abhorrence of forced labor camps systems, whether they be operated by the Nazis, Soviet Communists, or any other political ideology.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the President should—

(1) publicly condemn the continued existence of the Laogai, and call upon the Government of the People's Republic of China to dismantle it, and release all of its political prisoners; and

(2) instruct the appropriate diplomatic representatives of the United States to cause a resolution condemning the Laogai to be put before the United Nations Human Rights Commission and work for its passage.

SEC. 2704. CONCERNING THE USE OF FUNDS TO FURTHER NORMALIZE RELATIONS WITH VIETNAM.

It is the sense of the Congress that none of the funds authorized to be appropriated or otherwise made available by this Act may be obligated or expended to further normalize diplomatic relations between the United States and Vietnam, until Vietnam—

(1) releases all of its political and religious prisoners;

(2) accounts for American POWs and MIAs from the Vietnam War;

(3) holds democratic elections; and

(4) institutes policies which protect human rights.

SEC. 2705. DECLARATION OF CONGRESS REGARDING UNITED STATES GOVERNMENT HUMAN RIGHTS POLICY TOWARD CHINA.

(a) FINDINGS.—The Congress makes the following findings:

(1) According to the 1994 State Department Country Reports on Human Rights Practices there continue to be ''widespread and well-documented human rights abuses in China, in violation of internationally accepted norms . . . (including) arbitrary and lengthy incommunicado detention, torture, and mistreatment of prisoners. The regime continued severe restrictions on freedoms of speech, press assembly and association, and tightened controls on the exercise of these rights during 1994. Serious human rights abuses persisted in Tibet and other areas populated by ethnic minorities''.

(2) The President, in announcing his decision on Most Favored Nation trading status for China in May 1994 stated that, ''China continues to commit very serious human rights abuses. Even as we engage the Chinese on military, political, and economic issues, we intend to stay engaged with those in China who suffer from human rights abuses. The United States must remain a champion of their liberties''.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that the President should take the following actions:

(1) Decline the invitation to visit China until and unless there is dramatic overall progress on human rights in China and Tibet and communicate to the Government of China that such a visit cannot take place without such progress. Indications of overall progress would include the release of hundreds of political, religious, and labor activists; an agreement to allow unhindered confidential access to prisoners by international humanitarian agencies; enactment of major legal reforms such as an end to all restrictions on the exercise of freedom of religion, revocation of the 1993 state security law, and the abolition of all so-called ''counter-revolutionary'' crimes; an end to forced abortion, forced sterilization, and the provision by government facilities of human fetal remains for consumption as food; and a decision to allow unrestricted access to Tibet by foreign media and international human rights monitors.

(2) Seek to develop an agreement on a multilateral strategy to promote human rights in China with other members of the G–7, beginning with the meeting of the G–7 industrial partners scheduled for June 1995 in Halifax, Nova Scotia. Such an agreement should include efforts to encourage greater cooperation by the Government of China with the human rights rapporteurs and working groups of the United Nations Human Rights Commission, as well as bilateral and multilateral initiatives to secure the unconditional release of imprisoned peaceful pro-democracy advocates such as Wei Jingsheng.

(3) Instruct the United States delegates to the United Nations Fourth World Conference on Women in September 1995 to vigorously and publicly support nongovernmental organizations that may be subjected to harassment or to restrictions or limitations on their activities, access to the media, or to channels of communication during the conference by the Government of China and to protest publicly and privately any actions by the Government of China aimed at punishing or repressing Chinese citizens who seek to peacefully express their views or communicate with foreign citizens or media during or following the United Nations Conference.

(4) Extend an invitation to the Dalai Lama to visit Washington, District of Columbia, in 1995.

(c) UNITED STATES GOVERNMENT HUMAN RIGHTS POLICY TOWARD CHINA.—It shall be the policy of the United States Government to continue to promote internationally recognized human rights and worker rights in China and Tibet. The President shall submit the following reports on the formulation and implementation of United States human rights policy toward China and the results of that policy to the International Relations Committee of the House of Representatives :

(1) Not later than 90 days after the date of enactment of this Act, the President shall report on the status of the ''new United States Human Rights Policy for China'' announced by the President on May 26, 1994, including an assessment of the implementation and effectiveness of the policy in bringing about human rights improvements in China and Tibet, with reference to the following specific initiatives announced on that date:

(A) High-level dialogue on human rights.

(B) Voluntary principles in the area of human rights for United States businesses operating in China.

(C) Increased contact with and support for groups and individuals in China promoting law reform and human rights.

(D) Increased exchanges to support human rights law reform in China.

(E) The practice of all United States officials who visit China to meet with the broadest possible spectrum of Chinese citizens.

(F) Increased efforts to press United States views on human rights in China at the United Nations, the United Nations Human Rights Commission, and other international organizations.

(G) A plan of international actions to address Tibet's human rights problems and to promote substantive discussions between the Dalai Lama and the Chinese Government.

(H) Efforts to use the 1995 United Nations Women's Conference in Beijing to expand freedoms of speech, association, and assembly, as well as the rights of women, in China.

(I) An information strategy for promoting human rights by expanding Chinese and Tibetan language broadcasts on the Voice of America and establishing Radio Free Asia.

(J) Encouraging the Chinese Government to permit international human rights groups to operate in and visit China.

The report required by this paragraph shall also assess the progress, if any, of the People's Republic of China toward ending forced abortion, forced sterilization, and other coercive population control practices.

(2) Not later than 120 days after the date of enactment of this Act, the President shall report on the status of Chinese Government compliance with United States laws prohibiting the importation into the United States of forced labor products, including (but not limited to) a complete assessment and report on the implementation of the Memorandum of Understanding signed by the United States and China in 1992. The report shall include (but not be limited to) the following:

(A) All efforts made by the United States Customs Service from 1992 until the date of the report to investigate forced labor exports and to conduct unannounced unrestricted inspections of suspected forced labor sites in China, and the extent to which Chinese authorities cooperated with such investigations.

(B) Recommendations of what further steps might be taken to enhance United States effectiveness in prohibiting forced labor exports to the United States from China.

SEC. 2706. CONCERNING THE UNITED NATIONS VOLUNTARY FUND FOR VICTIMS OF TORTURE.

It is the sense of the Congress that the President, acting through the United States Permanent Representative to the United Nations, should—

(1) request the United Nations Voluntary Fund for Victims of Torture—

(A) to find new ways to support and protect treatment centers that are carrying out rehabilitative services for victims of torture; and

(B) to encourage the development of new such centers;

(2) use the voice and vote of the United States to support the work of the Special Rapporteur on Torture and the Committee Against Torture established under the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment; and

(3) use the voice and vote of the United States to establish a country rapporteur or similar procedural mechanism to investigate human rights violations in a country if either the Special Rapporteur or the Committee Against Torture indicates that a systematic practice of torture is prevalent in that country.

SEC. 2707. RECOMMENDATIONS OF THE PRESIDENT FOR REFORM OF WAR POWERS RESOLUTION.

It is the sense of the Congress that the President should transmit to the Congress recommendations for reform of the War Powers Resolution (50 U.S.C. 1541 et seq.) in order to permit the Congress and the President to more effectively fulfill their constitutional responsibilities with respect to the deployment of United States Armed Forces abroad.

SEC. 2708. CONFLICT IN KASHMIR.

It is the sense of the Congress that the United States reiterates the need for all parties to the conflict in Kashmir to enter into negotiations and resolve the conflict peacefully. The Congress urges the executive branch to work with all parties to facilitate a peaceful negotiated settlement of the Kashmir conflict.

SEC. 2709. UNITED STATES RELATIONS WITH THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA (FYROM).

It is the sense of the Congress that the Former Yugoslav Republic of Macedonia (FYROM) should be eligible for all United States foreign assistance programs, including programs of the Export-Import Bank and the Overseas Private Investment Corporation, if the government continues to respect the rights of all ethnic minorities.

SEC. 2710. SENSE OF THE CONGRESS RELATING TO INDONESIA.

It is the sense of the Congress that—

(1) the United States should continue to urge progress in promotion and protection of internationally recognized human rights by the Government of Indonesia;

(2) in its bilateral relations with the Government of Indonesia, the United States should place a high priority on public and private efforts to urge the Government of Indonesia to take specific steps to remove restrictions of freedom of expression and association, to allow freedom of the press, to allow freedom of religion, to end arbitrary arrests and torture and ill-treatment, to cease official attacks on nongovernmental organizations, to end the widespread denial of worker rights, and to hold members of the military accountable for human rights abuses;

(3) with respect to the situation in East Timor, the United States should call on the Government of Indonesia to make public the complete findings of the investigations into the killings of unarmed civilians in Liquica on January 12, 1995, including the reports of the Army Council of Military Honor and the findings of the National Human Rights Commission, and that those responsible for the killings be identified and brought to justice;

(4) the United States should continue to press the Government of Indonesia to fully comply with the 1994 and 1995 recommendations of the United Nations Human Rights Commission regarding the need for a full accounting of the Dili incident of November 1991;

(5) the United States should urge the Government of Indonesia to allow independent human rights monitoring organizations and foreign journalists unhindered access to East Timor;

(6) the United States should urge the Government of Indonesia to respect free practice of religion, including Christianity, in Indonesia, including East Timor; and

(7) the President should instruct the United States delegates to the annual Indonesia aid consortium donor meeting in July 1995 to again raise concerns about human rights violations in Indonesia, including restrictions of freedom of the press, attacks on nongovernmental organizations, and widespread violations of human rights in East Timor.

SEC. 2711. DISPLACED PERSONS.

It is the sense of the Congress that of the amounts made available to the United Nations Development Program (and United Nations Development Program-Administered Funds), at least $20,000,000 for fiscal year 1996 and $20,000,000 for fiscal year 1997 should be available for programs and services conducted in cooperation with the International Organization for Migration, the International Committee for the Red Cross, and nongovernmental organizations, for persons who are displaced within their countries of nationality.

DIVISION C—FOREIGN ASSISTANCE AUTHORIZATIONS

SEC. 3001. SHORT TITLE.

This division may be cited as the ''Foreign Aid Reduction Act of 1995''.

SEC. 3002. DECLARATION OF POLICY.

The Congress declares the following:

(1) United States leadership overseas must be maintained to support our vital national security, economic, and humanitarian interests.

(2) As part of this leadership, United States foreign assistance programs are essential to support these national interests.

(3) However, United States foreign assistance programs can be responsibly reduced while maintaining United States leadership overseas.

TITLE XXXI—DEFENSE AND SECURITY ASSISTANCE

CHAPTER 1—MILITARY AND RELATED ASSISTANCE

Subchapter A—Foreign Military Financing Program

SEC. 3101. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for grant assistance under section 23 of the Arms Export Control Act (22 U.S.C. 2763) and for the subsidy cost, as defined in section 502(5) of the Federal Credit Reform Act of 1990, of direct loans under such section—

(1) $3,284,440,000 for fiscal year 1996; and

(2) $3,240,020,000 for fiscal year 1997.

SEC. 3102. ADMINISTRATIVE EXPENSES.

Of the amounts made available for fiscal years 1996 and 1997 for assistance under the ''Foreign Military Financing Program'' account under section 23 of the Arms Export Control Act (22 U.S.C. 2763), not more than $24,020,000 for each such fiscal year may be made available for necessary expenses for the general costs of administration of military assistance and sales, including expenses incurred in purchasing passenger motor vehicles for replacement for use outside the United States.

SEC. 3103. ASSISTANCE FOR ISRAEL.

(a) MINIMUM ALLOCATION.—Of the amounts made available for fiscal years 1996 and 1997 for assistance under the ''Foreign Military Financing Program'' account under section 23 of the Arms Export Control Act (22 U.S.C. 2763), not less than $1,800,000,000 for each such fiscal year shall be available only for Israel.

(b) TERMS OF ASSISTANCE.—

(1) GRANT BASIS.—The assistance provided for Israel for each fiscal year under subsection (a) shall be provided on a grant basis.

(2) EXPEDITED DISBURSEMENT.—Such assistance shall be disbursed—

(A) with respect to fiscal year 1996, not later than 30 days after the date of the enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1996, or by October 31, 1995, whichever is later; and

(B) with respect to fiscal year 1997, not later than 30 days after the date of the enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, or by October 31, 1996, whichever is later.

(3) ADVANCED WEAPONS SYSTEMS.—To the extent that the Government of Israel requests that funds be used for such purposes, funds described in subsection (a) shall, as agreed by the Government of Israel and the Government of the United States, be available for advanced weapons systems, of which

not less than $475,000,000 for each fiscal year shall be available only for procurement in Israel of defense articles and defense services, including research and development.

(c) FOREIGN MILITARY SALES.—Section 21(h) of the Arms Export Control Act (22 U.S.C. 2761(h)) is amended—

(1) in paragraph (1)(A), by inserting ''or the Government of Israel'' after ''North Atlantic Treaty Organization''; and

(2) in paragraph (2), by striking ''or to any member government of that Organization if that Organization or member government'' and inserting '', any member government of that Organization, or the Government of Israel, if the Organization, member government, or Government of Israel, as the case may be,''.

SEC. 3104. ASSISTANCE FOR EGYPT.

(a) MINIMUM ALLOCATION.—Of the amounts made available for fiscal years 1996 and 1997 for assistance under the ''Foreign Military Financing Program'' account under section 23 of the Arms Export Control Act (22 U.S.C. 2763), not less than $1,300,000,000 for each such fiscal year shall be available only for Egypt.

(b) TERMS OF ASSISTANCE.—The assistance provided for Egypt for each fiscal year under subsection (a) shall be provided on a grant basis.

SEC. 3105. LOANS FOR GREECE AND TURKEY.

Of the amounts made available for fiscal year 1996 under section 23 of the Arms Export Control Act (22 U.S.C. 2763)—

(1) not more than $26,620,000 shall be made available for the subsidy cost, as defined in section 502(5) of the Federal Credit Reform Act of 1990, of direct loans for Greece; and

(2) not more than $37,800,000 shall be made available for such subsidy cost of direct loans for Turkey.

SEC. 3106. TERMS OF LOANS.

Section 31(c) of the Arms Export Control Act (22 U.S.C. 2771(c)) is amended to read as follows:

''(c) Loans available under section 23 shall be provided at rates of interest that are not less than the current average market yield on outstanding marketable obligations of the United States of comparable maturities.''.

SEC. 3107. NONREPAYMENT OF GRANT ASSISTANCE.

Section 23 of the Arms Export Control Act (22 U.S.C. 2763) is amended by adding at the end the following new subsection:

''(f) Notwithstanding any other provision of this section, the President shall not require repayment of any assistance provided on a grant basis under this section to a foreign country or international organization.''.

SEC. 3108. ADDITIONAL REQUIREMENTS.

(a) AVAILABILITY OF FUNDS FOR PROCUREMENT OF DEFENSE ARTICLES, SERVICES, AND DESIGN AND CONSTRUCTION SERVICES NOT SOLD BY U.S. GOVERNMENT.—Section 23 of the Arms Export Control Act (22 U.S.C. 2763), as amended by this Act, is further amended by adding at the end the following new subsection:

''(g) Funds made available to carry out this section for a fiscal year may be made available to a foreign country or international organization for the purpose of financing the procurement of defense articles, defense services, and design and construction services that are not sold by the United States Government under this Act only—

''(1) with respect to a country that is a member country of the North Atlantic Organization, a major non-NATO ally, or Jordan for which assistance was justified under this section in the annual congressional presentation documents under section 634 of the Foreign Assistance Act of 1961 for that fiscal year; and

''(2) if such country or international organization enters into an agreement with the United States Government that specifies the terms and conditions under which such procurements shall be financed with such funds.''.

(b) AUDIT OF CERTAIN PRIVATE FIRMS.—Section 23 of such Act (22 U.S.C. 2763), as amended by this Act, is further amended by adding at the end the following new subsection:

''(h) For each fiscal year, the Secretary of Defense, as requested by the Director of the Defense Security Assistance Agency, shall conduct audits on a nonreimbursable basis of private firms that have entered into contracts with foreign governments under which defense articles, defense services, or design and construction services are to be procured by such firms for such governments from financing under this section for such fiscal year.''.

(c) PROHIBITION ON USE OF FUNDS FOR THE TRANSPORT OF AIRCRAFT TO COMMERCIAL ARMS SALES SHOWS.—Section 23 of such Act (22 U.S.C. 2763), as amended by this Act, is further amended by adding at the end the following new subsection:

''(i) Funds made available to carry out this section may not be used to facilitate the transport of aircraft to commercial arms sales shows.''.

(d) NOTIFICATION REQUIREMENT WITH RESPECT TO CASH FLOW FINANCING.—Section 23 of such Act (22 U.S.C. 2763), as amended by this Act, is further amended by adding at the end the following new subsection:

''(j)(1) For each country and international organization that has been approved for cash flow financing under this section, any letter of offer and acceptance or other purchase agreement, or any amendment thereto, for a procurement of defense articles, defense services, or design and construction services in excess of $100,000,000 that is to be financed in whole or in part with funds made available under this Act or the Foreign Assistance Act of 1961 shall be submitted to the congressional committees specified in section 634A(a) of the Foreign Assistance Act of 1961 in accordance with the procedures applicable to reprogramming notifications under that section.

''(2) For purposes of this subsection, the term 'cash flow financing' has the meaning given such term in the second subsection (d) of section 25.''.

(e) LIMITATIONS ON USE OF FUNDS FOR DIRECT COMMERCIAL CONTRACTS.—Section 23 of such Act (22 U.S.C. 2763), as amended by this Act, is further amended by adding at the end the following new subsection:

''(k) Of the amounts made available for a fiscal year to carry out this section, not more than $100,000,000 for such fiscal year may be made available for countries other than Israel and Egypt for the purpose of financing the procurement of defense articles, defense services, and design and construction services that are not sold by the United States Government under this Act.''.

(f) USE OF FUNDS FOR DEMINING ACTIVITIES.—Section 23 of such Act (22 U.S.C. 2763), as amended by this Act, is further amended by adding at the end the following new subsection:

''(l) Notwithstanding any other provision of law, funds made available to carry out this section may be used for demining activities, and may include activities implemented through nongovernmental and international organizations.''.

Subchapter B—Other Assistance

SEC. 3121. DEFENSE DRAWDOWN SPECIAL AUTHORITIES.

(a) UNFORESEEN EMERGENCY DRAWDOWN.—Section 506(a)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2318(a)(1)) is amended by striking ''$75,000,000'' and inserting ''$100,000,000''.

(b) ADDITIONAL DRAWDOWN.—Section 506 of such Act (22 U.S.C. 2318) is amended—

(1) in subsection (a)(2)(A), by striking ''defense articles from the stocks'' and all that follows and inserting the following: ''articles and services from the inventory and resources of any agency of the United States Government and military education and training from the Department of Defense, the President may direct the drawdown of such articles, services, and military education and training—

''(i) for the purposes and under the authorities of—

''(I) chapter 8 of part I (relating to international narcotics control assistance);

''(II) chapter 9 of part I (relating to international disaster assistance); or

''(III) the Migration and Refugee Assistance Act of 1962; or

''(ii) for the purpose of providing such articles, services, and military education and training to Vietnam, Cambodia, and Laos as the President determines are necessary—

''(I) to support efforts to locate and repatriate members of the United States Armed Forces and civilians employed directly or indirectly by the United States Government who remain unaccounted for from the Vietnam War; and

''(II) to ensure the safety of United States Government personnel engaged in such cooperative efforts and to support Department of Defense-sponsored humanitarian projects associated with such efforts.'';

(2) in subsection (a)(2)(B), by striking ''$75,000,000'' and all that follows and inserting ''$150,000,000 in any fiscal year of such articles, services, and military education and training may be provided pursuant to subparagraph (A) of this paragraph—

''(i) not more than $75,000,000 of which may be provided from the drawdown from the inventory and resources of the Department of Defense;

''(ii) not more than $75,000,000 of which may be provided pursuant to clause (i)(I) of such subparagraph; and

''(iii) not more than $15,000,000 of which may be provided to Vietnam, Cambodia, and Laos pursuant to clause (ii) of such subparagraph.''; and

(3) in subsection (b)(1), by adding at the end the following: ''In the case of drawdowns authorized by subclauses (I) and (III) of subsection (a)(2)(A)(i), notifications shall be provided to those committees at least 15 days in advance in accordance with the procedures applicable to reprogramming notifications under section 634A.''.

(c) NOTICE TO CONGRESS OF EXERCISE OF SPECIAL AUTHORITIES.—Section 652 of such Act (22 U.S.C. 2411) is amended by striking ''prior to the date'' and inserting ''before''.

SEC. 3122. STOCKPILES OF DEFENSE ARTICLES.

(a) LIMITATION ON VALUE OF ADDITIONS.—Section 514(b)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321h(b)(1)) is amended by inserting ''or in the implementation of agreements with Israel'' after ''North Atlantic Treaty Organization''.

(b) ADDITIONS IN FISCAL YEARS 1996 AND 1997.—Section 514(b)(2) of such Act (22 U.S.C. 2321h(b)(2)) is amended to read as follows:

''(2)(A) The value of such additions to stockpiles of defense articles in foreign countries shall not exceed $50,000,000 for each of the fiscal years 1996 and 1997.

''(B) Of the amount specified in subparagraph (A) for each of the fiscal years 1996 and 1997, not more than $40,000,000 may be made available for stockpiles in the Republic of Korea and not more than $10,000,000 may be made available for stockpiles in Thailand.''.

(c) LOCATION OF STOCKPILES OF DEFENSE ARTICLES.—Section 514(c) of such Act (22

U.S.C. 2321h(c)) is amended to read as follows:

''(c) LOCATION OF STOCKPILES OF DEFENSE ARTICLES.—

''(1) LIMITATION.—Except as provided in paragraph (2), no stockpile of defense articles may be located outside the boundaries of a United States military base or a military base used primarily by the United States.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply with respect to stockpiles of defense articles located in the Republic of Korea, Thailand, any country that is a member of the North Atlantic Treaty Organization, any country that is a major non-NATO ally, or any other country the President may designate. At least 15 days before designating a country pursuant to the last clause of the preceding sentence, the President shall notify the congressional committees specified in section 634A(a) in accordance with the procedures applicable to reprogramming notifications under that section.''.

SEC. 3123. TRANSFER OF EXCESS DEFENSE ARTICLES.

(a) IN GENERAL.—Section 516 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321j) is amended to read as follows:

''SEC. 516. AUTHORITY TO TRANSFER EXCESS DEFENSE ARTICLES.

''(a) AUTHORIZATION.—The President is authorized to transfer excess defense articles under this section to countries for which receipt of such articles was justified pursuant to the annual congressional presentation documents for military assistance programs, or for programs under chapter 8 of part I of this Act, submitted under section 634 of this Act, or for which receipt of such articles was separately justified, for the fiscal year in which the transfer is authorized.

''(b) LIMITATIONS ON TRANSFERS.—The President may transfer excess defense articles under this section only if—

''(1) such articles are drawn from existing stocks of the Department of Defense;

''(2) funds available to the Department of Defense for the procurement of defense equipment are not expended in connection with the transfer;

''(3) the transfer of such articles will not have an adverse impact on the military readiness of the United States;

''(4) with respect to a proposed transfer of such articles on a grant basis, such a transfer is preferable to a transfer on a sales basis, after taking into account the potential proceeds from, and likelihood of, such sales, and the comparative foreign policy benefits that may accrue to the United States as the result of a transfer on either a grant or sales basis;

''(5) the President determines that the transfer of such articles will not have an adverse impact on the national technology and industrial base, and particularly, will not reduce the opportunities of entities in the national technology and industrial base to sell new or used equipment to the countries to which such articles are transferred; and

''(6) the transfer of such articles is consistent with the policy framework for the Eastern Mediterranean established under section 620C of this Act.

''(c) TERMS OF TRANSFERS.—

''(1) NO COST TO RECIPIENT COUNTRY.—Excess defense articles may be transferred under this section without cost to the recipient country.

''(2) PRIORITY.—Notwithstanding any other provision of law, the delivery of excess defense articles under this section to member countries of the North Atlantic Treaty Organization (NATO) on the southern and southeastern flank of NATO and to major non-NATO allies on such southern and southeastern flank shall be given priority to the maximum extent feasible over the delivery of such excess defense articles to other countries.

''(d) WAIVER OF REQUIREMENT FOR REIMBURSEMENT OF DEPARTMENT OF DEFENSE EXPENSES.—Section 632(d) shall not apply with respect to transfers of excess defense articles (including transportation and related costs) under this section.

''(e) TRANSPORTATION AND RELATED COSTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), funds available to the Department of Defense may not be expended for crating, packing, handling, and transportation of excess defense articles transferred under the authority of this section.

''(2) EXCEPTION.—The President may provide for the transportation of excess defense articles without charge to a country for the costs of such transportation if—

''(A) it is determined that it is in the national interest of the United States to do so;

''(B) the recipient is a developing country receiving less than $10,000,000 of assistance under chapter 5 of part II of this Act (relating to international military education and training) or section 23 of the Arms Export Control Act (22 U.S.C. 2763; relating to the Foreign Military Financing program) in the fiscal year in which the transportation is provided;

''(C) the total weight of the transfer does not exceed 25,000 pounds; and

''(D) such transportation is accomplished on a space available basis.

''(f) ADVANCE NOTIFICATION TO CONGRESS FOR TRANSFER OF CERTAIN EXCESS DEFENSE ARTICLES.—

''(1) IN GENERAL.—The President may not transfer excess defense articles that are significant military equipment (as defined in section 47(9) of the Arms Export Control Act) or excess defense articles valued (in terms of original acquisition cost) at $7,000,000 or more, under this section or under the Arms Export Control Act (22 U.S.C. 2751 et seq.) until 15 days after the date on which the President has provided notice of the proposed transfer to the congressional committees specified in section 634A(a) in accordance with procedures applicable to reprogramming notifications under that section.

''(2) CONTENTS.—Such notification shall include—

''(A) a statement outlining the purposes for which the article is being provided to the country, including whether such article has been previously provided to such country;

''(B) an assessment of the impact of the transfer on the military readiness of the United States;

''(C) an assessment of the impact of the transfer on the national technology and industrial base, and particularly, the impact on opportunities of entities in the national technology and industrial base to sell new or used equipment to the countries to which such articles are to be transferred; and

''(D) a statement describing the current value of such article and the value of such article at acquisition.

''(g) AGGREGATE ANNUAL LIMITATION.—The aggregate value of excess defense articles transferred to countries under this section in any fiscal year may not exceed $350,000,000.

''(h) CONGRESSIONAL PRESENTATION DOCUMENTS.—Documents described in subsection (a) justifying the transfer of excess defense articles shall include an explanation of the general purposes of providing excess defense articles as well as a table which provides an aggregate annual total of transfers of excess defense articles in the preceding year by country in terms of offers and actual deliveries and in terms of acquisition cost and current value. Such table shall indicate whether such excess defense articles were provided on a grant or sale basis.

''(i) EXCESS COAST GUARD PROPERTY.—For purposes of this section, the term 'excess defense articles' shall be deemed to include excess property of the Coast Guard, and the term 'Department of Defense' shall be deemed, with respect to such excess property, to include the Coast Guard.''.

(b) CONFORMING AMENDMENTS.—

(1) ARMS EXPORT CONTROL ACT.—Section 21(k) of the Arms Export Control Act (22 U.S.C. 2761(k)) is amended by striking ''the President shall'' and all that follows and inserting the following: ''the President shall determine that the sale of such articles will not have an adverse impact on the national technology and industrial base, and particularly, will not reduce the opportunities of entities in the national technology and industrial base to sell new or used equipment to the countries to which such articles are transferred.''.

(2) REPEALS.—The following provisions of law are hereby repealed:

(A) Section 502A of the Foreign Assistance Act of 1961 (22 U.S.C. 2303).

(B) Sections 517 through 520 of the Foreign Assistance Act of 1961 (22 U.S.C. 2321k through 2321n).

(C) Section 31(d) of the Arms Export Control Act (22 U.S.C. 2771(d)).

SEC. 3124. NONLETHAL EXCESS DEFENSE ARTICLES FOR ALBANIA.

Notwithstanding section 516(e) of the Foreign Assistance Act of 1961, during each of the fiscal years 1996 and 1997, funds available to the Department of Defense may be expended for crating, packing, handling, and transportation of nonlethal excess defense articles transferred under the authority of section 516 of such Act to Albania.

CHAPTER 2—INTERNATIONAL MILITARY EDUCATION AND TRAINING

SEC. 3141. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $39,781,000 for each of the fiscal years 1996 and 1997 to carry out chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.).

SEC. 3142. ASSISTANCE FOR INDONESIA.

Funds made available for fiscal years 1996 and 1997 to carry out chapter 5 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2347 et seq.) may be obligated for Indonesia only for expanded military and education training that meets the requirements of clauses (i) through (iv) of the second sentence of section 541 of such Act (22 U.S.C. 2347).

SEC. 3143. ADDITIONAL REQUIREMENTS.

(a) GENERAL AUTHORITY.—Section 541 of the Foreign Assistance Act of 1961 (22 U.S.C. 2347) is amended in the second sentence in the matter preceding clause (i) by inserting ''and individuals who are not members of the government'' after ''legislators''.

(b) TEST PILOT EXCHANGE TRAINING.—Section 544 of such Act (22 U.S.C. 2347c) is amended—

(1) by striking ''In carrying out this chapter'' and inserting ''(a) In carrying out this chapter''; and

(2) by adding at the end the following new subsection:

''(b) The President may provide for the attendance of foreign military and civilian defense personnel at test pilot flight schools in the United States without charge, and without charge to funds available to carry out this chapter (notwithstanding section 632(d) of this Act), if such attendance is pursuant to an agreement providing for the exchange of students on a one-for-one basis each fiscal year between those United States test pilot flight schools and comparable flight test pilot schools of foreign countries.''.

(c) ASSISTANCE FOR CERTAIN FOREIGN COUNTRIES.—Chapter 5 of part II of such Act (22 U.S.C. 2347 et seq.) is amended by adding at the end the following new section:

"SEC. 546. ASSISTANCE FOR CERTAIN FOREIGN COUNTRIES.

''Of the amounts made available for a fiscal year for assistance under this chapter, not more than $300,000 for such fiscal year may be made available for assistance on a grant basis for any high-income foreign country for military education and training of military and related civilian personnel of such country if such country agrees to provide for the transportation and living allowances of such military and related civilian personnel.''.

CHAPTER 3—ANTITERRORISM ASSISTANCE

SEC. 3151. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated $20,000,000 for fiscal year 1996 and $25,000,000 for fiscal year 1997 to carry out chapter 8 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2349aa et seq.).

(b) AVAILABILITY OF AMOUNTS.—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until expended.

SEC. 3152. ANTITERRORISM TRAINING ASSISTANCE.

(a) IN GENERAL.—Section 571 of the Foreign Assistance Act of 1961 (22 U.S.C. 2349aa) is amended by striking ''Subject to the provisions of this chapter'' and inserting ''Notwithstanding any other provision of law that restricts assistance to foreign countries (other than sections 502B and 620A of this Act)''.

(b) LIMITATIONS.—Section 573 of such Act (22 U.S.C. 2349aa–2) is amended—

(1) in the heading, by striking ''specific authorities and'';

(2) by striking subsection (a);

(3) by redesignating subsections (b) through (f) as subsections (a) through (e), respectively; and

(4) in subsection (c) (as redesignated)—

(A) by striking paragraphs (1) and (2);

(B) by redesignating paragraphs (3) through (5) as paragraphs (1) through (3), respectively; and

(C) by amending paragraph (2) (as redesignated) to read as follows:

''(2)(A) Except as provided in subparagraph (B), funds made available to carry out this chapter shall not be made available for the procurement of weapons and ammunition.

''(B) Subparagraph (A) shall not apply to small arms and ammunition in categories I and III of the United States Munitions List that are integrally and directly related to antiterrorism training provided under this chapter if, at least 15 days before obligating those funds, the President notifies the appropriate congressional committees specified in section 634A of this Act in accordance with the procedures applicable to reprogramming notifications under such section.

''(C) The value (in terms of original acquisition cost) of all equipment and commodities provided under this chapter in any fiscal year may not exceed 25 percent of the funds made available to carry out this chapter for that fiscal year.''.

(c) ANNUAL REPORT.—Section 574 of such Act (22 U.S.C. 2349aa–3) is hereby repealed.

(d) TECHNICAL CORRECTIONS.—Section 575 (22 U.S.C. 2349aa–4) and section 576 (22 U.S.C. 2349aa–5) of such Act are redesignated as sections 574 and 575, respectively.

SEC. 3153. RESEARCH AND DEVELOPMENT EXPENSES.

Funds made available for fiscal years 1996 and 1997 to carry out chapter 8 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2349aa et seq.; relating to antiterrorism assistance) may be made available to the Technical Support Working Group of the Department of State for research and development expenses related to contraband detection technologies or for field demonstrations of such technologies (whether such field demonstrations take place in the United States or outside the United States).

CHAPTER 4—NARCOTICS CONTROL ASSISTANCE

SEC. 3161. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated $213,000,000 for each of the fiscal years 1996 and 1997 to carry out chapter 8 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2291 et seq.).

(b) AVAILABILITY OF AMOUNTS.—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until expended.

SEC. 3162. ADDITIONAL REQUIREMENTS.

(a) POLICY AND GENERAL AUTHORITIES.—Section 481(a) of the Foreign Assistance Act (22 U.S.C. 2291(a)) is amended—

(1) in paragraph (1)—

(A) by redesignating subparagraphs (D) through (F) as subparagraphs (E) through (G), respectively; and

(B) by inserting after subparagraph (C) the following new subparagraph:

''(D) International criminal activities, particularly international narcotics trafficking, money laundering, and corruption, endanger political and economic stability and democratic development, and assistance for the prevention and suppression of international criminal activities should be a priority for the United States.''; and

(2) in paragraph (4), by adding before the period at the end the following: '', or for other related anticrime purposes''.

(b) CONTRIBUTIONS AND REIMBURSEMENT.—Section 482(c) of that Act (22 U.S.C. 2291a(c)) is amended—

(1) by striking ''CONTRIBUTION BY RECIPIENT COUNTRY.—To'' and inserting ''CONTRIBUTIONS AND REIMBURSEMENT.—(1) To''; and

(2) by adding at the end the following new paragraphs:

''(2)(A) The President is authorized to accept contributions from other foreign governments to carry out the purposes of this chapter. Such contributions shall be deposited as an offsetting collection to the applicable appropriation account and may be used under the same terms and conditions as funds appropriated pursuant to this chapter.

''(B) At the time of submission of the annual congressional presentation documents required by section 634(a), the President shall provide a detailed report on any contributions received in the preceding fiscal year, the amount of such contributions, and the purposes for which such contributions were used.

''(3) The President is authorized to provide assistance under this chapter on a reimbursable basis. Such reimbursements shall be deposited as an offsetting collection to the applicable appropriation and may be used under the same terms and conditions as funds appropriated pursuant to this chapter.''.

(c) IMPLEMENTATION OF LAW ENFORCEMENT ASSISTANCE.—Section 482 of such Act (22 U.S.C. 2291a) is amended by adding at the end the following new subsections:

''(f) TREATMENT OF FUNDS.—Funds transferred to and consolidated with funds appropriated pursuant to this chapter may be made available on such terms and conditions as are applicable to funds appropriated pursuant to this chapter. Funds so transferred or consolidated shall be apportioned directly to the bureau within the Department of State responsible for administering this chapter.

''(g) EXCESS PROPERTY.—For purposes of this chapter, the Secretary of State may use the authority of section 608, without regard to the restrictions of such section, to receive nonlethal excess property from any agency of the United States Government for the purpose of providing such property to a foreign government under the same terms and conditions as funds authorized to be appropriated for the purposes of this chapter.''.

(d) REPORTING REQUIREMENTS.—(1) Section 489 of such Act (22 U.S.C. 2291h) is amended—

(A) in the section heading, by striking ''for fiscal year 1995'';

(B) by striking ''(a) INTERNATIONAL NARCOTICS CONTROL STRATEGY REPORT.—''; and

(C) by striking subsections (b) and (c).

(2) Section 489A of such Act (22 U.S.C. 2291i) is hereby repealed.

(e) CERTIFICATION REQUIREMENTS.—(1) Section 490 of such Act (22 U.S.C. 2291j) is amended—

(A) in the section heading by striking ''for fiscal year 1995''; and

(B) by striking subsection (i).

(2) Section 490A of such Act (22 U.S.C. 2291k) is hereby repealed.

SEC. 3163. NOTIFICATION REQUIREMENT.

(a) IN GENERAL.—The authority of section 1003(d) of the National Narcotics Control Leadership Act of 1988 (21 U.S.C. 1502(d)) may be exercised with respect to funds authorized to be appropriated pursuant to the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) and with respect to the personnel of the Department of State only to the extent that the appropriate congressional committees have been notified 15 days in advance in accordance with the reprogramming procedures applicable under section 634A of that Act (22 U.S.C. 2394).

(b) DEFINITION.—For purposes of this section, the term ''appropriate congressional committees'' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

SEC. 3164. WAIVER OF RESTRICTIONS FOR NARCOTICS-RELATED ECONOMIC ASSISTANCE.

For each of the fiscal years 1996 and 1997, narcotics-related assistance under part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) may be provided notwithstanding any other provision of law that restricts assistance to foreign countries (other than section 490(e) or section 502B of that Act (22 U.S.C. 2291j(e) and 2304)) if, at least 15 days before obligating funds for such assistance, the President notifies the appropriate congressional committees (as defined in section 481(e) of that Act (22 U.S.C. 2291(e))) in accordance with the procedures applicable to reprogramming notifications under section 634A of that Act (22 U.S.C. 2394).

CHAPTER 5—NONPROLIFERATION AND DISARMAMENT FUND

SEC. 3171. NONPROLIFERATION AND DISARMAMENT FUND.

(a) IN GENERAL.—There are authorized to be appropriated $25,000,000 for each of the fiscal years 1996 and 1997 to carry out bilateral and multilateral nonproliferation and disarmament activities for the independent states of the former Soviet Union, countries other than the independent states of the former Soviet Union, and international organizations under section 504 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (22 U.S.C. 5854).

(b) SUPERSEDES OTHER LAWS.—Funds made available for fiscal years 1996 and 1997 under the authority of section 504 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992

(22 U.S.C. 5854) may be used notwithstanding any other provision of law.

(c) AVAILABILITY OF AMOUNTS.—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until expended.

CHAPTER 6—OTHER PROVISIONS

SEC. 3181. STANDARDIZATION OF CONGRESSIONAL REVIEW PROCEDURES FOR ARMS TRANSFERS.

(a) THIRD COUNTRY TRANSFERS UNDER FMS SALES.—Section 3(d)(2) of the Arms Export Control Act (22 U.S.C. 2753(d)(2)) is amended—

(1) in subparagraph (A), by striking '', as provided for in sections 36(b)(2) and 36(b)(3) of this Act'';

(2) in subparagraph (B), by striking ''law'' and inserting ''joint resolution''; and

(3) by adding at the end the following:

''(C) If the President states in his certification under subparagraph (A) or (B) that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States, thus waiving the requirements of that subparagraph, the President shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate immediate consent to the transfer and a discussion of the national security interests involved.

''(D)(i) Any joint resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

''(ii) For the purpose of expediting the consideration and enactment of joint resolutions under this paragraph, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.''.

(b) THIRD COUNTRY TRANSFERS UNDER COMMERCIAL SALES.—Section 3(d)(3) of such Act (22 U.S.C. 2753(d)(3)) is amended—

(1) by inserting ''(A)'' after ''(3)'';

(2) in the first sentence—

(A) by striking ''at least 30 calendar days''; and

(B) by striking ''report'' and inserting ''certification''; and

(3) by striking the last sentence and inserting the following: ''Such certification shall be submitted—

''(i) at least 15 calendar days before such consent is given in the case of a transfer to a country which is a member of the North Atlantic Treaty Organization or Australia, Japan, or New Zealand; and

''(ii) at least 30 calendar days before such consent is given in the case of a transfer to any other country,

unless the President states in his certification that an emergency exists which requires that consent to the proposed transfer become effective immediately in the national security interests of the United States. If the President states in his certification that such an emergency exists (thus waiving the requirements of clause (i) or (ii), as the case may be, and of subparagraph (B)) the President shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate that consent to the proposed transfer become effective immediately and a discussion of the national security interests involved.

''(B) Consent to a transfer subject to subparagraph (A) shall become effective after the end of the 15-day or 30-day period specified in subparagraph (A)(i) or (ii), as the case may be, only if the Congress does not enact, within that period, a joint resolution prohibiting the proposed transfer.

''(C)(i) Any joint resolution under this paragraph shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

''(ii) For the purpose of expediting the consideration and enactment of joint resolutions under this paragraph, a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.''.

(c) COMMERCIAL SALES.—Section 36(c)(2) of such Act (22 U.S.C. 2753(c)(2)) is amended by amending subparagraphs (A) and (B) to read as follows:

''(A) in the case of a license for an export to the North Atlantic Treaty Organization, any member country of that Organization or Australia, Japan, or New Zealand, shall not be issued until at least 15 calendar days after the Congress receives such certification, and shall not be issued then if the Congress, within that 15-day period, enacts a joint resolution prohibiting the proposed export; and

''(B) in the case of any other license, shall not be issued until at least 30 calendar days after the Congress receives such certification, and shall not be issued then if the Congress, within that 30-day period, enacts a joint resolution prohibiting the proposed export.''.

(d) COMMERCIAL MANUFACTURING AGREEMENTS.—Section 36(d) of such Act (22 U.S.C. 2753(d)) is amended—

(1) by inserting ''(1)'' after ''(d)'';

(2) by striking ''for or in a country not a member of the North Atlantic Treaty Organization''; and

(3) by adding at the end the following:

''(2) A certification under this subsection shall be submitted—

''(A) at least 15 days before approval is given in the case of an agreement for or in a country which is a member of the North Atlantic Treaty Organization or Australia, Japan, or New Zealand; and

''(B) at least 30 days before approval is given in the case of an agreement for or in any other country;

unless the President states in his certification that an emergency exists which requires the immediate approval of the agreement in the national security interests of the United States.

''(3) If the President states in his certification that an emergency exists which requires the immediate approval of the agreement in the national security interests of the United States, thus waiving the requirements of paragraph (4), he shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate the immediate approval of the agreement and a discussion of the national security interests involved.

''(4) Approval for an agreement subject to paragraph (1) may not be given under section 38 if the Congress, within the 15-day or 30-day period specified in paragraph (2)(A) or (B), as the case may be, enacts a joint resolution prohibiting such approval.

''(5)(A) Any joint resolution under paragraph (4) shall be considered in the Senate in accordance with the provisions of section 601(b) of the International Security Assistance and Arms Export Control Act of 1976.

''(B) For the purpose of expediting the consideration and enactment of joint resolutions under paragraph (4), a motion to proceed to the consideration of any such joint resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.''.

(e) GOVERNMENT-TO-GOVERNMENT LEASES.—

(1) CONGRESSIONAL REVIEW PERIOD.—Section 62 of such Act (22 U.S.C. 2796a) is amended—

(A) in subsection (a), by striking ''Not less than 30 days before'' and inserting ''Before'';

(B) in subsection (b)—

(i) by striking ''determines, and immediately reports to the Congress'' and inserting ''states in his certification''; and

(ii) by adding at the end of the subsection the following: ''If the President states in his certification that such an emergency exists, he shall set forth in the certification a detailed justification for his determination, including a description of the emergency circumstances which necessitate that the lease be entered into immediately and a discussion of the national security interests involved.''; and

(C) by adding at the end of the section the following:

''(c) The certification required by subsection (a) shall be transmitted—

''(1) not less than 15 calendar days before the agreement is entered into or renewed in the case of an agreement with the North Atlantic Treaty Organization, any member country of that Organization or Australia, Japan, or New Zealand; and

''(2) not less than 30 calendar days before the agreement is entered into or renewed in the case of an agreement with any other organization or country.''.

(2) CONGRESSIONAL DISAPPROVAL.—Section 63(a) of such Act (22 U.S.C. 2796b(a)) is amended—

(A) by striking ''(a)(1)'' and inserting ''(a)'';

(B) by striking out the ''30 calendar days after receiving the certification with respect to that proposed agreement pursuant to section 62(a),'' and inserting in lieu thereof ''the 15-day or 30-day period specified in section 62(c) (1) or (2), as the case may be,''; and

(C) by striking paragraph (2).

(f) EFFECTIVE DATE.—The amendments made by this section apply with respect to certifications required to be submitted on or after the date of the enactment of this Act.

SEC. 3182. STANDARDIZATION OF THIRD COUNTRY TRANSFERS OF DEFENSE ARTICLES.

Section 3 of the Arms Export Control Act (22 U.S.C. 2753) is amended by inserting after subsection (a) the following new subsection:

''(b) The consent of the President under paragraph (2) of subsection (a) or under paragraph (1) of section 505(a) of the Foreign Assistance Act of 1961 (as it relates to subparagraph (B) of such paragraph) shall not be required for the transfer by a foreign country or international organization of defense articles sold by the United States under this Act if—

''(1) such articles constitute components incorporated into foreign defense articles;

''(2) the recipient is the government of a member country of the North Atlantic Treaty Organization, the Government of Australia, the Government of Japan, or the Government of New Zealand;

''(3) the United States-origin components are not—

''(A) significant military equipment (as defined in section 47(9));

''(B) defense articles for which notification to Congress is required under section 36(b); and

''(C) identified by regulation as Missile Technology Control Regime items; and

''(4) the foreign country or international organization provides notification of the transfer of the defense articles to the United States Government not later than 30 days after the date of such transfer.''.

SEC. 3183. INCREASED STANDARDIZATION, RATIONALIZATION, AND INTEROPERABILITY OF ASSISTANCE AND SALES PROGRAMS.

Paragraph (6) of section 515(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2321i(a)(6)) is amended by striking ''among members of the North Atlantic Treaty Organization and with the Armed Forces of Japan, Australia, and New Zealand''.

SEC. 3184. REPEAL OF PRICE AND AVAILABILITY REPORTING REQUIREMENT RELATING TO PROPOSED SALE OF DEFENSE ARTICLES AND SERVICES.

(a) IN GENERAL.—Section 28 of the Arms Export Control Act (22 U.S.C. 2768) is hereby repealed.

(b) CONFORMING AMENDMENT.—Section 36(b) of such Act (22 U.S.C. 2776(b)) is amended by striking paragraph (4) of such section.

SEC. 3185. DEFINITION OF SIGNIFICANT MILITARY EQUIPMENT.

Section 47 of the Arms Export Control Act (22 U.S.C. 2794) is amended—

(1) in paragraph (7), by striking ''and'' at the end;

(2) in paragraph (8), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following new paragraph:

''(9) 'significant military equipment' means articles—

''(A) for which special export controls are warranted because of the capacity of such articles for substantial military utility or capability; and

''(B) identified on the United States Munitions List.''.

SEC. 3186. REQUIREMENTS RELATING TO THE SPECIAL DEFENSE ACQUISITION FUND.

(a) ELIMINATION OF ANNUAL REPORT.—

(1) IN GENERAL.—Section 53 of the Arms Export Control Act (22 U.S.C. 2795b) is hereby repealed.

(2) CONFORMING AMENDMENT.—Section 51(a)(4) of such Act (22 U.S.C. 2795(a)(4)) is amended—

(A) by striking ''(a)''; and

(B) by striking subparagraph (B).

(b) RETURN OF CERTAIN AMOUNTS IN FUND TO THE TREASURY.—During fiscal year 1996 the President shall return $6,281,000 to the miscellaneous receipts account of the Treasury from collections into the Special Defense Acquisition Fund pursuant to section 51(b) of the Arms Export Control Act in addition to the amount of such collections to be returned for such fiscal year as indicated in the President's budget of the United States Government for fiscal year 1996.

SEC. 3187. COST OF LEASED DEFENSE ARTICLES THAT HAVE BEEN LOST OR DESTROYED.

Section 61(a)(4) of the Arms Export Control Act (22 U.S.C. 2796(a)(4)) is amended by striking ''and the replacement cost'' and all that follows and inserting the following: ''and, if the articles are lost or destroyed while leased—

''(A) in the event the United States intends to replace the articles lost or destroyed, the replacement cost (less any depreciation in the value) of the articles; or

''(B) in the event the United States does not intend to replace the articles lost or destroyed, an amount not less than the actual value (less any depreciation in the value) specified in the lease agreement.''.

SEC. 3188. DESIGNATION OF MAJOR NON-NATO ALLIES.

(a) DESIGNATION.—

(1) NOTICE TO CONGRESS.—Chapter 2 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2311 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

''SEC. 517. DESIGNATION OF MAJOR NON-NATO ALLIES.

''(a) NOTICE TO CONGRESS.—The President shall notify the Congress in writing at least 30 days before—

''(1) designating a country as a major non-NATO ally for purposes of this Act and the Arms Export Control Act (22 U.S.C. 2751 et seq.); or

''(2) terminating such a designation.

''(b) INITIAL DESIGNATIONS.—Australia, Egypt, Israel, Japan, the Republic of Korea, and New Zealand shall be deemed to have been so designated by the President as of the effective date of this section, and the President is not required to notify the Congress of such designation of those countries.''.

(2) DEFINITION.—Section 644 of such Act (22 U.S.C. 2403) is amended by adding at the end the following:

''(q) 'Major non-NATO ally' means a country which is designated in accordance with section 517 as a major non-NATO ally for purposes of this Act and the Arms Export Control Act (22 U.S.C. 2751 et seq.).''.

(3) EXISTING DEFINITIONS.—(A) The last sentence of section 21(g) of the Arms Export Control Act (22 U.S.C. 2761(g)) is repealed.

(B) Section 65(d) of such Act is amended—

(i) by striking ''or major non-NATO''; and

(ii) by striking out ''or a'' and all that follows through ''Code''.

(b) COOPERATIVE TRAINING AGREEMENTS.—Section 21(g) of the Arms Export Control Act (22 U.S.C. 2761(g)) is amended in the first sentence by striking ''similar agreements'' and all that follows through ''other countries'' and inserting ''similar agreements with countries''.

SEC. 3189. CERTIFICATION THRESHOLDS.

(a) INCREASE IN DOLLAR THRESHOLDS.—The Arms Export Control Act (22 U.S.C. 2751 et seq.) is amended—

(1) in section 3(d) (22 U.S.C. 2753(d))—

(A) in paragraphs (1) and (3), by striking ''$14,000,000'' each place it appears and inserting ''$25,000,000''; and

(B) in paragraphs (1) and (3), by striking ''$50,000,000'' each place it appears and inserting ''$75,000,000'';

(2) in section 36 (22 U.S.C. 2776)—

(A) in subsections (b)(1), (b)(5)(C), and (c)(1), by striking ''$14,000,000'' each place it appears and inserting ''$25,000,000'';

(B) in subsections (b)(1), (b)(5)(C), and (c)(1), by striking ''$50,000,000'' each place it appears and inserting ''$75,000,000''; and

(C) in subsections (b)(1) and (b)(5)(C), by striking ''$200,000,000'' each place it appears and inserting ''$300,000,000''; and

(3) in section 63(a) (22 U.S.C. 2796b(a))—

(A) by striking ''$14,000,000'' and inserting ''$25,000,000''; and

(B) by striking ''$50,000,000'' and inserting ''$75,000,000''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) apply with respect to certifications submitted on or after the date of the enactment of this Act.

SEC. 3190. COMPETITIVE PRICING FOR SALES OF DEFENSE ARTICLES AND SERVICES.

(a) COSTING BASIS.—Section 22 of the Arms Export Control Act (22 U.S.C. 2762) is amended by adding at the end the following:

''(d) COMPETITIVE PRICING.—Procurement contracts made in implementation of sales under this section for defense articles and defense services wholly paid from funds made available on a nonrepayable basis shall be priced on the same costing basis with regard to profit, overhead, independent research and development, bid and proposal, and other costing elements, as is applicable to procurements of like items purchased by the Department of Defense for its own use.''.

(b) EFFECTIVE DATE AND IMPLEMENTING REGULATIONS.—Section 22(d) of the Arms Export Control Act, as added by subsection (a)—

(1) shall take effect on the 60th day following the date of the enactment of this Act;

(2) shall be applicable only to contracts made in implementation of sales made after such effective date; and

(3) shall be implemented by revised procurement regulations, which shall be issued prior to such effective date.

SEC. 3191. DEPLETED URANIUM AMMUNITION.

Chapter 1 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2370 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

''SEC. 620H. DEPLETED URANIUM AMMUNITION.

''(a) PROHIBITION.—Except as provided in subsection (b), none of the funds made available to carry out this Act or any other Act may be made available to facilitate in any way the sale of M–833 antitank shells or any comparable antitank shells containing a depleted uranium penetrating component to any country other than—

''(1) a country that is a member of the North Atlantic Treaty Organization;

''(2) a country that has been designated as a major non-NATO ally (as defined in section 644(q)); or

''(3) Taiwan.

''(b) EXCEPTION.—The prohibition contained in subsection (a) shall not apply with respect to the use of funds to facilitate the sale of antitank shells to a country if the President determines that to do so is in the national security interest of the United States.''.

SEC. 3192. END-USE MONITORING OF DEFENSE ARTICLES AND DEFENSE SERVICES.

(a) IN GENERAL.—The Arms Export Control Act (22 U.S.C.2751 et seq.) is amended by inserting after chapter 3 the following new chapter:

''CHAPTER 3A—END-USE MONITORING OF DEFENSE ARTICLES AND DEFENSE SERVICES

''SEC. 40A. END-USE MONITORING OF DEFENSE ARTICLES AND DEFENSE SERVICES.

''(a) ESTABLISHMENT OF MONITORING PROGRAM.—

''(1) IN GENERAL.—In order to improve accountability with respect to defense articles and defense services sold, leased, or exported under this Act or the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.), the Secretary of State shall establish a program which provides for the end-use monitoring of such articles and services.

''(2) REQUIREMENTS OF PROGRAM.—To the extent practicable, such program—

''(A) shall provide for the end-use monitoring of defense articles and defense services in accordance with the standards that apply for identifying high-risk exports for regular end-use verification developed under section 38(g)(7) of this Act (commonly referred to as the 'Blue Lantern' program); and

''(B) shall be designed to provide reasonable assurance that—

''(i) the recipient is complying with the requirements imposed by the United States Government with respect to use, transfers, and security of defense articles and defense services; and

''(ii) such articles and services are being used for the purposes for which they are provided.

''(b) CONDUCT OF PROGRAM.—In carrying out the program established under subsection (a), the Secretary shall ensure that the program—

''(1) provides for the end-use verification of defense articles and defense services that incorporate sensitive technology, defense articles and defense services that are particularly vulnerable to diversion or other misuse, or defense articles or defense services

whose diversion or other misuse could have significant consequences; and

''(2) prevents the diversion (through reverse engineering or other means) of technology incorporated in defense articles.

''(c) MONITORING RESPONSIBILITIES.—

''(1) IN GENERAL.—Pursuant to subsection (a), sections 3 and 38 of this Act, and sections 505, 622, and 623 of the Foreign Assistance Act of 1961, the Secretary of State, in consultation with the Secretary of Defense and officials of appropriate other Federal agencies, shall provide for the monitoring of defense articles and defense services described in subsection (a).

''(2) ADDITIONAL PERSONNEL.—Upon the request of the Secretary of State, the Secretary of Defense or the Secretary of the Treasury, as the case may be, shall provide to the agency primarily responsible for the licensing of exports under this section, on a nonreimbursable basis, personnel with appropriate expertise to assist in the end-use monitoring and enforcement functions under this section and section 38 of this Act.

''(d) REPORT TO CONGRESS.—Not later than 6 months after the date of the enactment of the Foreign Aid Reduction Act of 1995, and annually thereafter as a part of the annual congressional presentation documents submitted under section 634 of the Foreign Assistance Act of 1961, the President shall transmit to the Congress a report describing the actions taken to implement this section.

''(e) THIRD COUNTRY TRANSFERS.—For purposes of this section, defense articles and defense services sold, leased, or exported under this Act or the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) includes defense articles and defense services that are transferred to a third country or other third party.''.

(b) EFFECTIVE DATES.—Section 40A of the Arms Export Control Act, as added by subsection (a), applies with respect to defense articles and defense services provided before or after the date of the enactment of this Act.

SEC. 3193. BROKERING ACTIVITIES RELATING TO COMMERCIAL SALES OF DEFENSE ARTICLES AND SERVICES.

(a) IN GENERAL.—Section 38(b)(1)(A) of the Arms Export Control Act (22 U.S.C. 2778(b)(1)(A)) is amended—

(1) in the first sentence, by striking ''As prescribed in regulations'' and inserting ''(i) As prescribed in regulations''; and

(2) by adding at the end the following new clause:

''(ii)(I) As prescribed in regulations issued under this section, every person (other than an officer or employee of the United States Government acting in official capacity) who engages in the business of brokering activities with respect to the manufacture, export, import, or transfer of any defense article or defense service designated by the President under subsection (a)(1), or in the business of brokering activities with respect to the manufacture, export, import, or transfer of any foreign defense article or defense service (as defined in subclause (IV)), shall register with the United States Government agency charged with the administration of this section, and shall pay a registration fee which shall be prescribed by such regulations.

''(II) Such brokering activities shall include the financing, transportation, freight forwarding, or the taking of any other action that facilitates the manufacture, export, or import of a defense article or defense service.

''(III) No person may engage in the business of brokering activities without a license, issued in accordance with this Act, except that no license shall be required for such activities undertaken by or for an agency of the United States Government—

''(aa) for official use by an agency of the United States Government; or

''(bb) for carrying out any foreign assistance or sales program authorized by law and subject to the control of the President by other means.

''(IV) For purposes of this clause, the term 'foreign defense article or defense service' includes any non-United States defense article or defense service of a nature described on the United States Munitions List regardless of whether such article or service is of United States origin or whether such article or service contains United States origin components.''.

(b) EFFECTIVE DATE.—Section 38(b)(1)(A)(ii) of the Arms Export Control Act, as added by subsection (a), shall apply with respect to brokering activities engaged in on or after the date of the enactment of this Act.

TITLE XXXII—ECONOMIC ASSISTANCE

CHAPTER 1—ECONOMIC SUPPORT ASSISTANCE

SEC. 3201. ECONOMIC SUPPORT FUND.

Section 532(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2346a(a)) is amended to read as follows:

''(a) There are authorized to be appropriated to the President to carry out the purposes of this chapter $2,356,378,000 for fiscal year 1996 and $2,283,478,000 for fiscal year 1997.''.

SEC. 3202. ASSISTANCE FOR ISRAEL.

(a) MINIMUM ALLOCATION.—Of the amounts made available for fiscal years 1996 and 1997 for assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund), not less than $1,200,000,000 for each such fiscal year shall be available only for Israel.

(b) TERMS OF ASSISTANCE.—

(1) CASH TRANSFER.—The total amount of funds allocated for Israel for each fiscal year under subsection (a) shall be made available on a grant basis as a cash transfer.

(2) EXPEDITED DISBURSEMENT.—Such funds shall be disbursed—

(A) with respect to fiscal year 1996, not later than 30 days after the date of the enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1996, or by October 31, 1995, whichever is later; and

(B) with respect to fiscal year 1997, not later than 30 days after the date of the enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997, or by October 31, 1996, whichever is later.

(3) ADDITIONAL REQUIREMENT.—In exercising the authority of this subsection, the President shall ensure that the amount of funds provided as a cash transfer to Israel does not cause an adverse impact on the total level of nonmilitary exports from the United States to Israel.

SEC. 3203. ASSISTANCE FOR EGYPT.

(a) MINIMUM ALLOCATION.—Of the amounts made available for fiscal years 1996 and 1997 for assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund), not less than $815,000,000 for each such fiscal year shall be available only for Egypt.

(b) ADDITIONAL REQUIREMENT.—In exercising the authority of this section, the President shall ensure that the amount of funds provided as a cash transfer to Egypt does not cause an adverse impact on the total level of nonmilitary exports from the United States to Egypt.

SEC. 3204. INTERNATIONAL FUND FOR IRELAND.

(a) FUNDING.—

(1) IN GENERAL.—Of the amounts made available for fiscal years 1996 and 1997 for assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund), not more than $29,600,000 for fiscal year 1996 and not more than $19,600,000 for fiscal year 1997 shall be available for the United States contribution to the International Fund for Ireland in accordance with the Anglo-Irish Agreement Support Act of 1986 (Public Law 99–415).

(2) AVAILABILITY.—Amounts made available under paragraph (1) are authorized to remain available until expended.

(b) ADDITIONAL REQUIREMENTS.—

(1) PURPOSES.—Section 2(b) of the Anglo-Irish Agreement Support Act of 1986 (Public Law 99-415; 100 Stat. 947) is amended by adding at the end the following new sentences: ''United States contributions shall be used in a manner that effectively increases employment opportunities in communities with rates of unemployment significantly higher than the local or urban average of unemployment in Northern Ireland. In addition, such contributions shall be used to benefit individuals residing in such communities.''.

(2) CONDITIONS AND UNDERSTANDINGS.—Section 5(a) of such Act is amended—

(A) in the first sentence—

(i) by striking ''The United States'' and inserting the following:

''(1) IN GENERAL.—The United States'';

(ii) by striking ''in this Act may be used'' and inserting the following: ''in this Act—

''(A) may be used'';

(iii) by striking the period and inserting ''; and''; and

(iv) by adding at the end the following:

''(B) may be provided to an individual or entity in Northern Ireland only if such individual or entity is in compliance with the principles of economic justice.''; and

(B) in the second sentence, by striking ''The restrictions'' and inserting the following:

''(2) ADDITIONAL REQUIREMENTS.—The restrictions''.

(3) PRIOR CERTIFICATIONS.—Section 5(c)(2) of such Act is amended—

(A) in subparagraph (A), by striking ''principle of equality'' and all that follows and inserting ''principles of economic justice; and''; and

(B) in subparagraph (B), by inserting before the period at the end the following: ''and will create employment opportunities in regions and communities of Northern Ireland suffering the highest rates of unemployment''.

(4) ANNUAL REPORTS.—Section 6 of such Act is amended—

(A) in paragraph (2), by striking ''and'' at the end;

(B) in paragraph (3), by striking the period and inserting ''; and''; and

(C) by adding at the end the following new paragraph:

''(4) each individual or entity receiving assistance from United States contributions to the International Fund has agreed in writing to comply with the principles of economic justice.''.

(5) DEFINITIONS.—Section 8 of such Act is amended—

(A) in paragraph (1), by striking ''and'' at the end;

(B) in paragraph (2), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following new paragraphs:

''(3) the term 'Northern Ireland' includes the counties of Antrim, Armagh, Derry, Down, Tyrone, and Fermanagh; and

''(4) the term 'principles of economic justice' means the following principles:

''(A) Increasing the representation of individuals from underrepresented religious groups in the workforce, including managerial, supervisory, administrative, clerical, and technical jobs.

''(B) Providing adequate security for the protection of minority employees at the workplace.

''(C) Banning provocative sectarian or political emblems from the workplace.

''(D) Providing that all job openings be advertised publicly and providing that special recruitment efforts be made to attract applicants from underrepresented religious groups.

''(E) Providing that layoff, recall, and termination procedures do not favor a particular religious group.

''(F) Abolishing job reservations, apprenticeship restrictions, and differential employment criteria which discriminate on the basis of religion.

''(G) Providing for the development of training programs that will prepare substantial numbers of minority employees for skilled jobs, including the expansion of existing programs and the creation of new programs to train, upgrade, and improve the skills of minority employees.

''(H) Establishing procedures to assess, identify, and actively recruit minority employees with the potential for further advancement.

''(I) Providing for the appointment of a senior management staff member to be responsible for the employment efforts of the entity and, within a reasonable period of time, the implementation of the principles described in subparagraphs (A) through (H).''.

(6) EFFECTIVE DATE.—The amendments made by this subsection shall take effect 180 days after the date of the enactment of this Act.

SEC. 3205. LAW ENFORCEMENT ASSISTANCE.

(a) IN GENERAL.—Of the amounts made available for fiscal years 1996 and 1997 for assistance under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund), not more than $12,000,000 for each such fiscal year shall be available for law enforcement assistance under chapter 8 of part I of such Act (22 U.S.C. 2291 et seq.).

(b) AVAILABILITY.—Amounts made available under subsection (a) are authorized to remain available until expended.

CHAPTER 2—ASSISTANCE FOR PRIVATE SECTOR PROGRAMS AND ACTIVITIES

SEC. 3211. PRIVATE SECTOR ENTERPRISE FUNDS.

The Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by inserting after section 601 the following new section:

''SEC. 601A. PRIVATE SECTOR ENTERPRISE FUNDS.

''(a) AUTHORITY.—(1) The President may provide funds and support to Enterprise Funds designated in accordance with subsection (b) that are or have been established for the purposes of promoting—

''(A) development of the private sectors of eligible countries, including small businesses, the agricultural sector, and joint ventures with United States and host country participants; and

''(B) policies and practices conducive to private sector development in eligible countries;

on the same basis as funds and support may be provided with respect to Enterprise Funds for Poland and Hungary under the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5401 et seq.).

''(2) Funds may be made available under this section notwithstanding any other provision of law.

''(b) COUNTRIES ELIGIBLE FOR ENTERPRISE FUNDS.—(1) Except as provided in paragraph (2), the President is authorized to designate a private, nonprofit organization as eligible to receive funds and support pursuant to this section with respect to any country eligible to receive assistance under part I of this Act in the same manner and with the same limitations as set forth in section 201(d) of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421(d)).

''(2) The authority of paragraph (1) shall not apply to any country with respect to which the President is authorized to designate an enterprise fund under section 498B(c) or section 498C of this Act or section 201 of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421).

''(c) TREATMENT EQUIVALENT TO ENTERPRISE FUNDS FOR POLAND AND HUNGARY.—Except as otherwise specifically provided in this section, the provisions contained in section 201 of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421) (excluding the authorizations of appropriations provided in subsection (b) of that section) shall apply to any Enterprise Fund that receives funds and support under this section. The officers, members, or employees of an Enterprise Fund that receive funds and support under this section shall enjoy the same status under law that is applicable to officers, members, or employees of the Enterprise Funds for Poland and Hungary under section 201 of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421).

''(d) REPORTING REQUIREMENT.—Notwithstanding any other provision of this section, the requirement of section 201(p) of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5421(p)), that an Enterprise Fund shall be required to publish an annual report not later than January 31 each year, shall not apply with respect to an Enterprise Fund that receives funds and support under this section for the first twelve months after it is designated as eligible to receive such funds and support.

''(e) FUNDING.—

''(1) IN GENERAL.—Amounts made available for a fiscal year to carry out chapter 1 of part I of this Act (relating to development assistance) and to carry out chapter 4 of part II of this Act (relating to the economic support fund) shall be available for such fiscal year to carry out this section, in addition to amounts otherwise available for such purposes.

''(2) AFRICAN DEVELOPMENT.—In addition to amounts available under paragraph (1) for a fiscal year, amounts made available for such fiscal year to carry out chapter 10 of part I of this Act (relating to the Development Fund for Africa) shall be available for such fiscal year to carry out this section with respect to countries in Africa.''.

SEC. 3212. MICRO- AND SMALL ENTERPRISE DEVELOPMENT CREDITS.

(a) IN GENERAL.—Section 108 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151f) is amended to read as follows:

''SEC. 108. MICRO- AND SMALL ENTERPRISE DEVELOPMENT CREDITS.

''(a) FINDINGS AND POLICY.—The Congress finds and declares that—

''(1) the development of micro- and small enterprise, including cooperatives, is a vital factor in the stable growth of developing countries and in the development and stability of a free, open, and equitable international economic system;

''(2) it is, therefore, in the best interests of the United States to assist the development of the private sector in developing countries and to engage the United States private sector in that process;

''(3) the support of private enterprise can be served by programs providing credit, training, and technical assistance for the benefit of micro- and small enterprises; and

''(4) programs that provide credit, training, and technical assistance to private institutions can serve as a valuable complement to grant assistance provided for the purpose of benefiting micro- and small private enterprise.

''(b) PROGRAM.—To carry out the policy set forth in subsection (a), the President is authorized to provide assistance to increase the availability of credit to micro- and small enterprises lacking full access to credit, including through—

''(1) loans and guarantees to credit institutions for the purpose of expanding the availability of credit to micro- and small enterprises;

''(2) training programs for lenders in order to enable them to better meet the credit needs of micro- and small entrepreneurs; and

''(3) training programs for micro- and small entrepreneurs in order to enable them to make better use of credit and to better manage their enterprises.''.

(b) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—(A) There is authorized to be appropriated to carry out section 108 of the Foreign Assistance Act of 1961, in addition to funds otherwise available for such purposes, $2,000,000 for each of the fiscal years 1996 and 1997. Funds authorized to be appropriated under this subsection shall be made available for the subsidy cost, as defined in section 502(5) of the Federal Credit Reform Act of 1990, for activities under section 108 of the Foreign Assistance Act of 1961.

(B) In addition, there are authorized to be appropriated $500,000 for each of the fiscal years 1996 and 1997 for the cost of training programs and administrative expenses to carry out such section.

(2) AVAILABILITY OF AMOUNTS.—Amounts authorized to be appropriated under paragraph (1) are authorized to remain available until expended.

SEC. 3213. MICROENTERPRISE DEVELOPMENT GRANT ASSISTANCE.

Chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by adding at the end the following new section:

''SEC. 129. MICROENTERPRISE DEVELOPMENT GRANT ASSISTANCE.

''(a) AUTHORIZATION.—(1) In carrying out this part, the administrator of the agency primarily responsible for administering this part is authorized to provide grant assistance for programs of credit and other assistance for microenterprises in developing countries.

''(2) Assistance authorized under paragraph (1) shall be provided through the following organizations that have a capacity to develop and implement microenterprise programs:

''(A) United States and indigenous private and voluntary organizations.

''(B) United States and indigenous credit unions and cooperative organizations.

''(C) Other indigenous governmental and nongovernmental organizations.

''(3) Approximately 50 percent of assistance authorized under paragraph (1) shall be used for poverty lending programs which—

''(A) meet the needs of the very poor members of society, particularly poor women; and

''(B) provide loans of $300 or less in 1995 United States dollars to such poor members of society.

''(4) The administrator of the agency primarily responsible for administering this part shall strengthen appropriate mechanisms, including mechanisms for central microenterprise programs, for the purpose of—

''(A) providing technical support for field missions;

''(B) strengthening the institutional development of the intermediary organizations described in paragraph (2); and

''(C) sharing information relating to the provision of assistance authorized under paragraph (1) between such field missions and intermediary organizations.

''(b) MONITORING SYSTEM.—In order to maximize the sustainable development impact of the assistance authorized under subsection (a)(1), the administrator of the agency primarily responsible for administering this part shall establish a monitoring system that—

''(1) establishes performance goals for such assistance and expresses such goals in an objective and quantifiable form, to the extent feasible;

''(2) establishes performance indicators to be used in measuring or assessing the achievement of the goals and objectives of such assistance; and

''(3) provides a basis for recommendations for adjustments to such assistance to enhance the sustainable development impact of such assistance, particularly the impact of such assistance on the very poor, particularly poor women.''.

CHAPTER 3—DEVELOPMENT ASSISTANCE

Subchapter A—Development Assistance Authorities

SEC. 3221. AUTHORIZATIONS OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated the following amounts for the following purposes (in addition to amounts otherwise available for such purposes):

(1) DEVELOPMENT ASSISTANCE FUND.—$858,000,000 for each of the fiscal years 1996 and 1997 to carry out sections 103 through 106 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151a through 2151d).

(2) DEVELOPMENT FUND FOR AFRICA.—$629,214,000 for each of the fiscal years 1996 and 1997 to carry out chapter 10 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2293 et seq.).

(3) ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.—$643,000,000 for fiscal year 1996 and $650,000,000 for fiscal year 1997 to carry out programs under chapter 11 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2295 et seq.) and other related programs.

(4) ASSISTANCE FOR EAST EUROPEAN COUNTRIES.—$325,000,000 for fiscal year 1996 and $275,000,000 for fiscal year 1997 for economic assistance for Eastern Europe and the Baltic states under the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) and the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5401 et seq.).

(5) INTER-AMERICAN FOUNDATION.—$20,000,000 for fiscal year 1996 and $10,000,000 for fiscal year 1997 to carry out section 401 of the Foreign Assistance Act of 1969 (22 U.S.C. 290f).

(6) AFRICAN DEVELOPMENT FOUNDATION.—$10,000,000 for fiscal year 1996 and $5,000,000 for fiscal year 1997 to carry out the African Development Foundation Act (22 U.S.C. 290h et seq.).

(b) AVAILABILITY OF AMOUNTS.—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until expended.

SEC. 3222. CHILD SURVIVAL ACTIVITIES, VITAMIN A DEFICIENCY PROGRAM, AND RELATED ACTIVITIES.

(a) CHILD SURVIVAL ACTIVITIES.—

(1) IN GENERAL.—(A) Of the amounts made available to carry out the provisions of law described in paragraph (2) for fiscal years 1996 and 1997, not less than $280,000,000 for each such fiscal year shall be made available only for activities which have a direct measurable impact on rates of child morbidity and mortality, with a particular emphasis on delivery of community-based primary health care and health education services which benefit the poorest of the poor.

(B) Of the amounts made available under subparagraph (A) for a fiscal year, not less than $30,000,000 for such fiscal year shall be provided to private and voluntary organizations under the PVO Child Survival grants program carried out by the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961.

(2) PROVISIONS OF LAW.—The provisions of law described in this paragraph are the following:

(A) Sections 103 through 106 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151a through 2151d; relating to the development assistance fund).

(B) Chapter 10 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2293 et seq.; relating to the Development Fund for Africa).

(C) Chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund).

(D) The ''Multilateral Assistance Initiative for the Philippines'' program.

(3) SPECIAL RULE.—Amounts made available under sections 103 through 106 of the Foreign Assistance Act of 1961 for the Vitamin A Deficiency Program, part I of such Act for iodine and iron fortification programs and for iron supplementation programs for pregnant women, chapter 9 of part I of such Act for international disaster assistance, section 104(c) of such Act for international AIDS prevention and control, and any other provision of law for migration and refugee assistance, shall not be included in the aggregate amounts described in paragraph (1) for purposes of the requirements contained in such paragraph.

(b) VITAMIN A DEFICIENCY PROGRAM AND RELATED ACTIVITIES.—Of the amounts made available to carry out sections 103 through 106 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151a through 2151d) for fiscal years 1996 and 1997, not less than $25,000,000 for each such fiscal year shall be made available for the Vitamin A Deficiency Program and for activities relating to iodine deficiency and other micronutrients.

(c) UNDP/WHO TROPICAL DISEASE PROGRAM.—Of the amounts made available to carry out section 103 through 106 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151a through 2151d) for fiscal years 1996 and 1997, not less than $15,000,000 for each such fiscal year shall be made available for the United Nations Development Program/World Health Organization Special Program for Research and Training in Tropical Diseases.

SEC. 3223. ASSISTANCE FOR FAMILY PLANNING.

(a) RESTRICTION ON USE OF FUNDS FOR VOLUNTARY POPULATION PLANNING.—Section 104(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(b)) is amended by inserting after the first sentence the following new sentence: ''Such assistance shall be available only for voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services.''

(b) PROHIBITION ON USE OF FUNDS FOR VOLUNTARY POPULATION PLANNING TO ORGANIZATIONS OR PROGRAMS SUPPORTING OR PARTICIPATING IN THE MANAGEMENT OF ABORTION OR INVOLUNTARY STERILIZATION PROGRAMS.—Section 104(b) of such Act (22 U.S.C. 2151b(b)), as amended by subsection (a), is further amended—

(1) in the first sentence, by striking ''In order to'' and inserting ''(1) In order to''; and

(2) by adding at the end the following new paragraph:

''(2) None of the funds made available to carry out this subsection may be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization.''.

(c) PROHIBITION ON DISCRIMINATION WITH RESPECT TO GRANTS FOR NATURAL FAMILY PLANNING.—Section 104(b) of such Act (22 U.S.C. 2151b(b)), as amended by subsections (a) and (b), is further amended by adding at the end the following new paragraph:

''(3) In providing grants for natural family planning under this subsection, the administrator of the agency primarily responsible for administering this part shall not discriminate against applicants because of any religious or conscientious commitment by such applicants to offer only natural family planning services.''.

(d) CLARIFICATION WITH RESPECT TO PROHIBITION ON USE OF FUNDS FOR ABORTIONS.—Section 104(f)(1) of such Act (22 U.S.C. 2151b(f)(1)) is amended—

(1) by striking ''None of the funds'' and inserting ''(A) None of the funds''; and

(2) by adding at the end the following new subparagraph:

''(B) For purposes of this paragraph, the term 'motivate' shall not be construed to prohibit the provision, consistent with local law, of information and counseling concerning all pregnancy options, including abortion.''.

SEC. 3224. ASSISTANCE FOR THE INDEPENDENT STATES OF THE FORMER SOVIET UNION.

(a) CONDITIONS ON ASSISTANCE.—Section 498A(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2295a(b)) is amended—

(1) in paragraph (4), by striking ''or'' at the end;

(2) by redesignating paragraph (5) as paragraph (10); and

(3) by inserting after paragraph (4) the following new paragraphs:

''(5) for the Government of Russia, unless the President certifies to the Congress that such Government—

''(A) is pursuing, without preconditions, an immediate and permanent ceasefire, and is pursuing a negotiated settlement to the conflict in the Russian Federation Republic of Chechnya;

''(B) is taking steps to provide unhindered access to the region of Chechnya and surrounding areas of the Russian Federation by elected officials of the Russian Federation and by independent Russian media;

''(C) is cooperating with the Organization for Security and Cooperation in Europe and other appropriate international organizations in undertaking steps to investigate and prosecute any and all individuals, including members of the Russian armed forces and internal security agencies, who may be responsible for atrocities, war crimes, or crimes against humanity in the region of Chechnya;

''(D) is cooperating with the Assistance Group of the Organization on Security and Cooperation in Europe established in Chechnya in fulfilling that mission's mandate;

''(E) is cooperating in assuring the unhindered delivery of humanitarian assistance to the civilian population in Chechnya;

''(F) has made the fullest possible accounting of all persons currently detained by Russian military or security forces as a result of the conflict in Chechnya and has allowed access to those individuals by the International Committee of the Red Cross;

''(G) is taking steps to repatriate refugees and displaced persons wishing to return to Chechnya; and

''(H) is taking steps to hold free and fair elections in Chechnya, based on the principles of the Organization on Security and Cooperation in Europe and conducted in the presence of foreign and domestic observers;

except that this paragraph shall not apply to the provision of such assistance for purposes of humanitarian, disaster, and refugee relief or assisting democratic political reform and rule of law activities, provision of technical assistance for safety upgrade of civilian nuclear power plants, and assisting in the creation of private sector and nongovernmental organizations that are independent of government ownership and control;

''(6) for the government of any independent state that has agreed to provide nuclear reactor components to Iran, unless the President determines that the sale of such components to Iran includes safeguards that are consistent with the national security objectives of the United States and the concerns of the United States with respect to nonproliferation of nuclear weapons technology, except that this paragraph shall not apply to the provision of such of assistance for purposes of—

''(A) humanitarian, disaster, and refugee relief; or

''(B) assisting democratic political reform, rule of law activities, and the creation of private sector and nongovernmental organizations that are independent of government ownership and control;

''(7) for the government of any independent state that the President determines directs any action in violation of the territorial integrity or national sovereignty of any other new independent state, except that this paragraph shall not apply to the provision of such assistance for purposes of—

''(A) humanitarian, disaster, and refugee relief; or

''(B) assisting democratic political reform, rule of law activities, and the creation of private sector and nongovernmental organizations that are independent of government ownership and control;

''(8) for the purpose of enhancing the military capability of any independent state, except that this paragraph shall not apply to demilitarization, defense conversion or nonproliferation programs, or programs to support troop withdrawal including through the support of an officer resettlement program, and technical assistance for the housing sector;

''(9) for the Government of Russia if the President determines that Government—

''(A) is not making progress in implementing comprehensive economic reforms based on market principles, including fostering private ownership, the repayment of commercial debt, the respect of commercial contracts, the equitable treatment of foreign private investment; or

''(B) applies or transfers assistance provided under this chapter to any entity for the purpose of expropriating or seizing ownership or control of assets, investments, or ventures; or''.

(b) ASSISTANCE THROUGH THE PRIVATE SECTOR.—Section 498B(a) of such Act (22 U.S.C. 2295b(a)) is amended to read as follows:

''(a) ASSISTANCE THROUGH THE PRIVATE SECTOR.—Assistance under this chapter shall be provided, to the maximum extent feasible, through the private sector, including private and voluntary organizations and other nongovernmental organizations functioning in the independent states of the former Soviet Union.''.

(c) WAIVER OF CERTAIN PROVISIONS.—Section 498B(j)(1) of such Act (22 U.S.C. 2295b(j)(1)) is amended in the matter preceding subparagraph (A)—

(1) by striking ''for fiscal year 1993 by this chapter'' and inserting ''to carry out this chapter''; and

(2) by striking ''appropriated for fiscal year 1993''.

SEC. 3225. DEVELOPMENT FUND FOR LATIN AMERICA AND THE CARIBBEAN.

Part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by adding at the end the following new chapter:

''CHAPTER 12—DEVELOPMENT FUND FOR LATIN AMERICA AND THE CARIBBEAN

''SEC. 499. STATEMENT OF POLICY.

''The Congress declares the following:

''(1) The historic, economic, political, and geographic relationships among the countries of the Western Hemisphere are unique and of continuing special significance.

''(2) Following the historic Summit of the Americas and the passage of the North American Free Trade Agreement, the countries of the Western Hemisphere have moved steadfastly toward economic and political integration.

''(3) The interests of the countries of the Western Hemisphere are more interrelated than ever, and sound economic, social, and democratic progress in each of the countries continues to be of importance to all countries, and lack of it in any country may have serious repercussions in others.

''(4) For the peoples of Latin America and the Caribbean to progress within the framework of social justice, respect for human rights, political democracy, and market-oriented economies, there is a compelling need for the achievement of social and economic advancement and the consolidation of political democracy and the rule of law adequate to meet the legitimate aspirations of the individual citizens of the countries of Latin America and the Caribbean for a better way of life.

''(5) The prosperity, security, and well-being of the United States is linked directly to peace, prosperity, and democracy in Latin America and the Caribbean.

''(6) Democratic values are dominant throughout Latin America and the Caribbean region and nearly all governments in such region have come to power through democratic elections.

''(7) Nonetheless, existing democratic governments and their supporting institutions remain fragile and face critical challenges, including, in particular, the consolidation of civilian control of such governments and institutions, including control of the military, the consolidation or establishment of independent judicial institutions and of the rule of law, and where appropriate, the decentralization of government.

''(8) In adherence to free market principles, it is essential to promote economic growth with equity—enlarging employment and decisionmaking opportunities and the provision of basic social services for traditionally marginalized groups, such as indigenous minorities, women, and the poor—and to protect and promote workers rights.

''(9) By supporting the purposes and objectives of sustainable development and applying such purposes and objectives to Latin America and the Caribbean, the Development Fund for Latin America and the Caribbean can advance the national interests of the United States and can directly improve the lives of the poor, encourage broad-based economic growth while protecting the environment, build human capital and knowledge, support participation in democracy, and promote peace and justice in Latin America and the Caribbean.

''SEC. 499A. AUTHORIZATION OF ASSISTANCE.

''(a) IN GENERAL.—The President is authorized to provide assistance for Latin America and the Caribbean to promote democracy, sustainable development, and economic growth in Latin America and the Caribbean.

''(b) TERMS AND CONDITIONS.—Assistance under this chapter shall be provided on such terms and conditions as the President may determine.

''SEC. 499B. AVAILABILITY OF AMOUNTS.

''(a) IN GENERAL.—Of the amounts made available to carry out the provisions of law described in subsection (b) for fiscal year 1996 and for each succeeding fiscal year, not less than an amount requested by the President and approved by the Congress in appropriations Acts shall be made available to carry out this chapter.

''(b) PROVISIONS OF LAW.—The provisions of law described in this subsection are the following:

''(1) Sections 103 through 106 of this Act (relating to the development assistance fund).

''(2) Chapter 8 of this part (relating to international narcotics control).

''(3) Chapter 4 of part II of this Act (relating to the economic support fund).

''(4) Chapter 5 of part II of this Act (relating to international military education and training).

''(5) Titles II and III of the Agricultural Trade Development and Assistance Act of 1954.

''(6) The 'Foreign Military Financing Program' under section 23 of the Arms Export Control Act (22 U.S.C. 2763).

''(c) AVAILABILITY.—Amounts made available under this section are authorized to remain available until expended.''.

SEC. 3226. EFFECTIVENESS OF UNITED STATES DEVELOPMENT ASSISTANCE.

Chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2251 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

''SEC. 130. EFFECTIVENESS OF UNITED STATES DEVELOPMENT ASSISTANCE.

''(a) REPORTS.—Not later than December 31, 1996, and December 31 of each third year thereafter, the President shall transmit to the Congress a report which analyzes, on a country-by-country basis, the impact and effectiveness of the United States development assistance provided during the preceding three fiscal years. Each report shall include the following for each recipient country:

''(1) An analysis of the impact of United States development assistance during the preceding three fiscal years on development in that country, with a discussion of the United States interests that were served by the assistance. Such analysis shall be done on a sector-by-sector basis to the extent possible and shall identify any economic policy reforms which were promoted by the assistance. Such analysis shall—

''(A) include a description, quantified to the extent practicable, of the specific objectives the United States sought to achieve in providing development assistance for that country; and

''(B) specify the extent to which those objectives were not achieved, with an explanation of why they were not achieved.

''(2) A description of the amount and nature of development assistance provided by other donors during the preceding three fiscal years, set forth by development sector to the extent possible.

''(3) A discussion of the commitment of the host government to addressing the country's needs in each development sector, including a description of the resources devoted by that government to each development sector during the preceding three fiscal years.

''(4) A description of the trends, both favorable and unfavorable, in each development sector.

''(5) Statistical and other information necessary to evaluate the impact and effectiveness of United States development assistance on development in the country.

''(b) LISTING OF MOST AND LEAST SUCCESSFUL ASSISTANCE PROGRAMS.—Each report required by this section shall identify—

''(1) those five countries in which United States development assistance has been most successful; and

''(2) those five countries in which United States development assistance has been least successful.

For each country listed pursuant to paragraph (2), the report shall explain why the assistance was not more successful and shall specify what the United States has done as a result.

''(c) REPORT TO BE A SEPARATE DOCUMENT.—Each report required by this section shall be submitted to the Congress as a separate document.

''(d) DEFINITION.—As used in this section, the terms 'United States development assistance' and 'development assistance' means assistance under this chapter.''.

SEC. 3227. FUNDING FOR PRIVATE AND VOLUNTARY ORGANIZATIONS AND COOPERATIVES.

(a) IN GENERAL.—For each of the fiscal years 1996 and 1997, the President shall allocate an aggregate amount to private and voluntary organizations and cooperatives under the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) and the Support for East European Democracy (SEED) Act of 1989 which, at a minimum, is equal to the aggregate amount allocated to such organizations and cooperatives under such Acts for fiscal year 1994.

(b) DEFINITION.—For purposes of this section, the term ''private and voluntary organization'' means a private nongovernmental organization which—

(1) is organized under the laws of a country;

(2) receives funds from private sources;

(3) operates on a not-for-profit basis with appropriate tax-exempt status if the laws of the country grant such status to not-for-profit organizations;

(4) is voluntary in that it receives voluntary contributions of money, time, or in-kind support from the public; and

(5) is engaged or intends to be engaged in voluntary, charitable, development, or humanitarian assistance activities.

SEC. 3228. SENSE OF THE CONGRESS RELATING TO UNITED STATES COOPERATIVES AND CREDIT UNIONS.

It is the sense of the Congress that—

(1) United States cooperatives and credit unions can provide an opportunity for people in developing countries to participate directly in democratic decisionmaking for their economic and social benefit through ownership and control of business enterprises and through the mobilization of local capital and savings; and

(2) such organizations should be utilized in fostering democracy, free markets, community-based development, and self-help projects.

Subchapter B—Operating Expenses

SEC. 3231. OPERATING EXPENSES GENERALLY.

Section 667(a)(1) of the Foreign Assistance Act of 1961 (22 U.S.C. 2427(a)(1)) is amended to read as follows:

''(1) $465,774,000 for fiscal year 1996 and $419,196,000 for fiscal year 1997 for necessary operating expenses of the agency primarily responsible for administering part I of this Act (other than the office of the inspector general of such agency); and''.

SEC. 3232. OPERATING EXPENSES OF THE OFFICE OF THE INSPECTOR GENERAL.

Section 667(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2427(a)), as amended by this Act, is further amended—

(1) by redesignating paragraph (2) as paragraph (3);

(2) by striking ''and'' at the end of paragraph (1); and

(3) by inserting after paragraph (1) the following:

''(2) $35,206,000 for fiscal year 1996 and $31,685,000 for fiscal year 1997 for necessary operating expenses of the office of the inspector general of such agency; and''.

CHAPTER 4—PUBLIC LAW 480

SEC. 3241. LEVELS OF ASSISTANCE FOR TITLE II.

Section 204(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724(a)) is amended—

(1) in paragraph (1)(E), by striking ''for fiscal year 1995'' and inserting ''for each of the fiscal years 1995 through 1997''; and

(2) in paragraph (2)(E), by striking ''for fiscal year 1995'' and inserting ''for each of the fiscal years 1995 through 1997''.

SEC. 3242. AUTHORIZATION OF APPROPRIATIONS FOR TITLE III.

No funds are authorized to be appropriated for either of the fiscal years 1996 and 1997 for the provision of agricultural commodities under title III of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1727 et seq.).

CHAPTER 5—HOUSING GUARANTEE PROGRAM

SEC. 3251. AUTHORIZATION OF APPROPRIATIONS FOR ADMINISTRATIVE EXPENSES.

(a) IN GENERAL.—(1) Subject to paragraph (2), there are authorized to be appropriated $7,000,000 for fiscal year 1996 and $6,000,000 for fiscal year 1997 for administrative expenses to carry out guaranteed loan programs under sections 221 and 222 of the Foreign Assistance Act of 1961 (22 U.S.C. 2181 and 2182).

(2) Amounts authorized to be appropriated under paragraph (1) may be made available only for—

(A) administrative expenses incurred with respect to guaranties issued before the date of the enactment of this Act; or

(B) expenses incurred with respect to activities related to the collection of amounts paid by the United States in the discharge of liabilities under guaranties issued under section 222 of the Foreign Assistance Act of 1961 (22 U.S.C. 2182).

(b) AVAILABILITY.—Amounts authorized to be appropriated under subsection (a) are authorized to remain available until expended.

SEC. 3252. ADDITIONAL REQUIREMENTS.

(a) EXPIRATION OF AUTHORITY.—Section 222(a) of the Foreign Assistance Act of 1961 (22 U.S.C. 2182(a)) is amended by striking the third sentence and inserting the following: ''No guaranties may be issued under this section on or after the date of the enactment of the Foreign Aid Reduction Act of 1995.''.

(b) CANCELLATION OF CERTAIN EXISTING GUARANTIES.—Section 222 of such Act (22 U.S.C. 2182) is amended—

(1) by redesignating subsection (k) as subsection (d); and

(2) by adding at the end the following new subsection:

''(e) The President shall cancel all guaranties issued under this section with respect to which eligible investors have not (before the date of the enactment of the Foreign Aid Reduction Act of 1995) applied such guaranties to loans for projects under this title.''.

(c) PROHIBITION ON ASSISTANCE FOR ENTITIES IN DEFAULT AND CERTAIN OTHER ENTITIES.—Section 620 of such Act (22 U.S.C. 2370) is amended by inserting after subsection (u) the following new subsection:

''(v)(1) Subject to paragraph (2), no assistance shall be furnished under this Act to any entity that—

''(A) fails to make timely payments on loans with respect to which guaranties have been issued under title III of chapter 2 of part I of this Act (relating to housing and other credit guaranty programs); or

''(B) causes amounts (including amounts for administrative expenses) to be paid by the United States in the discharge of liabilities under guaranties issued under such title, unless such entity has reimbursed the United States for such amounts.

''(2) The President may waive the prohibition in paragraph (1) with respect to an entity if the President determines that it is in the national interest of the United States to furnish assistance under this Act to such entity.''.

CHAPTER 6—PEACE CORPS

SEC. 3261. PEACE CORPS.

Section 3(b) of the Peace Corps Act (22 U.S.C. 2502(b)) is amended to read as follows:

''(b)(1) There are authorized to be appropriated to carry out the purposes of this Act $219,745,000 for each of the fiscal years 1996 and 1997.

''(2) Amounts authorized to be appropriated under paragraph (1)—

(1) with respect to fiscal year 1996 are authorized to remain available until September 30, 1997; and

(2) with respect to fiscal year 1997 are authorized to remain available until September 30, 1998.''.

SEC. 3262. ACTIVITIES OF THE PEACE CORPS IN THE FORMER SOVIET UNION.

(a) IN GENERAL.—Of the amounts made available for fiscal years 1996 and 1997 to carry out chapter 11 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2295 et seq.; relating to assistance for the independent states of the former Soviet Union), not more than $11,600,000 for each such fiscal year shall be available for activities of the Peace Corps in the independent states of the former Soviet Union (as defined in section 3 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992).

(b) AVAILABILITY.—Amounts made available under subsection (a)—

(1) with respect to fiscal year 1996 are authorized to remain available until September 30, 1997; and

(2) with respect to fiscal year 1997 are authorized to remain available until September 30, 1998.

SEC. 3263. PROHIBITION ON USE OF FUNDS FOR ABORTIONS.

Section 15 of the Peace Corps Act (22 U.S.C. 2514) is amended by adding at the end the following new subsection:

''(e) Funds made available for the purposes of this Act may not be used to pay for abortions.''.

CHAPTER 7—INTERNATIONAL DISASTER ASSISTANCE

SEC. 3271. AUTHORITY TO PROVIDE RECONSTRUCTION ASSISTANCE.

Section 491 of the Foreign Assistance Act of 1961 (22 U.S.C. 2292) is amended—

(1) in subsection (b), by striking ''and rehabilitation'' and inserting '', rehabilitation, and reconstruction''; and

(2) in subsection (c), by striking ''and rehabilitation'' and inserting '', rehabilitation, and reconstruction''.

SEC. 3272. AUTHORIZATIONS OF APPROPRIATIONS.

Section 492(a) of such Act (22 U.S.C. 2292a(a)) is amended to read as follows:

''(a) There are authorized to be appropriated to the President to carry out section 491, in addition to funds otherwise available for such purposes, $200,000,000 for each of the fiscal years 1996 and 1997.''.

CHAPTER 8—OTHER PROVISIONS

SEC. 3281. EXEMPTION FROM RESTRICTIONS ON ASSISTANCE THROUGH NONGOVERNMENTAL ORGANIZATIONS.

Section 123(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151u(e)) is amended to read as follows:

''(e)(1) Subject to paragraph (3), restrictions contained in this Act or any other provision of law with respect to assistance for a

country shall not be construed to restrict assistance under this chapter, chapter 10, or chapter 11 of this part in support of programs of nongovernmental organizations.

''(2) The President shall take into consideration, in any case in which a restriction on assistance for a country would be applicable but for this subsection, whether assistance for programs of nongovernmental organizations is in the national interest of the United States.

''(3) Whenever the authority of this subsection is used to furnish assistance for a program of a nongovernmental organization, the President shall notify the congressional committees specified in section 634A(a) of this Act in accordance with procedures applicable to reprogramming notifications under that section. Such notification shall describe the program assisted, the assistance provided, and the reasons for furnishing such assistance.''.

SEC. 3282. FUNDING REQUIREMENTS RELATING TO UNITED STATES PRIVATE AND VOLUNTARY ORGANIZATIONS.

(a) IN GENERAL.—Section 123(g) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151u(g)) is amended to read as follows:

''(g) Funds made available to carry out this chapter or chapter 10 of this part may not be made available to any United States private and voluntary organization, except any cooperative development organization, that obtains less than 20 percent of its total annual financial support for its international activities from sources other than the United States Government.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to funds made available for programs of any United States private and voluntary organization on or after the date of the enactment of this Act.

SEC. 3283. DOCUMENTATION REQUESTED OF PRIVATE AND VOLUNTARY ORGANIZATIONS.

Section 620 of the Foreign Assistance Act of 1961 (22 U.S.C. 2370), as amended by this Act, is further amended by inserting after subsection (v) (as added by this Act) the following new subsection:

''(w) None of the funds made available to carry out this Act shall be available to any private and voluntary organization which—

''(1) fails to provide upon timely request any document, file, or record necessary to the auditing requirements of the agency primarily responsible for administering part I of this Act; or

''(2) is not registered with the agency primarily responsible for administering part I of this Act.''.

SEC. 3284. FOREIGN GOVERNMENT PARKING FINES.

(a) IN GENERAL.—Chapter 1 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2351 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

''SEC. 620I. FOREIGN GOVERNMENT PARKING FINES.

''(a) IN GENERAL.—An amount equivalent to 110 percent of the total unpaid fully adjudicated parking fines and penalties owed to the District of Columbia, Virginia, Maryland, and New York by the government of a foreign country as of the end of a fiscal year, as certified to the President by the chief executive officer of each State or District, shall be withheld from obligation for such country out of funds available in the next fiscal year to carry out part I of this Act, until the requirement of subsection (b) is satisfied.

''(b) REQUIREMENT.—The requirement of this subsection is satisfied when the Secretary of State determines and certifies to the appropriate congressional committees that such fines and penalties are fully paid to the governments of the District of Columbia, Virginia, Maryland, and New York.

''(c) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—For purposes of this section, the term 'appropriate congressional committees' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to fines certified as of the end of fiscal year 1995 or any fiscal year thereafter.

SEC. 3285. HUMAN RIGHTS REPORTS.

(a) SECTION 116 REPORT.—Section 116(d) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151n) is amended—

(1) in paragraph (2), by striking ''and'' at the end;

(2) by redesignating paragraph (3) as paragraph (5); and

(3) by inserting after paragraph (2) the following new paragraphs:

''(3) the votes of each member of the United Nations Commission on Human Rights on all country-specific and thematic resolutions voted on at the Commission's annual session during the period covered during the preceding year;

''(4) the extent to which each country has extended protection to refugees, including the provision of first asylum and resettlement; and''.

(b) SECTION 502B REPORT.—Section 502B(b) of such Act (22 U.S.C. 2304(b)) is amended by adding after the second sentence the following new sentence: ''Each report under this section shall list the votes of each member of the United Nations Commission on Human Rights on all country-specific and thematic resolutions voted on at the Commission's annual session during the period covered during the preceding year.''.

SEC. 3286. DEOBLIGATION OF CERTAIN UNEXPENDED ECONOMIC ASSISTANCE FUNDS.

Chapter 3 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2401 et seq.) is amended by adding at the end the following:

''SEC. 668. DEOBLIGATION OF CERTAIN UNEXPENDED ECONOMIC ASSISTANCE FUNDS.

''(a) REQUIREMENT TO DEOBLIGATE.—

''(1) IN GENERAL.—Except as provided in subsection (b) of this section and in paragraphs (1) and (3) of section 617(a) of this Act, at the beginning of each fiscal year the President shall deobligate and return to the Treasury, any funds described in paragraph (2) that, as of the end of the preceding fiscal year, have been obligated for a project or activity for a period of more than 3 years but have not been expended.

''(2) FUNDS.—Paragraph (1) applies to funds made available for—

''(A) assistance under chapter 1 of part I of this Act (relating to development assistance), chapter 10 of part I of this Act (relating to the Development Fund for Africa), or chapter 4 of part II of this Act (relating to the economic support fund);

''(B) assistance under the 'Multilateral Assistance Initiative for the Philippines';

''(C) assistance under the Support for East European Democracy (SEED) Act of 1989; and

''(D) economic assistance for the independent states of the former Soviet Union under this Act or under any other Act authorizing economic assistance for such independent states.

''(b) EXCEPTIONS.—The President, on a case-by-case basis, may waive the requirement of subsection (a)(1) if the President determines, and reports to the appropriate congressional committees, that—

''(1) the funds are being used for a construction project that requires more than 3 years to complete; or

''(2) the funds have not been expended because of unforeseen circumstances, and those circumstances could not have been reasonably foreseen.

''(c) COMMENTS BY INSPECTOR GENERAL.—As soon as possible after the submission of a report pursuant to subsection (b), the Inspector General of the agency primarily responsible for administering part I of this Act shall submit to the appropriate congressional committees such comments as the Inspector General considers appropriate with regard to the determination described in that report.

''(d) APPROPRIATE CONGRESSIONAL COMMITTEES.—As used in this section, the term 'appropriate congressional committees' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.''.

TITLE XXXIII—REGIONAL PROVISIONS

SEC. 3301. PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS PROVIDING ASSISTANCE TO CUBA.

(a) IN GENERAL.—Section 620 of the Foreign Assistance Act of 1961 (22 U.S.C. 2370), as amended by this Act, is further amended by adding at the end the following new subsection:

''(y)(1) No assistance may be provided under this Act (other than humanitarian assistance and assistance for refugees) for a fiscal year to any foreign government that the President determines has provided economic assistance to or engaged in nonmarket-based trade with the Government of Cuba or any entity controlled by such Government in the preceding fiscal year.

''(2) The President may waive the requirements of paragraph (1) if—

''(A) the President certifies to the congressional committees specified in section 634A of this Act (in accordance with procedures applicable to reprogramming of funds under that section) that the provision of such assistance is vital to the national security of the United States; or

''(B) the President determines and reports to the Congress that the Government of Cuba has met the requirements contained in section 1708 of the Cuban Democracy Act of 1992 (22 U.S.C. 6001 et seq.).

''(3) Not later than February 1st each year, the President shall prepare and transmit to the appropriate congressional committees a report containing a list of all foreign governments that the President has determined have provided economic assistance to or engaged in nonmarket-based trade with the Government of Cuba in the preceding fiscal year.

''(4) For purposes of this subsection—

''(A) the term 'appropriate congressional committees' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate;

''(B) the term 'humanitarian assistance' means food (including the monetization of food), clothing, medicine, and medical supplies; and

''(C) the term 'nonmarket-based trade' includes exports, imports, exchanges, or other trade arrangements under which goods or services are provided on terms more favorable than those generally available in applicable markets or for comparable commodities, including—

''(i) exports to the Government of Cuba on terms that involve a grant, concessional price, guaranty, insurance, or subsidy;

''(ii) imports from the Government of Cuba at preferential tariff rates; and

''(iii) exchange arrangements that include advance delivery of commodities, arrangements in which the Government of Cuba is not held accountable for unfulfilled exchange contracts, and arrangements under which such Government does not pay appropriate transportation, insurance, or finance costs.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the prohibition on assistance to a foreign government contained in section 620(y) of the Foreign Assistance Act of 1961, as added by subsection (a), shall apply only with respect to assistance provided in fiscal years beginning on or after the date of the enactment of this Act.

(2) EXCEPTION.—In the case of the fiscal year in which this Act is enacted, such prohibition shall apply with respect to the obligation or expenditure of assistance on or after the date of the enactment of this Act.

SEC. 3302. ASSISTANCE FOR NICARAGUA.

(a) RESTRICTIONS.—Amounts made available for fiscal years 1996 and 1997 for assistance under chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.; relating to development assistance) or chapter 4 of part II of such Act (22 U.S.C. 2346 et seq.; relating to the economic support fund), including any unobligated balances of prior appropriations, may only be made available to the Government of Nicaragua if the Secretary of State determines and certifies to the appropriate congressional committees that—

(1) a full and independent investigation has been completed of the weapons caches discovered after the May 23, 1993, Santa Rosa arms cache explosion, including an investigation of passports, identity papers, and other documents found at weapons sites indicating the existence of a terrorist or kidnapping ring and whether the terrorist network was involved in the February 1993 World Trade Center bombing;

(2) prosecutions have been initiated against all individuals, including government officials and members of the armed forces or security forces of Nicaragua, identified in the investigation described in paragraph (1);

(3) Nicaragua has made substantial progress in meeting the requirements set forth in section 527 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (relating to expropriation of United States property);

(4) substantial progress has been made in the timely implementation of all recommendations made by the Tripartite Commission with respect to individuals responsible for assassinations, including the immediate suspension of all individuals from the Sandinista Army and security forces who were named in such recommendations, and the expeditious prosecution of such individuals;

(5) all individuals responsible for the murders of Jean Paul Genie, Arges Sequeira, and Enrique Bermudez have been removed from the military and security forces of Nicaragua, and judicial proceedings against these individuals have been initiated;

(6) specific changes have been implemented which have resulted in verifiable civilian control over the Sandinista military, security forces, and police; and

(7) genuine, effective, and concrete reforms in the Nicaraguan judicial system have been initiated.

(b) CONTENTS OF CERTIFICATION.—

(1) IN GENERAL.—A certification made pursuant to subsection (a) shall include a detailed accounting of all evidence in support of the determinations listed in paragraphs (1) through (7) of such subsection.

(2) FORM.—A certification made pursuant to subsection (a) shall be submitted in unclassified form, and, to the extent necessary, classified form.

(c) EXCEPTION TO RESTRICTIONS.—The restrictions on the availability of funds in subsection (a) shall not apply to support for—

(1) programs facilitating the resolution of United States citizen property claims;

(2) the International Commission for Support and Verification of the Organization of American States for human rights monitoring, related assistance programs or election observation;

(3) independent human rights groups in Nicaragua;

(4) programs intended to ensure free and fair elections in Nicaragua;

(5) democracy-building programs administered through the National Endowment for Democracy and related nongovernmental groups; or

(6) programs to promote civilian control of the military.

(d) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—For purposes of this section, the term ''appropriate congressional committees'' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

SEC. 3303. SENSE OF THE CONGRESS REGARDING RELATIONS WITH BURMA.

It is the sense of the Congress that—

(1) official United States trade delegations to Burma should be indefinitely suspended;

(2) visits to Burma by senior officials of the United States Government should be minimized until Aung San Suu Kyi is released from house arrest;

(3) the Secretary of Labor should submit to the Congress a report on labor practices in Burma so that Members of Congress can better inform constituents, including stockholders and business leaders of the United States companies which transact commerce with Burma, on labor conditions in that country;

(4) the Secretary of State should submit to the Congress a report on resource exploitation and environmental degradation in Burma;

(5) no assistance should be used for cooperative counternarcotics efforts between the United States and members of the State Law and Order Restoration Committee (SLORC) regime;

(6) the United States should discourage the Association of Southeast Asian Nations (ASEAN) from including the SLORC regime in ASEAN activities;

(7) the Secretary of State should submit to the Congress a report which outlines a strategy for encouraging democratic transition in Burma; and

(8) the United States should encourage its allies to restrict the relations of such allies with Burma in accordance with this section.

SEC. 3304. DEBT RESTRUCTURING FOR EGYPT.

(a) FINDINGS.—The Congress makes the following findings:

(1) The Government of Egypt owes the United States Government over $6,000,000,000 from prior economic assistance credit programs.

(2) Current annual debt service payments by Egypt to the United States are approximately $270,000,000, will climb in the near future to $350,000,000, and will continue until the year 2021.

(3) Egypt's debt service to the United States results in reduced investment capital and slower economic growth in Egypt.

(4) Restructuring Egypt's debt burden, and buying down Egypt's debt, could substantially reduce over time Egypt's requirement for economic assistance.

(5) Addressing Egypt's debt burden is in the mutual interest of Egypt and the United States.

(b) REPORT.—(1) Not later than January 31, 1996, the Secretary of State and the Secretary of the Treasury shall develop and submit to the appropriate congressional committee options to restructure Egypt's debt, and buy down, over a period of time through the use of funds authorized to be appropriated under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund), all outstanding debt owed by the Government of Egypt to the United States Government, including debt owed under development assistance, agriculture, Export-Import Bank, and Commodity Credit Corporation credit programs.

(2) The Secretary of State and the Secretary of the Treasury shall develop the options required by paragraph (1) in such a way as to enable the United States to reduce assistance to Egypt in the future under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund). In the development of such options, the Secretaries shall consult with the Secretary of Commerce for the purpose of determining the impact of the options required under paragraph (1) on the level of United States exports to Egypt.

(3) For purposes of this subsection, the term ''appropriate congressional committees'' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

SEC. 3305. PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS PROVIDING ASSISTANCE TO IRAN.

(a) FINDINGS.—The Congress makes the following findings:

(1) Iran is engaged in an intensive effort to develop nuclear weapons and some nations have indicated that they are prepared to cooperate with Iran in the nuclear field.

(2) The possession of nuclear weapons by Iran would represent a serious threat to the peace and security of the entire Middle East region and an extremely serious challenge to United States interests in that region.

(3) The United States places the highest priority on denying to Iran the capability to produce nuclear weapons and systems for the delivery of nuclear weapons and other weapons of mass destruction.

(4) The sale or transfer to Iran by any other government or with the permission of any other government of technology that may be critical for Iran to develop or deploy nuclear weapons is a serious threat to United States interests.

(b) ADMISSION TO NATO.—It is the sense of the Congress that the United States should vigorously oppose the accession to the North Atlantic Treaty and the admission to the North Atlantic Treaty Organization of any country which sells or licenses for sale any nuclear or dual-use technology or any military weapons, equipment, ammunition or munitions of any kind, including any item included on any lists covered by the Missile Technology Control Regime, to Iran or to any country which the Secretary of State has determined repeatedly provides support for acts of international terrorism pursuant to section 6(j) of the Export Administration Act of 1979.

(c) PROHIBITION ON UNITED STATES ASSISTANCE.—No assistance authorized to be appropriated by this Act or any other Act may be provided by any agency of the United States

Government to the government of any country which sells or licenses for sale any nuclear or dual-use technology or any military weapons, equipment, ammunition or munitions of any kind, including any item included on any lists covered by the Missile Technology Control Regime, to Iran or to any other country which the Secretary of State has determined repeatedly provides support for acts of international terrorism pursuant to section 6(j) of the Export Administration Act of 1979.

(d) EXCEPTIONS.—The prohibition in subsection (c) shall not apply to—

(1) assistance provided to Russia, Belarus, Ukraine, or Kazakhstan under the authorities of the Soviet Nuclear Threat Reduction Act of 1991 (title II of Public Law 102–228; 105 Stat. 1691); and

(2) assistance provided under chapter 11 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2295 et seq.; relating to assistance for the independent states of the former Soviet Union) for the purposes of—

(A) humanitarian, disaster, or refugee relief; or

(B) assisting democratic political reform and rule of law activities, and assisting in the creation of private sector and nongovernmental organizations that are independent of government ownership and control.

SEC. 3306. ASSISTANCE FOR PAKISTAN.

Section 620E(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 2375(e)) is amended—

(1) by striking ''No assistance shall'' and inserting ''(1) Except as provided in paragraph (2), no assistance shall''; and

(2) by adding at the end the following new paragraph:

''(2)(A) Assistance in support of nongovernmental organizations or microenterprises under chapter 1 of part I of this Act (relating to development assistance) and assistance under the provisions of law described in subparagraph (B) may be made available for Pakistan.

''(B) The provisions of law described in this subparagraph are the following:

''(i) Title IV of chapter 2 of part I of this Act (relating to the Overseas Private Investment Corporation).

''(ii) Chapter 8 of part I of this Act (relating to international narcotics control).

''(iii) Chapter 5 of part II of this Act (relating to international military education and training).

''(iv) Chapter 8 of part II of this Act (relating to antiterrorism assistance).

''(v) Any provision of law under which assistance is available to carry out the following activities:

''(I) Aviation safety.

''(II) Immigration and customs procedures.

''(III) Peacekeeping.

''(IV) Promotion of trade and investment interests of the United States.

''(C) Assistance described in subparagraph (B)(iii) may be made available for Pakistan under this paragraph for fiscal year 1997 and each subsequent fiscal year only if the President certifies to the Congress for such fiscal year that the Government of Pakistan is fully cooperating with United States counter-narcotics assistance programs and policies.''.

SEC. 3307. RETURN OF MILITARY EQUIPMENT OF PAKISTAN.

It is the sense of the Congress that—

(1) the inability of the President since October 1, 1990, to make the necessary certification under section 620E(e) of the Foreign Assistance Act of 1961 (relating to the nuclear activities of Pakistan) has prevented the delivery of military aircraft for which Pakistan made nonrefundable cash payments to contractors and unnecessarily complicated the achievement of United States foreign policy and nonproliferation objectives in South Asia;

(2) in the absence of a Presidential certification for Pakistan under section 620E(e) of such Act, the United States should make a determined effort to find a third party buyer for the such military aircraft and should reimburse Pakistan with any proceeds derived from a sale to such third party, up to the amount paid by Pakistan for such military aircraft; and

(3) with respect to other military equipment imported into the United States from Pakistan prior to May 1, 1991, for repair or modification by the Department of Defense, the return of such military equipment, including spare parts thereof, or equivalent equipment or spare parts originally owned by another country, does not constitute a transfer of military equipment under the terms of section 620E(e) of such Act, provided such military equipment or spare parts are returned in an unrepaired state or without modifications for which they were originally imported into the United States.

SEC. 3308. ELIGIBILITY OF PANAMA UNDER ARMS EXPORT CONTROL ACT.

The Government of the Republic of Panama shall be eligible to purchase defense articles and defense services under the Arms Export Control Act (22 U.S.C. 2751 et seq.), except as otherwise specifically provided by law.

SEC. 3309. FUTURE OF THE UNITED STATES MILITARY PRESENCE IN PANAMA.

(a) FINDINGS.—The Congress makes the following findings:

(1) The Panama Canal is a vital strategic asset to the United States, its allies, and the world.

(2) The Treaty on the Permanent Neutrality and Operation of the Panama Canal signed on September 7, 1977, provides that Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure.

(3) Such Treaty also provides that each of the two countries shall, in accordance with their respective constitutional processes, defend the Canal against any threat to the regime of neutrality, and consequently shall have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the Canal.

(4) The United States instrument of ratification of such Treaty includes specific language that the two countries should consider negotiating future arrangements or agreements to maintain military forces necessary to fulfill the responsibility of the two countries of maintaining the neutrality of the Canal after 1999.

(5) The Government of Panama, in the bilateral Protocol of Exchange of instruments of ratification, expressly ''agreed upon'' such arrangements or agreements.

(6) The United States Navy depends upon the Panama Canal for rapid transit in times of emergency, as demonstrated during World War II, the Korean War, the Vietnam conflict, the Cuban Missile Crisis, and the Persian Gulf conflict.

(7) Drug trafficking and money laundering have proliferated in the Western Hemisphere since the Treaty on the Permanent Neutrality and Operation of the Panama Canal was signed on September 7, 1977, and such trafficking and laundering poses a grave threat to peace and security in the region.

(8) Certain facilities now utilized by the United States Armed Forces in Panama are critical to combat the trade in illegal drugs.

(9) The United States and Panama share common policy goals such as strengthening democracy, expanding economic trade, and combating illegal narcotics throughout Latin America.

(10) The Government of Panama has dissolved its military forces and has maintained only a civilian police organization to defend the Panama Canal against aggression.

(11) Certain public opinion polls in Panama suggest that many Panamanians desire a continued United States military presence in Panama.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that—

(1) the President should negotiate a new base rights agreement with the Government of Panama—

(A) to allow the stationing of United States Armed Forces in Panama beyond December 31, 1999; and

(B) to ensure that the United States will be able to act appropriately, consistent with the Panama Canal Treaty, the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, and the resolutions of ratification thereto, for the purpose of assuring that the Panama Canal shall remain open, neutral, secure, and accessible; and

(2) the President should consult with the Congress throughout the negotiations described in paragraph (1).

SEC. 3310. PEACE AND STABILITY IN THE SOUTH CHINA SEA.

(a) FINDINGS.—The Congress finds the following:

(1) The South China Sea is a critically important waterway through which 25 percent of the world's ocean freight and 70 percent of Japan's energy supplies transit.

(2) The South China Sea serves as a crucial sea lane for United States Navy ships moving between the Pacific and Indian Oceans, particularly in time of emergency.

(3) There are a number of competing claims to territory in the South China Sea.

(4) The 1992 Manila Declaration adhered to by the Association of South East Asian Nations, the Socialist Republic of Vietnam, and the People's Republic of China calls for all claimants to territory in the South China Sea to resolve questions of boundaries through peaceful negotiations.

(5) The legislature of the People's Republic of China has declared the entire South China Sea to be Chinese territorial waters.

(6) The armed forces of the People's Republic of China have asserted China's claim to the South China Sea through the kidnapping of citizens of the Republic of the Philippines and the construction of military bases on territory claimed by the Philippines.

(7) These acts of aggression committed by the armed forces of the People's Republic of China against citizens of the Philippines are contrary to both international law and to peace and stability in East Asia.

(b) POLICY DECLARATIONS.—The Congress—

(1) declares the right of free passage through the South China Sea to be vital to the national security interests of the United States, its friends, and allies;

(2) declares that any attempt by a nondemocratic power to assert, through the use of force or intimidation, its claims to territory in the South China Sea to be a matter of grave concern to the United States;

(3) calls upon the Government of the People's Republic of China to adhere faithfully to its commitment under the Manila Declaration of 1992; and

(4) calls upon the President to review the defense needs of democratic countries with claims to territory in the South China Sea.

SEC. 3311. SENSE OF THE CONGRESS REGARDING NARCOTICS CONTROL EFFORTS OF COLOMBIA.

It is the sense of the Congress that—

(1) relations between the United States and Colombia are at a critical stage, particularly

following the President's March 1, 1995, decision to grant the Government of Colombia a national interest waiver in the 1994 narcotics certification determination;

(2) the Government of Colombia has undertaken efforts toward the elimination of drug trafficking organizations, especially the powerful ''kingpins'' based in Cali;

(3) important advances need to be taken to dismantle the operations of criminal enterprises in Colombia which seek to corrupt government institutions;

(4) the Government of Colombia should be encouraged to complete specific, attainable objectives in its overall narcotics control strategy, including—

(A) the arrest and prosecution of the acknowledged leaders of the Cali drug organization;

(B) the imposition of tougher sentencing of drug traffickers to ensure that such traffickers serve sentences commensurate with their crimes;

(C) the expeditious passage of legislation to criminalize money laundering;

(D) the aggressive eradication of illicit crops, including coca opium, and marijuana;

(E) the elimination of the industrial infrastructure of the narcotics trade, including laboratories, precursor chemicals, and aircraft;

(F) the destruction of the internal narcotics distribution export system, including the use of airports, rivers, and ports for such system;

(G) the elimination of the island of San Andres as a illegal narcotics transshipment point; and

(H) the end of the current policy of the Government of Colombia under which key drug traffickers are given lenient sentences in return for their surrender;

(5) the Secretary of State should make the issue of illicit narcotics the highest foreign policy priority of the United States with respect to relations with key illicit drug transit and producing nations, such as Colombia; and

(6) the Secretary of State should request our European allies to join the United States in sending a clear message to Colombia on the importance of attaining these counternarcotics goals and objectives in the shortest possible time so that reductions in United States foreign assistance will not be necessary in the future.

SEC. 3312. NOTIFICATION OF ARMS SALES TO SAUDI ARABIA.

(a) NOTIFICATION.—Until the certification under subsection (b) is submitted to the Congress, section 36(b)(1) of the Arms Export Control Act shall be applied to sales of Saudi Arabia by substituting in the first sentence ''0'' for $50,000,000, ''0'' for $200,000,000, and ''0'' for $14,000,000.

(b) CERTIFICATION.—Subsection (a) shall cease to apply if and when the Secretary of State certifies and reports in writing to the Congress that the unpaid claims of American firms against the Government of Saudi Arabia that are described in the June 30, 1993, report by the Secretary of Defense pursuant to section 9140(c) of the Department of Defense Appropriations Act, 1993 (Public Law 102–396; 106 Stat. 1939), including the additional claims noticed by the Department of Commerce on page 2 of that report, have been resolved satisfactorily.

SEC. 3313. ASSISTANCE FOR ZAIRE.

(a) SECURITY ASSISTANCE.—Assistance may not be transferred to the Government of Zaire for each of the fiscal years 1996 and 1997—

(1) under chapter 4 of part II of the Foreign Assistance Act of 1961 (22 U.S.C. 2346 et seq.; relating to the economic support fund);

(2) under chapter 5 of part II of that Act (22 U.S.C. 2347 et seq.; relating to international military education and training); or

(3) from the ''Foreign Military Financing Program'' account under section 23 of the Arms Export Control Act (22 U.S.C. 2763).

(b) DEVELOPMENT ASSISTANCE.—Assistance under chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.; relating to development assistance) or chapter 10 of such part (22 U.S.C. 2293 et seq.; relating to the Development Fund for Africa) for each of the fiscal years 1996 and 1997 shall not be transferred to the Government of Zaire.

TITLE XXXIV—SPECIAL AUTHORITIES AND OTHER PROVISIONS

CHAPTER 1—SPECIAL AUTHORITIES

SEC. 3401. ENHANCED TRANSFER AUTHORITY.

Section 610 of the Foreign Assistance Act of 1961 (22 U.S.C. 2360) is amended to read as follows:

''SEC. 610. TRANSFER BETWEEN ACCOUNTS.

''(a) GENERAL AUTHORITY.—Whenever the President determines it to be necessary for the purposes of this Act or the Arms Export Control Act (22 U.S.C. 2751 et seq.), not to exceed 20 percent of the funds made available to carry out any provision of this Act (except funds made available pursuant to title IV of chapter 2 of part I) or section 23 of the Arms Export Control Act (22 U.S.C. 2763)—

''(1) may be transferred to, and consolidated with, the funds in any other account or fund available to carry out any provision of this Act; and

''(2) may be used for any purpose for which funds in that account or fund may be used.

''(b) LIMITATION ON AMOUNT OF INCREASE.—The total amount in the account or fund for the benefit of which transfer is made under subsection (a) during any fiscal year may not be increased by more than 20 percent of the amount of funds otherwise made available.

''(c) NOTIFICATION.—The President shall notify in writing the congressional committees specified in section 634A at least fifteen days in advance of each such transfer between accounts in accordance with procedures applicable to reprogramming notifications under such section.''.

SEC. 3402. AUTHORITY TO MEET UNANTICIPATED CONTINGENCIES.

(a) IN GENERAL.—Chapter 1 of part III of the Foreign Assistance Act of 1961 is amended by inserting after section 610 (22 U.S.C. 2360) the following new section:

''SEC. 610A. AUTHORITY TO MEET UNANTICIPATED CONTINGENCIES.

''(a) AUTHORITY.—

''(1) IN GENERAL.—In order to provide for any unanticipated contingency in the programs, projects, or activities for which assistance is provided under this Act, the President is authorized to use funds made available to carry out any provision of this Act (other than chapter 1 or chapter 10 of part I of this Act) for the purpose of providing assistance authorized by any other provision of this Act in accordance with the provisions applicable to the furnishing of such assistance.

''(2) LIMITATION.—The authority of paragraph (1) may not be used to authorize the use of more than $40,000,000 in any fiscal year.

''(b) SUPERSEDES OTHER LAWS.—Funds made available under the authority of this section may be used notwithstanding any other provision of law.

''(c) NOTIFICATION OF CONGRESS.—

''(1) NOTIFICATION.—Except as provided in paragraph (2), the President shall notify the congressional committees specified in section 634A(a) at least 15 days before obligating any funds under this section in accordance with the procedures applicable to reprogramming notifications under section 634A(a).

''(2) EXCEPTION.—The President may waive the requirement contained in paragraph (1) if the President determines that complying with such requirement would pose a substantial risk to human health or welfare. If the President exercises the waiver under the preceding sentence, the President shall notify the congressional committees specified in section 634A(a) as early as practicable, but in no event later than 3 days after the date on which the President took the action to which such notification requirement was applicable.''.

(b) REPEAL.—Chapter 5 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2261; relating to contingencies) is hereby repealed.

SEC. 3403. SPECIAL WAIVER AUTHORITY.

Section 614 of the Foreign Assistance Act of 1961 (22 U.S.C. 2364) is amended to read as follows:

''SEC. 614. SPECIAL WAIVER AUTHORITY.

''(a) AUTHORITY.—The President may provide assistance and make loans under the provisions of law described in subsection (b), notwithstanding any other provision of law, if the President determines that to do so is vital to the national interests of the United States.

''(b) LAWS WHICH MAY BE WAIVED.—The provisions of law described in this subsection are—

''(1) this Act;

''(2) the Arms Export Control Act (22 U.S.C. 2751 et seq.);

''(3) any provision of law authorizing the provision of assistance to foreign countries or making appropriations for such assistance; and

''(4) any other provision of law that restricts the authority to provide assistance or make loans under a provision of law described in paragraph (1), (2), or (3).

''(c) CONSULTATION WITH CONGRESS.—Before exercising the authority under subsection (a), the President shall consult with, and shall provide a written policy justification to the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.

''(d) NOTIFICATION TO CONGRESS.—A determination under subsection (a) shall be effective only if the President notifies the congressional committees specified in subsection (c) in writing of that determination.

''(e) ANNUAL CEILINGS.—

''(1) IN GENERAL.—The authority of this section may not be used in any fiscal year to authorize—

''(A) more than $750,000,000 in sales or leases to be made under the Arms Export Control Act (22 U.S.C. 2751 et seq.);

''(B) the use of more than $250,000,000 of funds made available under this Act or the Arms Export Control Act; or

''(C) the use of more than $100,000,000 of foreign currencies accruing under this Act or any other provision of law.

''(2) SALES UNDER THE ARMS EXPORT CONTROL ACT.—If the authority of this section is used both to authorize a sale or lease under the Arms Export Control Act and to authorize funds to be used under this Act with respect to the financing of that sale or lease, then the use of the funds shall be counted against the limitation in paragraph (1)(B) and the portion, if any, of the sale or lease which is not so financed shall be counted against the limitation in paragraph (1)(A).

''(3) LEASES.—For purposes of paragraph (1)(A) the replacement cost, less any depreciation in the value, of the defense articles authorized to be leased shall be counted against the limitation in that paragraph.

''(4) COUNTRY LIMITS.—(A) Not more than $75,000,000 of the $250,000,000 limitation provided in paragraph (1)(B) may be allocated to any one country in any fiscal year unless that country is a victim of active aggression.

''(B) Not more than $500,000,000 of the aggregate limitation of $1,000,000,000 provided in paragraph (1)(A) and (1)(B) may be allocated to any one country in any fiscal year.''.

SEC. 3404. TERMINATION OF ASSISTANCE.

Section 617 of the Foreign Assistance Act of 1961 (22 U.S.C. 2367) is amended to read as follows:

''SEC. 617. TERMINATION OF ASSISTANCE.

''(a) IN GENERAL.—(1) In order to ensure the effectiveness of assistance provided under this Act, funds made available under this Act to carry out any program, project, or activity of assistance shall remain available for obligation for a period not to exceed 8 months after the date of termination of such assistance for the necessary expenses of winding up such programs, projects, or activities and, notwithstanding any other provision of law, funds so obligated may remain available until expended.

''(2) Funds obligated to carry out any program, project, or activity of assistance before the effective date of the termination of such assistance are authorized to be available for expenditure for the necessary expenses of winding up such programs, projects, and activities, notwithstanding any provision of law restricting the expenditure of funds, and may be reobligated to meet any other necessary expenses arising from the termination of such assistance.

''(3) The necessary expenses of winding up programs, projects, and activities of assistance include the obligation and expenditure of funds to complete the training or studies outside their countries of origin of students whose course of study or training program began before assistance was terminated.

''(b) LIABILITY TO CONTRACTORS.—For the purpose of making an equitable settlement of termination claims under extraordinary contractual relief standards, the President is authorized to adopt as a contract or other obligation of the United States Government, and assume (in whole or in part) any liabilities arising thereunder, any contract with a United States or third-country contractor to carry out any program, project, or activity of assistance under this Act that was subsequently terminated pursuant to law.

''(c) GUARANTEE PROGRAMS.—Provisions of this or any other Act requiring the termination of assistance under this Act shall not be construed to require the termination of guarantee commitments that were entered into before the effective date of the termination of assistance.''.

CHAPTER 2—OTHER PROVISIONS

SEC. 3411. CONGRESSIONAL PRESENTATION DOCUMENTS.

Section 634 of the Foreign Assistance Act of 1961 (22 U.S.C. 2394) is amended to read as follows:

''SEC. 634. CONGRESSIONAL PRESENTATION DOCUMENTS.

''(a) REQUIREMENT FOR SUBMISSION.—As part of the annual requests for enactment of authorizations and appropriations for foreign assistance programs for each fiscal year, the President shall prepare and transmit to the Congress annual congressional presentation documents for the programs authorized under this Act and the Arms Export Control Act (22 U.S.C. 2751 et seq.).

''(b) MATERIALS TO BE INCLUDED.—The documents submitted pursuant to subsection (a) shall include—

''(1) the rationale for the allocation of assistance or contributions to each country, regional, or centrally funded program, or organization, as the case may be;

''(2) a description of how each such program or contribution supports the objectives of this Act or the Arms Export Control Act, as the case may be;

''(3) a description of planned country, regional, or centrally funded programs or contributions to international organizations and programs for the coming fiscal year; and

''(4) for each country for which assistance is requested under this Act or the Arms Export Control Act—

''(A) the total number of years since 1946 that the United States has provided assistance;

''(B) the total amount of bilateral assistance provided by the United States since 1946, including the principal amount of all loans, credits, and guarantees; and

''(C) the total amount of assistance provided to such country from all multilateral organizations to which the United States is a member, including all international financial institutions, the United Nations, and other international organizations.

''(c) GRADUATION FROM DEVELOPMENT ASSISTANCE.—

''(1) DETERMINATION.—As part of the congressional presentation documents transmitted to the Congress under this section, the Secretary of State shall make a separate determination for each country identified in such documents for which bilateral development assistance is requested, estimating the year in which each such country will no longer be receiving bilateral development assistance.

''(2) DEVELOPMENT ASSISTANCE DEFINED.—For purposes of this section, the term 'development assistance' means assistance under—

''(A) chapter 1 of part I of this Act;

''(B) chapter 10 of part I of this Act;

''(C) chapter 11 of part I of this Act; and

''(D) the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C. 5401 et seq.).''.

SEC. 3412. PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS ENGAGED IN ESPIONAGE AGAINST THE UNITED STATES.

Chapter 1 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2370 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

''SEC. 620J. PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS ENGAGED IN ESPIONAGE AGAINST THE UNITED STATES.

''(a) PROHIBITION.—None of the funds made available to carry out this Act or the Arms Export Control Act (22 U.S.C. 2751 et seq.) (other than humanitarian assistance or assistance for refugees) may be provided to any foreign government which the President determines is engaged in intelligence activities within the United States harmful to the national security of the United States.

''(b) PERIODIC REPORTS.—Beginning one year after the date of enactment of this section, and annually thereafter, the President shall prepare and transmit to the Committee on Foreign Relations and the Select Committee on Intelligence of the Senate and the Committee on International Relations and the Permanent Select Committee on Intelligence of the House of Representatives a report, in classified and unclassified forms, listing all foreign governments which the President determines are conducting intelligence activities within the United States harmful to the national security of the United States.

''(c) DEFINITION.—As used in this section, the term 'humanitarian assistance' means food (including the monetization of food), clothing, medicine, and medical supplies.''.

SEC. 3413. DEBT RESTRUCTURING FOR FOREIGN ASSISTANCE.

Chapter 1 of part III of the Foreign Assistance Act of 1961 (22 U.S.C. 2370 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

''SEC. 620K. SPECIAL DEBT RELIEF FOR POOR COUNTRIES.

''(a) AUTHORITY TO REDUCE DEBT.—The President may reduce amounts owed to the United States Government by a country described in subsection (b) as a result of—

''(1) loans or guarantees issued under this Act; or

''(2) credits extended or guarantees issued under the Arms Export Control Act (22 U.S.C. 2751 et seq.).

''(b) COUNTRY DESCRIBED.—A country described in this subsection is a country—

''(1) with a heavy debt burden that is eligible to borrow from the International Development Association but not from the International Bank for Reconstruction and Development (commonly referred to as an 'IDA-only' country); and

''(2) the government of which—

''(A) does not have an excessive level of military expenditures;

''(B) has not repeatedly provided support for acts of international terrorism; and

''(C) is cooperating with the United States on international narcotics control matters;

''(3) (including the military or other security forces of such government) does not engage in a consistent pattern of gross violations of internationally recognized human rights; and

''(4) is not prohibited from receiving assistance described in section 527(a) of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 by reason of such section.

''(c) LIMITATIONS.—The authority under subsection (a) may be exercised—

''(1) only to implement multilateral official debt relief ad referendum agreements (commonly referred to as 'Paris Club Agreed Minutes'); and

''(2) only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

''(d) CERTAIN PROHIBITIONS INAPPLICABLE.—A reduction of debt pursuant to the exercise of authority under subsection (a)—

''(1) shall not be considered assistance for purposes of any provision of law limiting assistance to a country; and

''(2) may be exercised notwithstanding section 620(r) of this Act or any comparable provision of law.

''(e) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to the President for the purpose of carrying out this section $7,000,000 for each of the fiscal years 1996 and 1997.

''(2) AVAILABILITY.—Amounts authorized to be appropriated under paragraph (1) are authorized to remain available until expended.''.

SEC. 3414. DEBT BUYBACKS OR SALES FOR DEBT SWAPS.

Part IV of the Foreign Assistance Act of 1961 (22 U.S.C. 2430 et seq.) is amended by adding at the end the following new section:

''SEC. 711. AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES.

''(a) LOANS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—

''(1) AUTHORITY TO SELL, REDUCE, OR CANCEL CERTAIN LOANS.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser any concessional loan or portion thereof made before January 1, 1995, to the government of any eligible country pursuant to this Act, or on receipt of payment from an eligible purchaser, reduce or cancel such loan or portion thereof, only for the purpose of facilitating—

''(A) debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps; or

''(B) a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than 40 percent of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support activities that link conservation and sustainable use of natural resources with local community development, and child survival and other child development, in a manner consistent with sections 707 through 710, if the sale, reduction, or cancellation would not contravene any term or condition of any prior agreement relating to such loan.

''(2) TERMS AND CONDITIONS.—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans may be sold, reduced, or canceled pursuant to this section.

''(3) ADMINISTRATION.—The Facility shall notify the administrator of the agency primarily responsible for administering part I of this Act of purchasers that the President has determined to be eligible, and shall direct such agency to carry out the sale, reduction, or cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

''(4) LIMITATION.—The authorities of this subsection shall be available only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

''(b) DEPOSIT OF PROCEEDS.—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in an account or accounts established in the Treasury for the repayment of such loan.

''(c) ELIGIBLE PURCHASERS.—A loan may be sold pursuant to subsection (a)(1)(A) only to a purchaser who presents plans satisfactory to the President for using the loan for the purpose of engaging in debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

''(d) DEBTOR CONSULTATIONS.—Before the sale to any eligible purchaser, or any reduction or cancellation pursuant to this section, of any loan made to an eligible country, the President shall consult with the country concerning the amount of loans to be sold, reduced, or canceled and their uses for debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

''(e) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—For the sale, reduction, and cancellation of loans or portions thereof pursuant to this section, there are authorized to be appropriated to the President $3,000,000 for each of the fiscal years 1996 and 1997.

''(2) AVAILABILITY.—Amounts authorized to be appropriated under paragraph (1) are authorized to remain available until expended.''.

SEC. 3415. IMPACT ON JOBS IN THE UNITED STATES.

Section 636 of the Foreign Assistance Act of 1961 (22 U.S.C. 2396) is amended by adding at the end the following new subsection:

''(j)(1) Funds made available to carry out the provisions of this Act may not be made available to provide—

''(A) any financial incentive to a business enterprise located in the United States for the purpose of inducing that enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of individuals employed in the United States by that enterprise because that enterprise would replace production in the United States with production outside the United States;

''(B) assistance for the purpose of establishing or developing in a foreign country any export processing zone or designated area in which the tax, tariff, labor, environment, and safety laws of that country do not apply, in part or in whole, to activities carried out within that zone or area, unless the President determines and certifies that such assistance is not likely to cause a loss of jobs within the United States; or

''(C) subject to paragraph (2), assistance for any project or activity that contributes to the violation of internationally recognized workers rights (as defined in section 502(a)(4) of the Trade Act of 1974) of workers in the foreign country, including in any designated zone or area in that country.

''(2) Paragraph (1)(C) shall not apply with respect to the provision of assistance for the informal sector, microenterprises and small-scale enterprises, and small-holder agriculture of the foreign country.''.

SEC. 3416. PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS THAT EXPORT LETHAL MILITARY EQUIPMENT TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM.

(a) IN GENERAL.—Section 620 of the Foreign Assistance Act of 1961 (22 U.S.C. 2370), as amended by this Act, is further amended by adding at the end the following new subsection:

''(z)(1) No assistance may be provided under this Act or the Arms Export Control Act to any foreign government that provides lethal military equipment to a country, the government of which the Secretary of State has determined pursuant to section 40(d) of the Arms Export Control Act is a government that has repeatedly provided support for acts of international terrorism.

''(2) The prohibition under paragraph (1) with respect to a foreign government shall terminate 12 months after the date on which that government ceases to provide such lethal military equipment.

''(3) The President may waive the requirements of paragraph (1) if the President determines that the provision of such assistance is important to the national security interests of the United States.

''(4) Whenever the waiver of paragraph (3) is exercised, the President shall prepare and transmit to the appropriate congressional committees a report with respect to the furnishing of such assistance. Such report shall include a detailed explanation of the assistance to be provided, including the estimated dollar amount of such assistance, and an explanation of how the assistance furthers the national interests of the United States.

''(5) For purposes of this subsection, the term 'appropriate congressional committees' means the Committee on International Relations and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate.''.

(b) EFFECTIVE DATE.—Section 620(z) of the Foreign Assistance Act of 1961, as added by subsection (a), applies with respect to lethal military equipment provided pursuant to a contract entered into on or after the date of enactment of this Act.

SEC. 3417. PROHIBITION ON ASSISTANCE TO COUNTRIES THAT CONSISTENTLY OPPOSE THE UNITED STATES POSITION IN THE UNITED NATIONS GENERAL ASSEMBLY.

(a) PROHIBITION.—United States assistance may not be provided to a country that consistently opposed the United States position in the United Nations General Assembly during the most recent session of the General Assembly.

(b) CHANGE IN GOVERNMENT.—If—

(1) the Secretary of State determines that, since the beginning of the most recent session of the General Assembly, there has been a fundamental change in the leadership and policies of the government of a country to which the prohibition in subsection (a) applies, and

(2) the Secretary believes that because of that change the government of that country will no longer consistently oppose the United States position in the General Assembly,

the Secretary may exempt that country from that prohibition. Any such exemption shall be effective only until submission of the next report under section 406 of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991. The Secretary shall submit to the Congress a certification of each exemption made under this subsection. Such certification shall be accompanied by a discussion of the basis for the Secretary's determination and belief with respect to such exemption.

(c) WAIVER AUTHORITY.—The Secretary of State may waive the requirement of subsection (a) if the Secretary determines and reports to the Congress that despite the United Nations voting pattern of a particular country, the provision of United States assistance to that country is necessary to promote United States foreign policy objectives.

(d) DEFINITIONS.—As used in this section—

(1) the term ''consistently opposed the United States position'' means that the country's votes in the United Nations General Assembly coincided with the United States position less than 25 percent of the time, using for this purpose the overall percentage-of-voting coincidences set forth in the annual report submitted to the Congress pursuant to section 406 of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991;

(2) the term ''most recent session of the General Assembly'' means the most recently completed plenary session of the General Assembly for which overall percentage-of-voting coincidences is set forth in the most recent report submitted to the Congress pursuant to section 406 of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991; and

(3) the term ''United States assistance'' means assistance under—

(A) chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund),

(B) chapter 5 of part II of that Act (relating to international military education and training), or

(C) the ''Foreign Military Financing Program'' account under section 23 of the Arms Export Control Act,

except that such term does not include assistance under chapter 8 of part I of the Foreign Assistance Act of 1961 (relating to international narcotics control) or assistance under chapter 8 of part II of such Act (relating to antiterrorism assistance).

(e) EFFECTIVE DATE.—This section takes effect upon the date of the submission to the Congress of the report pursuant to section 406 of the Foreign Relations Authorization Act, Fiscal Years 1990 and 1991, that is required to be submitted by March 31, 1996.

SEC. 3418. LIMITATION ON ASSISTANCE TO COUNTRIES THAT RESTRICT THE TRANSPORT OR DELIVERY OF UNITED STATES HUMANITARIAN ASSISTANCE.

(a) FINDINGS.—The Congress makes the following findings:

(1) The United States Federal budget deficit and spending constraints require the maximum efficiency in the usage of United States foreign assistance.

(2) The delivery of humanitarian assistance to people in need is consistent with the fundamental values of our Nation and is an important component of United States foreign policy.

(3) As a matter of principle and in furtherance of fiscal prudence, the United States should seek to promote the delivery of humanitarian assistance to people in need in a manner that is both timely and cost effective.

(4) Recipients of United States assistance should not hinder or delay the transport or delivery of United States humanitarian assistance to other countries.

(b) PROHIBITION ON ASSISTANCE.—Section 620 of the Foreign Assistance Act of 1961 (22 U.S.C. 2370), as amended by this Act, is further amended by adding at the end the following new subsection:

''(aa)(1) Notwithstanding any other provision of law, United States assistance may not be made available for any country whose government prohibits or otherwise restricts, directly or indirectly, the transport or delivery of United States humanitarian assistance.

''(2) The prohibition on United States assistance contained in paragraph (1) shall not apply if the President determines and notifies the Congress in writing that providing such assistance to a country is in the national security interest of the United States.

''(3) A suspension or termination of United States assistance for any country under paragraph (1) shall cease to be effective when the President certifies in writing to the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate that such country is no longer prohibiting or otherwise restricting, either directly or indirectly, the transport or delivery of United States humanitarian assistance.

''(4)(A) At the time of the annual budget submission to Congress, the President shall submit a report to the Congress describing any information available to the President concerning prohibitions or restrictions, direct or indirect, on the transport or delivery of United States humanitarian assistance by the government of any country receiving or eligible to receive United States foreign assistance during the current or preceding fiscal year.

''(B) The President shall include in the report required by subparagraph (A) a statement as to whether the prohibition in paragraph (1) is being applied to each country for which the President has information available to him concerning prohibitions or restrictions, direct or indirect, on the transport or delivery of United States humanitarian assistance.

''(5) As used in this subsection, the term 'United States assistance' has the same meaning given that term in section 481(e)(4) of this Act.''.

SEC. 3419. PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS, PRIVATE AND VOLUNTARY ORGANIZATIONS, AND OTHER ENTITIES THAT INHIBIT UNITED STATES-SUPPORTED DEMINING OPERATIONS AND ACTIVITIES.

(a) PROHIBITION.—None of the funds authorized to be appropriated by this Act may be made available to any foreign government, private and voluntary organization, or any other entity which the Secretary of State determines inhibits United States-supported demining operations and activities through the imposition of discriminatory customs duties, tariffs, or any other barrier to the entry of equipment or personnel designated for use or participation in such operations and activities.

(b) EXCEPTION.—(1) The prohibition contained in subsection (a) shall not apply with respect to a foreign government, private and voluntary organization, or any other entity if the President determines and reports to the congressional committees specified in section 634A of the Foreign Assistance Act of 1961 (in accordance with procedures applicable to reprogramming notifications under that section) that the provision of assistance to such government, organization, or other entity, as the case may be, is important to the national interest of the United States.

(2) Any determination under paragraph (1) shall include a detailed justification of how the provision of assistance furthers United States national interests.

CHAPTER 3—REPEALS

SEC. 3421. REPEAL OF OBSOLETE PROVISIONS.

(a) 1988 FOREIGN OPERATIONS APPROPRIATIONS ACT.—Section 537(h)(2) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, as included in Public Law 100–202, is hereby repealed.

(b) 1987 FOREIGN ASSISTANCE APPROPRIATIONS ACT.—Section 539(g)(2) of the Foreign Assistance and Related Programs Appropriations Act, 1987, as included in Public Law 99–591, is hereby repealed.

(c) 1986 ASSISTANCE ACT.—The Special Foreign Assistance Act of 1986 is hereby repealed except for section 1 and section 204.

(d) 1985 ASSISTANCE ACT.—The International Security and Development Cooperation Act of 1985 is hereby repealed except for section 1, section 131, section 132, section 504, section 505, part B of title V (other than section 558 and section 559), section 1302, section 1303, and section 1304.

(e) 1985 JORDAN SUPPLEMENTAL ACT.—The Jordan Supplemental Economic Assistance Authorization Act of 1985 is hereby repealed.

(f) 1985 AFRICAN FAMINE ACT.—The African Famine Relief and Recovery Act of 1985 is hereby repealed.

(g) 1983 ASSISTANCE ACT.—The International Security and Development Assistance Authorization Act of 1983 is hereby repealed.

(h) 1983 LEBANON ASSISTANCE ACT.—The Lebanon Emergency Assistance Act of 1983 is hereby repealed.

(i) 1981 ASSISTANCE ACT.—The International Security and Development Cooperation Act of 1981 is hereby repealed except for section 1, section 709, and section 714.

(j) 1980 ASSISTANCE ACT.—The International Security and Development Cooperation Act of 1980 is hereby repealed except for section 1, section 110, section 316, and title V.

(k) 1979 DEVELOPMENT ASSISTANCE ACT.—The International Development Cooperation Act of 1979 is hereby repealed.

(l) 1979 SECURITY ASSISTANCE ACT.—The International Security Assistance Act of 1979 is hereby repealed.

(m) 1979 SPECIAL SECURITY ASSISTANCE ACT.—The Special International Security Assistance Act of 1979 is hereby repealed.

(n) 1978 DEVELOPMENT ASSISTANCE ACT.—The International Development and Food Assistance Act of 1978 is hereby repealed, except for section 1, title IV, and section 603(a)(2).

(o) 1978 SECURITY ASSISTANCE ACT.—The International Security Assistance Act of 1978 is hereby repealed.

(p) 1977 DEVELOPMENT ASSISTANCE ACT.—The International Development and Food Assistance Act of 1977 is hereby repealed except for section 1, section 132(b), and section 133.

(q) 1977 SECURITY ASSISTANCE ACT.—The International Security Assistance Act of 1977 is hereby repealed.

(r) 1976 SECURITY ASSISTANCE ACT.—The International Security Assistance and Arms Export Control Act of 1976 is hereby repealed except for section 1, section 201(b), section 212(b), section 601, and section 608.

(s) 1975 DEVELOPMENT ASSISTANCE ACT.—The International Development and Food Assistance Act of 1975 is hereby repealed.

(t) 1975 BIB ACT.—Public Law 94–104 is hereby repealed.

(u) 1974 ASSISTANCE ACT.—The Foreign Assistance Act of 1974 is hereby repealed.

(v) 1973 EMERGENCY ASSISTANCE ACT.—The Emergency Security Assistance Act of 1973 is hereby repealed.

(w) 1973 ASSISTANCE ACT.—The Foreign Assistance Act of 1973 is hereby repealed.

(x) 1971 ASSISTANCE ACT.—The Foreign Assistance Act of 1971 is hereby repealed.

(y) 1971 SPECIAL ASSISTANCE ACT.—The Special Foreign Assistance Act of 1971 is hereby repealed.

(z) 1969 ASSISTANCE ACT.—The Foreign Assistance Act of 1969 is hereby repealed except for the first section and part IV.

(aa) 1968 ASSISTANCE ACT.—The Foreign Assistance Act of 1968 is hereby repealed.

(bb) 1964 ASSISTANCE ACT.—The Foreign Assistance Act of 1964 is hereby repealed.

(cc) LATIN AMERICAN DEVELOPMENT ACT.—The Latin American Development Act is hereby repealed.

(dd) 1959 MUTUAL SECURITY ACT.—The Mutual Security Act of 1959 is hereby repealed.

(ee) 1954 MUTUAL SECURITY ACT.—Sections 402 and 417 of the Mutual Security Act of 1954 are hereby repealed.

(ff) DEPARTMENT OF STATE AUTHORIZATION ACT, FISCAL YEARS 1982 and 1983.—Section 109 of the Department of State Authorization Act, Fiscal Years 1982 and 1983, is hereby repealed.

(gg) DEPARTMENT OF STATE AUTHORIZATION ACT, FISCAL YEARS 1984 AND 1985.—Sections 1004 and 1005(a) of the Department of State Authorization Act, Fiscal Years 1984 and 1985, are hereby repealed.

(hh) SAVINGS PROVISION.—Except as otherwise provided in this Act, the repeal by this Act of any provision of law that amended or repealed another provision of law does not affect in any way that amendment or repeal.

TITLE XXXV—EFFECTIVE DATE

SEC. 3501. EFFECTIVE DATE.

Except as otherwise provided in this Act, this division, and the amendments made by this division, shall take effect on the date of the enactment of this Act or October 1, 1995, whichever occurs later.