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PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, SECOND SESSION

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House of Representatives

This being the date fixed by the 20th amendment of the Constitution of the United States for the annual meeting of the Congress of the United States, the Members of the 104th Congress met in their Hall and, at 12 noon, were called to order by the Speaker of the House of Representatives, Hon. NEWT GINGRICH.

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

Let us pray using the words of Isaac Watts:

O God, our help in ages past,
Our hope for years to come,
Our shelter from the stormy blast,
And our eternal home.

Before the hills in order stood
Or earth received her frame,
From everlasting you are God,
To endless years the same.

O God, our help in ages past,
Our hope for years to come,
Still be our guard while troubles last
And our eternal home. Amen.

The SPEAKER. The Clerk will utilize the electronic system to ascertain the presence of a quorum.

Members will record their presence by electronic device.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 1]

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

☐ 1225

The SPEAKER pro tempore (Mr. WALKER). On this rollcall, 365 Members have recorded their presence by electronic device, a quorum is present.

Under the rule, further proceedings under the call are dispensed with.

PLEDGE OF ALLEGIANCE

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

Mr. MONTGOMERY 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.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

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COMMITTEE TO NOTIFY THE PRESIDENT

Mr. ARMEY. Mr. Speaker, I offer a privileged resolution (H. Res. 325) providing for a committee to notify the President of the assembly of the Congress, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 325

Resolved, That a committee of two Members be appointed by the Speaker on the part of the House of Representatives to join with a committee on the part of the Senate to notify the President of the United States that a quorum of each House has assembled and Congress is ready to receive any communication that he may be pleased to make.

The resolution was agreed to.

A motion to reconsider was laid on the table.

APPOINTMENT AS MEMBERS OF COMMITTEE TO NOTIFY THE PRESIDENT, PURSUANT TO HOUSE RESOLUTION 325

The SPEAKER pro tempore. The Chair appoints as members of the committee on the part of the House to join a committee on the part of the Senate to notify the President of the United States that a quorum of each House has been assembled, and that Congress is ready to receive any communication that he may be pleased to make, the gentleman from Texas [Mr. ARMEY] and the gentleman from Missouri [Mr. GEPHARDT].

NOTIFICATION TO THE SENATE

Mr. ARMEY. Mr. Speaker, I offer a privileged resolution (H. Res. 326) to inform the Senate that a quorum of the House has assembled, and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 326

Resolved, That the Clerk of the House inform the Senate that a quorum of the House is present and that the House is ready to proceed with business.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DAILY HOUR OF MEETING

Mr. ARMEY. Mr. Speaker, I offer a privileged resolution (H. Res. 327) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 327

Resolved, That until otherwise ordered, the hour of meeting of the House shall be 2 p.m. on Mondays; 11 a.m. on Tuesdays and Wednesdays; and 10 a.m. on all other days of the week up to and including May 11, 1996; and that from May 13, 1996, until the end of the second session, the hour of daily meeting of the House shall be noon on Mondays; 10 a.m. on Tuesdays, Wednesdays, and Thursdays, and 9 a.m. on all other days of the week.

The resolution was agreed to.

A motion to reconsider was laid on the table.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON TODAY

Mr. ARMEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on today.

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

There was no objection.

COMMUNICATION FROM THE CLERK OF THE HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
January 3, 1996.

Hon. NEWT GINGRICH,
The Speaker, U.S. House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in clause 5 of rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Tuesday, January 2, 1996 at 12:05 p.m. and said to contain a message from the President whereby he submits an unclassified report on the Loan Guarantees to Israel Program.

With warm regards,

ROBIN H. CARLE,
Clerk, U.S. House of Representatives.

UNCLASSIFIED REPORT ON LOAN GUARANTEES TO ISRAEL PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations:

To the Congress of the United States:

Enclosed is an unclassified report on the Loan Guarantees to Israel Program and on economic conditions in Israel, as required by section 226(k) of the Foreign Assistance Act of 1961, as amended (Public Law 87–195), and section 1205 of the International Security and Development Cooperation Act of 1985 (Public Law 99–983).

WILLIAM J. CLINTON.

THE WHITE HOUSE, *December 30, 1995.*

□ 1230

PRIVILEGES OF THE HOUSE—RIGHTS OF THE HOUSE COLLECTIVELY

Mr. GEPHARDT. Mr. Speaker, I rise to a question of the privileges of the House, and I offer a resolution pursuant to rule IX.

The Clerk read the resolution, as follows:

H. RES. 328

Whereas clause 1 of rule IX of the Rules of the House of Representatives states that ''Questions of privilege shall be, first, those affecting the rights of the House collectively, its safety, dignity, and the integrity of its proceedings'';

Whereas over 280,000 Federal employees have been barred from performing the jobs for which they will eventually be paid;

Whereas more than 480,000 Federal employees are required to report for work without being paid their full salaries at regular intervals;

Whereas the public is not receiving the benefits of their tax dollars; and

Whereas the inability of the House of Representatives to act on legislation keeping the Government in operation impairs the dignity and the integrity of the House and the esteem the public holds for the House; Now, therefore, be it

Resolved, that upon the adoption of this resolution the House shall be considered to have taken from the Speaker's table the bill H.R. 1643, with a Senate amendment thereto, and concurred in the Senate amendment, and that a motion to reconsider that action shall be considered as laid on the table.

The SPEAKER pro tempore. Does the gentleman from Missouri [Mr. GEPHARDT] wish to be heard on whether or not his motion constitutes a question of privilege?

Mr. GEPHARDT. I do, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Missouri is recognized.

Mr. GEPHARDT. Mr. Speaker, let me explain why this is most certainly a question of privilege and why this Congress must finally reopen the Federal Government, with no threats or conditions, while we work to resolve the budget impasse that we are involved in.

The fact is that while we fight over the Federal budget, millions of Americans are being held hostage; and while some Republicans have even suggested that no one has noticed this Government shutdown, I think that is simply fiscal fantasy, not reality.

Think about the frail, home-bound seniors who will not have their meals delivered on time, or at all. Think about the elderly who will not have their Medicare claims processed, and the jobless who will not receive their unemployment checks.

Right now, crucial cleanups of toxic waste dumps have been stopped, and the Government's efforts to crack down on workplace abuses and nursing home atrocities are grinding to a halt. If you ask me, that is more than wrong; it is an abuse of power. It is an abuse of the responsibility the American people have placed in this Congress, and in each of us, when they elected us to serve them, not just to throw ideological tantrums. Even the Republicans in the other body have rejected the radicalism of this shutdown.

The extremist approach says, if the President will not agree to a budget that slashes Medicare to give huge tax breaks to the wealthy, we are going to make the whole country suffer until we get our way.

This is, by far, the longest and most devastating Government shutdown in American history. According to news

reports, the House Republicans have adopted this strategy because they want as a trump card the Government shutdown, that will not be as powerful as the President's veto pen.

The Constitution never provided for this procedure. The Constitution merely asks that the Congress provide a budget that the President can and will sign, and it is now 94 days late in that basic responsibility.

I have studied the Constitution carefully in the last days. I cannot find a page in the Constitution that says that if one group of people cannot have their way, they can shut down the whole Government for days and days and days. The Constitution I have read says that the Congress has two alternatives if there is a veto. One is to override the veto; the other is to present a new piece of legislation that the President will sign or veto.

This Congress under this majority is saying, there is a third choice, and that choice is to let the Government stay down.

Let us be very clear. This is a choice we are making; this is a clear choice that we are exercising. And it is a choice to say that we are not going to override the President's veto, we are not going to present new legislation, we are simply going to leave the Government down as a way of leveraging the President.

The integrity of this Congress is in question. Right now every Member of this House is being prevented from fulfilling our most basic duties and obligations. That is why I believe this is a matter of privilege under rule IX of this House, which states very clearly that matters of privilege are those affecting the House collectively, as well as its dignity and integrity.

In the words of the Republican leader of the other body, enough is enough. Good-faith negotiations on the budget have been taking place for days and are going on today. The damage has been done; the point has been made.

I urge the House to adopt this resolution and pass the bill that has already been passed by the other body. It reopens the Government for the next 2 weeks so that people can be served while we negotiate in good faith, and I believe it restores some sense of responsibility to this House, the sense that this is a Government of the people, not a revolution.

Mr. Speaker, parliamentary privilege exists for exactly this kind of crisis. It is the very essence of privilege, and I urge the Chair to rule in its favor.

The SPEAKER pro tempore. The Chair will recognize Members who wish to discuss the question of privilege before the House.

The Chair has provided a great deal of leniency to the minority leader in the matter of discussing the question of privilege, out of deference to the minority leader's status, but the Chair will hold the discussion henceforth only to those issues that relate to whether or not this is a question of privilege.

The Chair recognizes the majority leader.

Mr. ARMEY. Mr. Speaker, I would like to speak on the question of privilege.

Mr. Speaker, I do not believe this is a question of privilege, and I take umbrage at the minority leader's use of the time allotted to him to speak on the question of privilege of the House to give what can only be characterized as a political speech.

Mr. Speaker, it includes the kind of accuracy that one encounters in political speeches, and I feel compelled to make the point. We do have a partial shutdown of the Federal Government.

The SPEAKER pro tempore. The gentleman from Texas will confine his remarks to the question before the House, which is whether or not the resolution constitutes a question of privilege.

Mr. ARMEY. Mr. Speaker, in my opinion, the gentleman from Missouri does not have a resolution that constitutes a question of privilege of the House, and I urge the Chair to so rule.

Let me just say in so doing that I share the consternation of the gentleman from Missouri over the President shutting down the Government.

The SPEAKER pro tempore. Does the gentleman from Wisconsin [Mr. OBEY] wish to be heard on the question of privilege?

Mr. OBEY. I do, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Wisconsin is recognized.

Mr. OBEY. Mr. Speaker, let me simply say, it is my understanding that rule IX of the House allows for privileged resolutions to be considered by the House when actions have been taken which affect the rights of the House collectively, its safety, its dignity, and its integrity. It seems to me that that is certainly the situation at this moment, because we have a fundamental misuse of taxpayers' money appropriated by this House.

It seems to me, Mr. Speaker, that it is a fundamental misuse of taxpayers' dollars, which are appropriated by this House, when we have a situation in which workers are being paid——

The SPEAKER pro tempore. The gentleman has now wandered beyond discussing a question of privilege. The Chair will remind the gentleman that he has the same obligation as all Members to discuss the matter before the House, which is whether or not the resolution, as presented by the minority leader, constitutes a question of privilege under rule IX.

Mr. OBEY. Mr. Speaker, that is what I am trying to do. What I was simply attempting to say is that I think that certainly the dignity of the House and the integrity of the House are brought into question when a situation is allowed to continue which, in effect, has taxpayers' money provided for work that Government employees have not done and when you have workers required to perform work for which they are not paid—that is certainly not meeting the standard of dignity and decency and honor which we have a right to expect in this House.

I think, on those grounds alone, rule IX would dictate that we ought to be able to proceed with this resolution.

The SPEAKER pro tempore. Does the gentleman from Georgia [Mr. LINDER] wish to be heard on the question of privilege?

Mr. LINDER. I do, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Georgia is recognized.

Mr. LINDER. Mr. Speaker, we are engaged in a great debate over the direction of the country. It is messy. It has always been thus. No one, however, is questioning the integrity of the people on either side of this House on this debate. We do not question those on the left and they should not question us on the right. We are intending to reshape the Government, and that requires a great debate.

I think the speeches and the positions of individuals on both sides are dignified. There is no less dignity or more dignity by just stating opinions as to the question of the safety of the Members of the House. I see no one here unsafe. I think the Chair should rule against this question of privilege.

PARLIAMENTARY INQUIRY

Mr. SCHUMER. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore. The gentleman from New York will state it.

Mr. SCHUMER. Mr. Speaker, would it be appropriate to ask for a unanimous-consent request that each side be allowed to debate this without the restrictions the Chair is placing on it for, say, 15 minutes each? It is an important issue, and we ought to be debating the issue itself.

Would that be appropriate, to ask for such a unanimous-consent request?

The SPEAKER pro tempore. The Chair is attempting to assure that the discussion of the resolution before the House is confined to the matter of the privilege of the House and not to the merits of the argument underlying the resolution. So the Chair intends to proceed as historically such debates have been constituted.

REQUEST TO DEBATE ISSUE OF PRIVILEGE AND UNDERLYING MERITS

Mr. SCHUMER. Mr. Speaker, I ask unanimous consent that each side be allowed 15 minutes not only to debate the issue of privilege, but the underlying merits of the issue as well.

Mr. LINDER. I object.

The SPEAKER pro tempore. Objection is heard.

Does the gentleman from Texas [Mr. STENHOLM] wish to be heard on the question of privilege before the House?

Mr. STENHOLM. I do, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Texas is recognized.

Mr. STENHOLM. Mr. Speaker, I would address my comments to the words ''dignity'' and ''integrity'' of the proceedings of the House of Representatives, as stated in rule IX of the Rules of the U.S. House of Representatives,

as well as the second statement that says, ''those affecting the rights and the reputation and conduct of Members individually in their representative capacity only.''

When we had this resolution before you last week, Mr. Speaker, you ruled against this as a question of privilege, but I am asking you to take another look at the rules of the House and the questions of privilege that shall be, first, those affecting the rights of the House collectively, its safety, its dignity, and the integrity of its proceedings.

I would suggest, Mr. Speaker, that the integrity of the proceedings of the 104th Congress, 1st session just adjourned, and the beginning of the 2d session, the integrity of the proceedings of the House of Representatives is being called into question by the procedure in which we are being asked to follow without allowing a vote of the will of the majority as to whether or not the issue in question shall be put to the body of the House of Representatives.

□ 1245

It seems to me that we have been guilty, in the conduct of our proceedings, of mixing apples and oranges, of mixing an appropriation process with a budget process, of which a further reading of the Rules of the House of Representatives will clearly show that they are two separate issues and should not be commingled. But it is my argument in behalf of the minority leader's motion of privilege that a careful examination of the Rules of the House, the integrity of our proceedings will be called into question unless you find it to rule in favor of those who wish to have a simple, up and down vote as to whether or not the work of the Congress, the work of our Government shall proceed as we follow the regular order.

No Member of this body is more in favor of balancing the budget. I would rather do it in the regular order, and it seems to me that having the continued impasse is not in the best interests of the integrity of this body. Certainly as an individual Member, I am receiving the calls from people whose service is being denied because of these actions.

Mr. Speaker, I would ask that you find in favor of this motion of privilege. Basically it is to do one thing, to preserve the dignity and integrity of the House of Representatives in one simple aspect, allowing a vote. Let us now express ourselves as to the merits of the issue before us. That is all that we are asking for.

The SPEAKER pro tempore (Mr. WALKER). Are there additional Members who wish to be heard on the question of privilege?

PARLIAMENTARY INQUIRY

Mr. LINDER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. LINDER. Mr. Speaker, the question I have is, Have there been other occasions when matters that large segments of this body wanted to vote on have not been allowed to come to the floor of the House?

The SPEAKER pro tempore. The gentleman is not stating a precise parliamentary inquiry relating to the pending question and the Chair therefore will respond in the regular order.

Does the gentleman from Virginia seek recognition?

Mr. MORAN. I do, Mr. Speaker, and I would like to address the issue of this motion relating to the integrity of this House.

To do so, I would like to quote initially today's CONGRESSIONAL RECORD, specifically the majority leader of the Senate, Senator DOLE.

Senator DOLE, I quote, says,

> Let me just say I read a wire story, there's a split between the House and the Senate on what ought to happen. I do not get that feeling at all in talking with the Speaker. In fact, we just had a 30-minute meeting.

The SPEAKER pro tempore. The gentleman is not discussing the matter before the House which is the question of privilege. The gentleman will confine his remarks to the matter before the House.

Mr. MORAN. I will attempt to that, Mr. Speaker.

I was reading the introduction of comments that I think are quite relevant.

The majority leader of the Senate, in offering this motion and speaking to it prior to its passage in the Senate, which it has now, this is the very same motion offered by the minority leader.

The SPEAKER pro tempore. The Chair will remind the gentleman of the proceedings of the House. He is not to quote matters that have taken place in the other body unless they relate specifically to the matter before the House, which is the question of privilege. So the gentleman will have to confine his remarks to those matters that relate to the question of privilege before the House.

Mr. MORAN. I will accept the Speaker's interpretation of what I was saying. Rather than quote the majority leader of the Senate, I will simply say that his comments, I felt, were relevant, and this is the very same legislation that is being offered here.

Let me make the second point that I wanted to make with regard to the integrity of this House.

When this House voted to go on vacation and leave the Government shut down, I think that went directly to the integrity of this House. Now we have an opportunity, with legislation immediately before us, to pass that legislation to get the Government up and running. The other body has seen fit to do that.

Mr. LINDER. Regular order.

Mr. MORAN. I think it goes directly to the integrity of this House.

The SPEAKER pro tempore. The chair is attempting to proceed along the regular order, but it is difficult if Members engage in discussion that goes beyond the question of privilege before the House. The gentleman will confine his remarks to the question of whether or not the resolution before the House constitutes a question of privilege.

Mr. MORAN. Mr. Speaker, I cannot imagine anything that goes more directly to the integrity of this House and the issues for which we are responsible than to act in a constructive way when we understand that the American public is shout out of its Government and Federal employees are shut out of their jobs.

Mr. HAYWORTH. Regular order.

Mr. MORAN. We took action to go on vacation when that was the case. We have an opportunity to rectify it. I think it is consistent with the integrity of this House to rectify it now.

Mr. THOMAS. Regular order.

The SPEAKER pro tempore. The Chair will inform the Member that he has an obligation to discuss those matters that are before the House.

Does any other Member wish to be heard on the question of privilege before the House?

Mr. THORNTON. Mr. Speaker, I wish to be heard on the question of privileges of the House, of this motion.

Mr. Speaker, this motion calls upon the House to exercise its duty under the Constitution of the United States, which provides in relevant part that the Congress shall make appropriation for the functioning of Government. It says specifically no money shall be withdrawn from the Treasury except upon appropriation of the Congress.

Nowhere in the Constitution is the President authorized to make an appropriation—I am not trying to assess blame for where we are. We are talking about how to get out—the question is, how do we resolve the impasse? The impasse must be resolved by the Congress performing its duty under the Constitution of the United States.

Mr. LINDER. Regular order.

Mr. THORNTON. If performance of our duties under the Constitution is not a question of privilege, I would like to ask whether the Contract With America overrides the Constitution?

Mr. HAYWORTH. Regular order.

The SPEAKER pro tempore. The Chair is listening to the gentleman. His remarks at this point have in fact been to the matter before the House.

Mr. THORNTON. I thank the Speaker.

Mr. Speaker, this is very important, because having placed the responsibility for appropriations for the operation of government upon the Congress and upon no other element of government, a failure to act becomes an abuse of power, and a failure to act by refusing to allow a vote upon a measure which has passed the other body is an abuse of power. This is clearly a question of privilege under the Constitution of the United States.

The SPEAKER pro tempore. Are there other Members who wish to be heard on the matter before the House?

Mr. VOLKMER. Mr. Speaker, yes, I would like to speak in favor of the resolution by the minority leader, and I would like to point out that the gentleman from Arkansas came very close to the words that I am about to speak but did not quite get there.

That is, under our Constitution, as he correctly points out, only this House can originate appropriations bills. It is only through those appropriation bills that this Government and all its agencies and employees operate. Without those appropriation bills, there is no Government that can function at all.

If that comes about, I say that does affect the dignity and integrity of this House, the integrity of this House by nonaction altogether.

Now, if by nonacting, and if this Congress, this body, this year would fail to even originate one appropriation bill, the President cannot spend a penny, the other body cannot spend a penny. Only this House can originate those bills.

And the failure to originate the bills is not a violation of rule IX and the dignity of this House and the integrity of this House, Mr. Speaker, I wish you to think very carefully about this, that surely would affect the dignity and integrity of this House by failure to follow the Constitution of the United States.

No. 2, if that is a violation of rule IX, then the failure to do a part thereof would also be a failure, and therefore would affect the dignity and integrity of this body and a violation of the rules.

Therefore, there is no question in my mind that if this House fails to act on all appropriation bills or fails to act on one or two, it still affects the dignity. You say, well, we have a procedure we can follow through a discharge. If you do not have a majority, Mr. Speaker, you cannot discharge anything.

Therefore, through the actions of the majority, the Government could be shut down altogether, all avenues of Government. There has to be a methodology for the rest of the House to be able to follow to keep the Government functioning.

PARLIAMENTARY INQUIRY

Mr. LINDER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. LINDER. Mr. Speaker, is it within the regular order of the House and the correct prescription under the Constitution that this House can override the President's vetoes and put everybody back to work this afternoon?

The SPEAKER pro tempore. The gentleman's parliamentary inquiry has to be directed to the specific question pending before the House. Therefore, it does not constitute an appropriate parliamentary inquiry at this point.

Mr. CARDIN. Mr. Speaker, speaking on the point of privilege, I think it is important to point out that rule IX refers to questions of privilege that affect the dignity and integrity of the House.

We are a Government of the people. We have been back in our districts. Does anyone here think that the procedures that we have been using, that the people of our district do not believe that the dignity and integrity of this House is in question?

I urge the Speaker to rule in favor of this matter being a matter of privilege so that we can uphold the great dignity of this House.

The SPEAKER pro tempore. The Chair is prepared to rule.

Are there additional Members who wish to be heard?

Mr. WYNN. Mr. Speaker, I rise in support of the resolution and specifically address the issue of the integrity of the House.

Mr. Speaker, I believe this resolution is appropriate because by our inaction, we have compelled the services of certain Federal employees, specifically those being the essential Federal employees performing such services as prison guards, security, and the like, compelled their services without compensation. It is unclear to me what definition of integrity the Chair is utilizing, but I would say that under most generally accepted definitions of integrity, compelling services from employees without compensation when it is within our power to provide them with compensation is in fact a question of the integrity of the House.

On that basis, I believe that this resolution, which addresses the integrity of the House by requiring us to take action to provide compensation to those employees and others, but specifically to those who are in fact working but are not being paid, does in fact raise a legitimate question of the integrity of the House, and ask the Chair to rule favorably on the resolution.

The SPEAKER pro tempore. Does the gentleman from Michigan desire to be heard on the question of privilege?

Mr. DINGELL. Yes, Mr. Speaker.

The resolution says questions of privilege shall be first those affecting the rights of the House collectively, its safety, dignity, and the integrity of its proceedings.

That quotes from the rules.

Mr. Speaker, as you stand there, I would call to your attention that one of the most important functions of this institution is to manage, to expend, under the power of the purse. We have the duty of collect taxes, we have the duty to expend moneys by authorization and by appropriations. None of that has until this time been properly carried out.

Certainly the questions of the integrity of this body and the integrity of the proceedings, the dignity of this body, are severely impaired by our failure to provide for the proper running of the Government of the United States. That is a failure of this institution. That is a failure because we have not been able to address the questions of the budget in a proper fashion.

I would call to the attention of the Chair our failure to carry out our duty, our failure to carry out our responsibilities of appropriating funds, of authorizing expenditures, or of implementing the budget as required by the Budget Act, clearly affect the privileges, the prerogatives, the dignity, and the integrity of this institution. Certainly the respect in which the public holds this body has fallen to something approaching one of the lowest points that I have ever seen in my career.

Clearly, without taking the action here of bringing this matter to a vote and, clearly, without having taken the steps necessary to permit this body to commence addressing the single largest problem that confronts this country today, and that is the orderly running of its Government, the funding of its public affairs, and retaining the respect of its people, we are not carrying out our duties.

It is very plain to me, Mr. Speaker, that the question of the privileges of the House is entwined with this so intimately that the questions of the privileges of the House and the functioning of this body cannot be separated one from another.

I urge a proper ruling on this matter.

The SPEAKER pro tempore (Mr. WALKER). The Chair is prepared to rule. Are there additional Members who wish to be recognized?

The Chair recognizes the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Speaker, I wish to address the point of personal privilege of the leader on our side. What is happening here is this is the body of the people. Everyone on this side of the aisle and I would imagine many on the other side of the aisle have been told by the people they went home and spoke to, it is time now to get on with the business of the Government. I join the gentleman's request.

The SPEAKER pro tempore. The gentlewoman will confine her remarks to that matter before the House, which is the question of privilege.

Are there additional Members who wish to be heard on the question of privilege as offered by the minority leader?

The Chair recognizes the gentleman from Utah [Mr. ORTON].

Mr. ORTON. Mr. Speaker, I wish to be heard on the question of privilege.

Rule IX is designed to allow us to bring to the floor motions which in fact do affect the integrity of the body, of Members of the body. At this very moment, there are Members of this body holding a press conference regarding whether we as Members of Congress should continue to receive our pay.

The SPEAKER pro tempore. The gentleman will confine his remarks to the matter before the House which is, does the resolution before the House and the wording of that resolution constitute a question of privilege.

Mr. ORTON. Respectfully, Mr. Speaker, I believe that I am addressing that, because I have just in the last few minutes had my integrity questioned as an

individual Member of this body by members of the press with regard to whether I would continue to accept pay while other workers are not.

The SPEAKER pro tempore. The Chair would remind the gentleman, he has an obligation to discuss the resolution which is before the House and not a question of privilege that might exist in another forum. This is not now a forum for a question of personal privilege.

Mr. ORTON. Mr. Speaker, rule IX has to do with the integrity of the body collectively and individually. And the integrity of this body is in fact——

The SPEAKER pro tempore. The Chair would remind the gentleman that he has an obligation not to discuss all of rule IX but to discuss the matter before the House, whether or not it constitutes a question of privilege of the House under rule IX.

Mr. ORTON. Mr. Speaker, that is exactly what I am attempting to do. If my integrity individually has been questioned with regard to funding of the Government, then that is a matter of privilege individually and collectively.

The SPEAKER pro tempore. The Chair would remind the gentleman that he might in fact draft a question of personal privilege that he could bring to the House, but the matter before the House at the present time is the specific wording offered by the gentleman from Missouri [Mr. GEPHARDT].

The Chair is prepared to rule. Are there additional Members who wish to be heard on the question of privilege?

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

Mr. MILLER of California. Mr. Speaker, to address the issue of privilege, I do believe that under rule IX this does rise to the occasion of privilege, the resolution offered by the minority leader. It does so because clearly the collective integrity of this House and the dignity of this House is being called into question, is being called into question in every commentary throughout the country about the closedown of the Government.

The dignity and the integrity of this House is being called into question by our individual constituents, by the interviews on every nightly news program in every one of our districts. That goes to the collective integrity and to the collective dignity.

The SPEAKER pro tempore. The gentleman should confine his remarks to those matters that are before the House and the question of privilege that was offered by the gentleman from Missouri.

Mr. MILLER of California. Mr. Speaker, the reason this goes to that privilege is because in fact when the will of the people is thwarted, the integrity of the House, the dignity of this House is called into question. The only way that that can currently be remedied is through this motion that rises to privilege. That dignity and that integrity is called into question when the popular will is thwarted, and we see it very often, when Members know that the votes exist to do something and yet the matter cannot be brought to the floor.

That is why a motion of privilege is laid before the Chair because there is no other way. That goes exactly to the heart of the privilege. The privilege in this case that the minority leader is asserting is the privilege to bring a matter to the floor by which now there is no other way to get that matter to the floor. That is because the power of the Chair, the power of the Chair and the rules——

The SPEAKER pro tempore. That is the reason why the Chair is prepared to rule.

Mr. MILLER of California. I am giving the Chair a reason to rule for privilege, because the power of the Chair is the power of recognition, and the Chair is now willing to recognize any Member for this purpose. Therefore, the minority leader must bring a matter before the House under the rules of privilege. We know that there are 198 votes to open up the Government on this side. So if we can find 20 votes on that side, the people's will can be carried out.

The SPEAKER pro tempore. The Chair is attempting to maintain order and would remind the majority side that it is the duty of the Chair to maintain order and would ask the cooperation of the Members in so doing. He would also ask the cooperation of the minority in discussing this matter to constrain their remarks to those matters that are before the House.

The gentleman from California has wandered away from that particular admonition, and the Chair would ask him to please constrain his remarks that address the question of privilege.

Mr. MILLER of California. Mr. Speaker, I would simply say, in closing, that the reason the integrity is called into question and the dignity of the House is called into question and the reason this motion should be granted privilege is that the popular will of the people and the belief of the people is that this body is not carrying out that will, and yet they believe the votes exist. The only way we can find that out is for the Chair to rule this is a matter of privilege and let the votes commence and we can open up the Government this afternoon.

The SPEAKER pro tempore. The Chair is prepared to rule.

The Chair is constrained, first, to determine whether the resolution qualifies under rule IX.

Questions of the privileges of the House must meet the standards of rule IX even when they invoke provisions of the Constitution. Those standards address privileges of the House, as a House, not those of the Congress, as a legislative branch. The question whether a Member may broach the privileges of the House simply by invoking one of the legislative powers enumerated in section 8 of article I of the Constitution—or the general legislative ''power of the purse'' in the seventh original clause of section 9 of that article—has consistently been answered in the negative. The ordinary rights and functions of the House under the Constitution are exercised in accordance with the rules of the House, without necessarily being accorded precedence as questions of the privileges of the House.

The Chair will follow the ruling of Speaker Gillett on May 6, 1921, as recorded in volume 6 of Cannon's precedents, section 48:

> It seems to the Chair that where the Constitution ordered the House to do a thing, the Constitution still gives the House the right to make its own rules and do it at such time and in such manner as it may choose. And it is a strained construction, it seems to the Chair, to say that because the Constitution gives a mandate that a thing shall be done, it therefore follows that any Member can insist that it shall be brought up at some particular time and in the particular way which he chooses. If there is a constitutional mandate, the House ought by its rules to provide for the proper enforcement of that mandate, but it is still a question for the House how and when and under what procedure it shall be done. . . .

Applying that precedent of May 6, 1921, which is recorded in Cannon's Precedents at volume 6, section 48, and the similar precedents of February 7 and December 22, 1995, the Chair holds that the resolution offered by the gentleman from Missouri does not affect ''the rights of the House collectively, its safety, dignity, [or] the integrity of its proceedings'' within the meaning of clause 1 of rule IX. Although it may address an aspect of legislative power under the Constitution, it does not involve a constitutional privilege of the House. Rather, the resolution constitutes an attempt to impose a special order of business on the House by providing that the Senate amendment to H.R. 1643 be deemed adopted.

The resolution does not constitute a question of privilege.

Mr. MORAN. Mr. Speaker, I appeal the ruling of the Chair.

MOTION TO TABLE OFFERED BY MR. ARMEY

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

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

> Mr. ARMEY moves to table the appeal of the ruling of the Chair.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. ARMEY] to lay on the table the appeal of the ruling of the Chair.

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

Mr. ARMEY. 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 206, nays 167, answered ''present'' 1, not voting 59, as follows:

[Roll No. 2]

YEAS—206

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Calvert
Camp
Campbell
Canady
Castle
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cunningham
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Ganske
Gekas
Gilchrest
Goodlatte
Goodling
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hunter
Hyde
Inglis
Istook
Jacobs
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCrery
McDade
McHugh
McInnis
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Myers
Myrick
Nethercutt
Neumann
Ney
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pombo
Porter
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Skeen
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Spence
Stearns
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Young (FL)
Zeliff
Zimmer

NAYS—167

Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Cardin
Clayton
Clement
Clyburn
Coleman
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Danner
Davis
de la Garza
DeLauro
Dellums
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fields (LA)
Filner
Flake
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gonzalez
Gordon
Green
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (SD)
Johnson, E. B.
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Menendez
Miller (CA)
Minge
Moakley
Mollohan
Montgomery
Moran
Morella
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Pallone
Payne (NJ)
Payne (VA)
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stenholm
Stokes
Stupak
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Traficant
Velazquez
Vento
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wynn
Yates

ANSWERED ''PRESENT''—1

Wolf

NOT VOTING—59

Abercrombie
Berman
Brown (FL)
Brown (OH)
Bryant (TX)
Buyer
Callahan
Chabot
Chapman
Clay
Collins (IL)
Cubin
DeFazio
Dixon
Dornan
Durbin
Fazio
Fields (TX)
Foglietta
Gallegly
Gibbons
Gillmor
Gilman
Hayes
Hoke
Hutchinson
Johnson (CT)
Johnston
LaTourette
Lightfoot
Maloney
McCollum
McIntosh
Meek
Mfume
Mink
Norwood
Owens
Pastor
Pelosi
Portman
Pryce
Quillen
Roukema
Sanders
Sawyer
Shuster
Smith (MI)
Souder
Stark
Stockman
Studds
Tanner
Torricelli
Towns
Visclosky
Wilson
Wyden
Young (AK)

□ 1329

The Clerk announced the following pairs:

On this vote:

Mr. Hoke for, with Mr. DeFazio against.

Mr. McIntosh for, with Mr. Pastor against.

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

So the motion to lay on the table the appeal of the ruling of the Chair was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. PORTMAN. Mr. Speaker, because of inclement weather in my district, I was not in attendance for two recorded votes, rollcall vote No. 1 and rollcall vote No. 2.

Had I been in attendance, I would have voted ''present'' on rollcall vote No. 1 and ''yea'' on rollcall vote No. 2.

PERSONAL EXPLANATION

Mrs. MALONEY. Mr. Speaker, I was unavoidably detained in my district this morning due to weather.

Had I been present, I would have voted ''present'' on rollcall vote No. 1, and ''nay'' on rollcall vote No. 2.

PERSONAL EXPLANATION

Mr. GILMAN. Mr. Speaker, I was unavoidably delayed during rollcall No. 1, a quorum call, and rollcall No. 2, a motion to appeal the ruling of the Chair. Had I been present, I would have voted ''present'' on rollcall No. 1, and ''aye'' on rollcall No. 2.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. WALKER). The Chair announces that by agreement, the 1-minutes will be limited to 15 people on each side.

TRIBUTE TO ANNE NOEL FAZIO

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

Mr. LEWIS of California. Mr. Speaker, I come to the House floor to share some sad news with our colleagues this morning. Anne Noel Fazio, the youngest daughter of our good friend and colleague, VIC FAZIO, died on Sunday after a 9-year battle with leukemia. She was 22.

As many of you know, Anne was a fighter. When faced with the most difficult circumstances, this courageous woman forced her energy on living. She never gave up.

After a successful bone marrow transplant in 1987, Anne graduated from C.K. McClatchey High School in 1991. She earned a degree in history from the University of California, Davis last year. She also served as president of the Tri Delta Sorority.

Mr. Speaker, I would ask Members to join me in a moment of quiet reflection to honor Anne Fazio's memory and to remember our friend VIC FAZIO and his family during this difficult time.

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

Mr. LEWIS of California. I yield to the gentleman from California.

Mr. MILLER of California. Mr. Speaker, I want to thank the gentleman very much for taking the well. He expresses all of our feelings who are devastated by Anne's death, and we share in the tragedy that VIC and his family are going through today, and we wish them the very, very best.

I thank the gentleman very much for his remarks and for bringing this before the House.

GOVERNMENT SHUTDOWN CAUSES GOVERNMENT WASTE

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

Mr. DEUTSCH. Mr. Speaker, when my Republican colleagues came to Congress, they promised us that they would run government like a business. Well, think about this business.

There is a disagreement between the CEO and the board of directors, and

what they decide to do is furlough the workers and pay them; and that is what has been going on for the last 19 days. We have furloughed the workers and we have paid them, and it has cost us $40 million a day for 19 days, three-quarters of a billion dollars, by those people who have promised us to run government like a business.

Let us see what we have done with $40 billion, $80 billion, $120 billion, $160 billion.

The SPEAKER pro tempore. The time of the gentleman has expired.

The Member is reminded that he should make his point with his speech rather than using props that are demeaning to the proceedings of the House.

BALANCE THE BUDGET IN 7 YEARS

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

Mr. HAYWORTH. Mr. Speaker, I watched with interest the befuddled stage business just preceding me in the well of this House, and as my good friend from Florida was flummoxed trying to make an argument for fiscal conservatism, it bears out the point that for the last 40 years, those proponents of tax-and-spend and spend-some-more will do anything to change the subject.

Mr. Speaker, the mission is clear: Balance the budget in 7 years using the honest, nonpartisan numbers of the Congressional Budget Office. Sure, the liberals will try to change the subject. Sure, they will try to act as if they are born-again fiscal conservatives, but just as that flummoxed piece of stage crap indicates, it will not wash.

ENOUGH IS ENOUGH

(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, enough is enough—that is what the majority leader of the other body said yesterday about the game of political blackmail being played by the Republican Party.

The President, Democrats, and responsible Republicans all agree that it is time to end the Government shutdown and allow Federal employees to go back to work. It is time for Speaker GINGRICH and the right-wing extremists in the House of Representatives to release these 260,000 political prisoners.

Federal employees should not have to pay for the failings of Congress. That is why I am reimbursing the U.S. Treasury for my salary for every day of the shutdown. If Federal workers are not being paid, neither should Members of Congress.

''I think we've made our point,'' said the Senate majority leader about the Republican shutdown. But, sadly, the only point that Republicans are making by shutting down the Government is that they are unfit to lead.

PUT BLAME WHERE IT BELONGS

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

Mr. EWING. Mr. Speaker, the time has long passed when we should have balanced our budget. The last speaker is absolutely right, enough is enough. I do not see any sense in what is happening.

At the White House, the President has refused consistently to live up to his agreement to balance the budget in 7 years with CBO numbers. All he sent us is a budget that is $200 billion a year out of balance. It is time we get to it.

The House Republicans have pledged to put everything on the table, to discuss everything, but we cannot get meaningful discussions with the White House.

Let us put the blame where it belongs. Let us put the pressure where it belongs. Mr. President, enough is enough.

NO POLITICAL TOUCHDOWNS

(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, if the Congress were a New Year's bowl game, then the legislative Heisman Trophy has to go to House Republican new Members for most successful tackles of a Federal Government: 19 days so far.

No one is scoring political touchdowns in this, Mr. Speaker. The public is throwing the yellow flag on all of our Houses, including this one.

My constituents have gone from expressing general frustration to specific anger. They are asking about the thousands of passports that are not being processed, the private vendors who are not being paid, the 2,500 housing loans a day not being processed, the $40 million a day of small business loan guarantees not being processed, millions of dollars a day in export licenses not being issued.

One Federal supervisor in Charleston told me, BOB, we run complex operations. You cannot turn us on and off like a switch. A Federal fraud investigator reminded me that he cannot be ferreting out millions of dollars in fraud from a furloughed status.

Mr. Speaker, while the budget negotiators do their work, this House should let hundreds of thousands of Federal workers do their work. Please end this shutdown now.

LET US STAND FOR A BALANCED BUDGET

(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, there are really two reasons why we need to balance the budget. The first one is that the interest is the third largest expenditure in the national budget each year.

In 2 years we will be paying the bondholders on our national debt more money than we pay for our entire Defense Department. We pay $20 billion each month to the bondholders on our national debt, $20 billion that could be spent on education, on health care, Medicare, Medicaid, whatever you want; $20 billion is absolutely gone except for going into the pockets of bondholders; and that debt, ladies and gentlemen, is going to be passed back to the children of America.

The second reason is, we want to balance the budget. If we do, we can reduce interest rates. Lower interest rates mean businesses can expand. More jobs will be created, more opportunities; home mortgages will go down, automobile payments each month will go down. It is prosperity that we have to gain.

I, Mr. Speaker, stand for a balanced budget and I wish that every Member of the House would do the same.

MORE JOBS LOST FOR AMERICANS

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

Mr. TRAFICANT. Mr. Speaker, AT&T just laid off 40,000 American workers. AT&T laid off 40,000 American workers, another 40,000 folks. In case you have not heard, because I know you care, another 40,000 American workers are laid off. But Uncle Sam keeps saying, do not worry, because NAFTA and GATT are going to replace those jobs with high-technology jobs.

Right. The only high-technology job I see is that new Slurpee machine at 7-Eleven. Beam me up, Mr. Speaker.

What about a Happy New Year in Basking Ridge, NJ? They lost 7,000 jobs in 1 day. Neither party will balance this budget on minimum wage jobs. Neither party has a program. The country absolutely needs a third party to do something about jobs. If there is any consolation, Mr. Speaker, I never heard of anybody committing suicide by jumping out of a basement window, and that is about the only tenement our people will live in after we keep losing jobs.

VOTE TO DEFEND AMERICA

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

Mr. HUNTER. Mr. Speaker, to follow my friend, it is true that this is the first President who sent our jobs to Mexico, our troops to Bosnia, and our balanced budget to the White House trash can.

He has done something else, Mr. Speaker, and that is to veto the defense authorization bill; and the reason

the President vetoed the defense authorization bill is because we say in that bill, we shall defend America against ICBM's and have that system in place by the year 2003. The President refuses to defend this country while Iraq, Libya, China, and others hurry up and accelerate their programs on offensive missiles.

Defend America. Vote to override the President's veto today.

AMERICAN TAXPAYERS ARE BEING CHEATED

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

Mr. WYNN. Mr. Speaker, it appears that self-styled Republican revolutionaries believe that the end justifies the means. Somehow they have this notion that these Federal workers are the President's Federal workers, or they are the Democrats' Federal workers. Sorry, fellows. They are the taxpayers' Federal workers, and the taxpayers are being cheated because of your shutdown.

They are being cheated because small businesses cannot get their loans processed through the SBA. They are being cheated because small businesses cannot bid on contracts because the contract offices are closed. They are being cheated because toxic waste cleanup is not proceeding. They are being cheated because student loan applications are not being processed. They are being cheated because FHA home mortgage applications are not being processed.

And then they go on and abuse the Federal workers: No checks for the Federal workers. That means no mortgage payments, no utility payments, and, sometimes, no food on the table.

There is one thing wrong with these self-styled revolutionaries. Someone told them that the end justifies the means, and they do not care who they hurt.

In this case, they hurt the taxpayer and they hurt our Federal workers, and that is a shame, Mr. Speaker.

□ 1345

REPUBLICANS HAVE MET BALANCED BUDGET CHALLENGE

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

Mr. ROHRABACHER. Mr. Speaker, I remember, and I think the American people remember, that last year when we Republicans tried to pass a balanced budget amendment, we were defeated because the Democrats claimed, ''Oh, my goodness, you don't need a balanced budget amendment, you don't need to amend the Constitution, just present a balanced budget. Why do you have to amend the Constitution?''

OK, we met the challenge. The Republicans came up with a balanced budget. And the very same Democrats who voted against the balanced budget amendment to the Constitution, claiming we should just do it here legislatively, are now opposing our balanced budget.

For 4 years we have heard this President claim to be a new Democrat. In fact, 4 years ago he was running on a campaign motto of being someone who was going to end welfare as we know it and would balance the budget. Now, after 4 years of rhetoric, we have come to where he cannot dodge anymore.

The fact is we have laid upon the table a balanced budget. He claims to have been in favor of the balanced budget. I hope the American people remember that, too. But when the Republicans lay their alternative out, the President refuses to lay out his alternative, and that is the reason the Government is shut down today.

DEMAND FOR A CONTINUING RESOLUTION

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

Ms. JACKSON-LEE of Texas. Mr. Speaker, first let me offer my deepest sympathy to the Fazio family and offer our love.

A tragedy occurred today in this House, however. One Nation under God, indivisible, and with liberty and justice for all, we stood and pledged allegiance to the U.S. flag. This is supposed to be a nation that protects working Americans, working people.

But yesterday in my community a Government worker performing essential services in the veterans hospital received for her 80 hours of work a $5 salary check. That is right, Mr. Speaker, $5 for 80 hours of work, a working parent with children, trying to survive, and yet she is there nurturing our veterans of war without getting compensated.

The Republicans refuse to put on the floor today a continuing resolution to open the doors of Government and pay these workers to provide the services that the taxpayers of America have asked them to provide. That is all we request, Mr. Speaker, and I demand that we put on this floor a continuing resolution to open this Government today. It is a disgrace on this House's ability to govern. Pass the Dole proposal to open this Government now.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Edwin Thomas, one of his secretaries.

AMERICA NEEDS A BALANCED BUDGET

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

Mr. ROYCE. Mr. Speaker, I just want to take a minute, as we commence the second session of the 104th Congress, to focus on the necessity of reaching the goal of a balanced Federal budget.

Four years from now we will enter upon the third millennium and the 225th year of our Nation and, ironically, although the American revolution was mostly about taxes, an American child born today will inherit a tax bill of $186,000 just to cover his or her share of the interest on the national debt. That is the direct per capita cost of financing $5 trillion. That is not the cost of paying it off. That is that child's cost in taxes during his or her lifetime.

That is not the only cost of this enormous debt. That same child born today will have to pay higher monthly mortgage payments, higher car payments, higher college loan payments, all because of a $5 trillion debt. That is because the Federal Government will be sopping up over half of the available credit in the markets as it continually refinances the debt, causing interest rates to remain arbitrarily high.

GO DOWN, MR. PRESIDENT, WAY DOWN TO CONGRESSLAND

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

Mr. LEWIS of Georgia. Mr. Speaker, day 19—and the U.S. Government is still closed, held captive. Forty million dollars a day—down the drain, wasted—almost $800 million. All this the Republicans say, in the name of fiscal conservatism. More than a quarter of a million Government employees at home, waiting to work and wanting to work. Still thousands of others on the job, not getting paid.

The Ayatollahs of the right continue to hold the U.S. Government hostage to their radical demands. Do it our way they say—cut Medicare, gut Medicaid, slash education and student loans, attack our environment—or we will keep the Government shut.

People unable to pay their mortgages, their car loans, their children's education bills, Government contractors unable to work, business people unable to get passports to conduct business abroad. None of this matters to the mullahs of the Republican right. They are not affected, they are constitutional officers, not Government employees.

So I say here today, go down, Mr. President, way down to congressland, tell NEWT GINGRICH to let our Government go. The American people will not give in to Republican blackmail and hostage taking.

REPUBLICANS WILL BALANCE THE BUDGET

(Mr. COX of California asked and was given permission to address the House

for 1 minute and to revise and extend his remarks.)

Mr. COX of California. Mr. Speaker, as our colleagues know, we have done our job here. We did it last summer. We passed all our appropriations bills.

The truth is that the President has now vetoed appropriations bills that would keep our parks open, appropriations bills that would keep our prisons and the guards paid. We passed not only a balanced budget amendment to the Constitution, by a two-thirds vote here, which would have kicked in in 7 years, but failing the one vote necessary to get a two-thirds margin for a constitutional amendment in the Senate, we, the House and Senate together, passed the Balanced Budget Act to balance the budget in 7 years, and the President has vetoed that.

Then we passed a resolution that the President signed that said you, Mr. President, will come up with a balanced budget, scored by the CBO, in 7 years, and he has not done that.

There is a good reason that now we have this seeming impasse. It is that the President has not done his job. We will continue to do ours and we will balance the budget.

REPUBLICANS HOLDING GOVERNMENT HOSTAGE

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

Mr. PALLONE. Mr. Speaker, when I was home in New Jersey the last week and in my district office, I received many calls on a regular basis from Government employees, some of whom were almost in tears because they have not been able to pay their rent, pay their mortgage, creditors are calling upon them, and there really was not a great deal we could do.

I naively expected when I came here today that because the Senate had moved a continuing resolution that would reopen the Government, and because the President supported it, that we would take that continuing resolution up today, but we did not.

The only thing I can say is that finally we know where the blame is. The blame is with the House Republican leadership and those Republicans that they represent here in the House who want to keep the Government shut down, who want to hold the American people, the Government workers and the taxpayers who are paying for services they should be getting, hostage to their own ideology about what the budget priorities should be.

I have said from the very beginning that is not the way to operate.

REPUBLICANS READY TO PASS A BALANCED BUDGET

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

Mr. TAUZIN. Mr. Speaker, to hear the rhetoric in this debate one would think that most of the Government is shut down. That is not true. Most of the Government is up and running.

It is about one-fifth of the Government that is not open for business today. And most of that one-fifth could be open for business today if the President had simply signed 3 appropriations bills the House and the Senate, representing a majority of the American people, sent to him in time for him to put his signature on it and to put these people to work. The President chose not to sign those bills and so most of that one-fifth of the work force is out of work today. As to that remaining number, they are tied up in a filibuster on the Senate side led by Members of the President's own party.

So if you want to know why part of the Government is shut down today, it is because the President failed to sign the appropriation bills the House and Senate agreed upon, and because his own party has the final remaining appropriation bills tied up in the Senate in a filibuster. We are ready to go to work, pass a balanced budget bill for this country and get us on a course to fiscal sanity again.

FRESHMAN REPUBLICANS HOLD GOVERNMENT HOSTAGE

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

Mr. TORRES. Mr. Speaker, that is true, that the Government is not totally shut down, but most of it is shut down and today Federal workers, joined by senior citizens and others, will take to the street to protest. They are going to picket the houses and the offices of the 73 freshman Republicans who are holding the Government hostage.

Yes, nearly 760,000 Federal employees are either furloughed or working without pay. This is having a calamitous effect across the country, and impacting not only our economy but individual Americans alike. We are told that 12 States have already advised the agency for Health and Human Services that 600,000 seniors in the next 2 weeks will probably not receive Meals on Wheels nor have adequate transportation. That is simply disgraceful.

Ladies and gentlemen, we ask those 73 Members and our Republican leadership to let this Government go back to work.

A SIMPLE SOLUTION TO BUDGET IMPASSE

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

Mr. BONO. Mr. Speaker, this place cracks me up sometimes. I sometimes feel like I walk through a mirror and I am going to meet the Mad Hatter. We hear bleeding heart after bleeding heart. We hear all these stories.

It is this simple. The President said he would sign a contract to balance the budget in 7 years, scored by CBO. We said fine. If you do that, there is no problem, we will keep going, and Government will be open.

Now the President has not done that, so all the rest of this rhetoric is rhetoric. As soon as the President decides to keep his word, that is what has got to be understood, Mr. Speaker, is that he has to keep his word, and his word was that he would sign a balanced budget scored by CBO. I hope he keeps his word soon.

PRESIDENT HAS PROBLEM WITH BALANCED BUDGET

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

Mr. WATTS of Oklahoma. Mr. Speaker, I too, as my colleague from Illinois, offer condolences to the Fazio family and to the Johnson family.

Mr. Speaker, on November 20 there was a continuing resolution that was signed that said that Congress and the President shall balance the budget by the year 2002, using Congressional Budget Office numbers and using honest numbers. That resolution expired December 15 at midnight. At that time, the President had not offered a balanced budget, scored by CBO, that would balance in 7 years.

Mr. Speaker, that has been the problem. We have had appropriations that have been vetoed. We do not have a President that submitted a budget that would balance over the next 7 years, and that is the problem. What is the problem with submitting something that will balance? Is it that the President does not want to be accountable, the President does not want to discipline himself?

We said, ''Mr. President, you don't have to agree with our numbers. You can disagree with our numbers. Just give us your priority, your numbers, and we will negotiate a settlement.''

TIME TO TAKE RESPONSIBILITY IN BUDGET BATTLE

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

Mr. REED. Mr. Speaker, the leader of the other body is right, enough is enough. For 19 days much of the Federal Government has been closed through the failure and intransigence of the new House leadership.

Federal workers and their families are the most obvious victims of this hostage mentality. They are not the only ones suffering. At Rhode Island's VA medical center employees are already working with either half or no pay, and now the veterans' benefits are threatened because the VA continuing resolution expires today.

Moreover, by the end of the week Rhode Island will have no funds left to administer its unemployment compensation insurance program, which

could mean that no more unemployment compensation would be paid in Rhode Island.

Senior citizens could also expect to be hit hard by this Republican brinksmanship. Indeed, nationally 600,000 seniors will not get Meals on Wheels if Republicans do not bring a continuing resolution to the floor by Friday.

Environmental cleanup has stopped at Superfund sites, small business loans go unprocessed, American business people cannot go overseas without passport renewals, our national parks remain closed, and the list unfortunately continues. Mr. Speaker, it is time for some Members of this House to act like they want to take responsibility.

□ 1400

GOVERNMENT SHUTDOWN

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

Mr. TIAHRT. Mr. Speaker, I think each one of us have furloughed Federal workers in our districts. I have 1,038 in my district. However, 940 of them would be working had the President not vetoed legislation that would have funded their departments.

On November 20, as was said earlier, the President signed a continuing resolution that said he would come up with a balanced budget by the end of this year, by the end of the first Session of the 104th Congress, which was December 31, but he failed to do so. I have to admit I am very frustrated. I think we here in Congress are very frustrated. What does it take for the President to keep his word? Would one more CR do it? Should we just go out on the limb and extend another 10 days and open up this Government?

It seems like every time we come up with a continuing resolution, the President backs away from the negotiating table. The only way that we can keep him at the negotiations table is to continue on our current course. However uncomfortable it may be, however painful it may be, we are going to have to do it. It is the only option that we have left. The President said that he would balance the budget. We said we would do it. we are going to keep to our word. Mr. President, please keep to yours.

ENOUGH IS ENOUGH

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

Mr. CARDIN. Mr. Speaker, yesterday, I had the opportunity to meet with some of my Federal workers from the Social Security Administration and see firsthand the hardships that we have caused because of our failure to get our work done. They are not interested in excuses.

Enough is enough, as the leader of the other body said when legislation was passed to put our Federal workers back to work. It is now time for us to do the same. For 3 weeks, hundreds of thousands of American families have been held hostage to budget strategy. Some are at work without pay. Some are home not working without pay. Through all of this, millions of Americans have been denied services from their Government.

The American people do not understand this and neither do I. We have all agreed that we are going to pay for Federal workers, yet we are denying people basic services which are going to cost our taxpayers more money. It does not make sense. Enough is enough. Let us get our job done.

GETTING THE JOB DONE

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

Mr. SCARBOROUGH. Mr. Speaker, we have got our job done. We as a Congress have passed the first balanced budget in over a generation. A man had not walked on the Moon the last time this institution had the discipline to balance the budget. We have done that now.

If we want to know about how big our national debt is, consider this in this holiday season. If we made a million dollars every day from the day Jesus Christ was born until today, we still would not have enough money to pay off our Federal debt. The time to balance the budget is now. Let us forget the demagoguery. Let us forget the half-truths. Let us instead be driven by these words that were written in the 1800's: Ask not what your age wants but what it needs, not what it will reward but what without which it cannot be saved; and that go and do.

That is what we are going to do. We are going to balance this budget.

HONEST NUMBERS

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

Mrs. SCHROEDER. Mr. Speaker, for the first shutdown we spent $700 million. In this shutdown we are spending $40 million a day. We have now been shut down for 19 days. So that comes out to about $1.5 billion the taxpayers have paid for this little clown act. I think that is exactly what it is. We ought to call it what it is.

When we say what is the real point, they say it is about honest numbers by the President 7 years from now. Even if the President gets reelected, he will not be President 7 years from now. This President and this Congress cannot possibly preordain what future Congresses and future presidents are going to do 7 years from now. We cannot even get decent weather forecasts for tomorrow. What are they talking about? Honest numbers, 7 years from now. I mean, what kind of arrogance is that that one side has honest numbers for 7 years and we do not. Meanwhile, we keep paying. Enough is enough.

BALANCING THE BUDGET

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

Mr. SHAYS. Mr. Speaker, we spend a billion dollars a day just on interest on the national debt. We are elected by adults to represent the children and future generations. We have the opportunity of a lifetime to balance our Federal budget and to get our financial house in order.

Since the Vietnam war the national debt has gone up from $300 billion to $4,900 billion, $4.9 trillion. This is not about Federal employees. This is not about the disruption of some Federal services. It is about finally, once and for all, and for the good of our children and future generations, balance the Federal budget in 7 years using honest numbers.

Taxes are on the table. Spending is on the table. Even defense is on the table. The budget must be balanced and it must happen at least within 7 years.

STOP SHUTTING THE GOVERNMENT DOWN

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

Mr. ENGEL. Mr. Speaker, I may have a bruised eye but it is nothing compared to the bruises the American people and our Federal workers are taking from this Republican Congress.

I rise today on behalf of the employees and patients of the Bronx Veterans Affairs Medical Center and the hundreds of thousands of Federal employees who are stuck in the middle of this budget debate. Here is a copy of a check for $1.51, which is what one worker at the Bronx VA Hospital Center received when she opened her paycheck in my district last Friday, $1.51, Mr. Speaker. In New York City that can get you this: One transit token to get home from work, and one penny extra to spend in any way you see fit. And if you live in Co-op City as I do, it will not even get you home, because Co-op City is a two-fare zone.

The staff of the Bronx VA Hospital has begun soliciting food donations to distribute to the staff because the workers cannot afford to buy food. It is an outrage that those who can care for our veterans have to go hat in hand to beg for food. I call upon you Republican colleagues to stop shutting the Government down. Think of people who live from paycheck to paycheck.

REGARDING THE BALANCED BUDGET

(Mr. DELLUMS asked and was given permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. DELLUMS. Mr. Speaker, in the context of this discussion regarding the balanced budget, my colleagues on the other side of the aisle seek three objectives: One, to change the nature, function, and role of the Federal Government in people's lives; two, to significantly reduce the size of the Federal Government; and, three, to shrink the revenues designed to carry out the purpose, the business of Federal governance. Nothing can be more fundamental and basic than that, to change the definition of the role of the Federal Government in people's lives.

It would seem to me if this struggle is that fundamental, then you do not solve that problem by creating the artificial crises of shutting down the Government. Dignify your own fundamental struggle here, allow the workers to get back to work, allow the Federal Government to function, and within the context of the processes that are designed for us to deal with these problems, let us address it that way. This is a fundamental basic struggle here. It is not a testosterone test. It is not an ego trip. It is a fundamental discussion. We ought to have it.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. WALKER) laid before the House the following communication from the Clerk of the House of Representatives:

HOUSE OF REPRESENTATIVES,
OFFICE OF THE CLERK,
Washington, DC, December 28, 1995.

Hon. NEWT GINGRICH,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in clause 5 of rule III of the Rules of the House of Representatives, I have the honor to transmit a sealed envelope received from the White House on Thursday, December 28, 1995 at 5:30 p.m. and said to contain a message from the President whereby he returns without his approval H.R. 1530, ''National Defense Authorization Act for Fiscal Year 1996.''

With warm regards,

ROBIN H. CARLE,
Clerk.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1996—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104–155)

The SPEAKER pro tempore laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning herewith without my approval H.R. 1530, the ''National Defense Authorization Act for Fiscal Year 1996.''

H.R. 1530 would unacceptably restrict my ability to carry out this country's national security objectives and substantially interfere with the implementation of key national defense programs. It would also restrict the President's authority in the conduct of foreign affairs and as Commander in Chief, raising serious constitutional concerns.

First, the bill requires deployment by 2003 of a costly missile defense system able to defend all 50 States from a long-range missile threat that our Intelligence Community does not foresee in the coming decade. By forcing such an unwarranted deployment decision now, the bill would waste tens of billions of dollars and force us to commit prematurely to a specific technological option. It would also likely require a multiple-site architecture that cannot be accommodated within the term of the existing ABM Treaty. By setting U.S. policy on a collision course with the ABM Treaty, the bill would jeopardize continued Russian implementation of the START I Treaty as well as Russian ratification of START II—two treaties that will significantly lower the threat to U.S. national security, reducing the number of U.S. and Russian strategic nuclear warheads by two-thirds from Cold War levels. The missile defense provisions would also jeopardize our current efforts to agree on an ABM/TMD (Theater Missile Defense) demarcation with the Russian Federation.

Second, the bill imposes restrictions on the President's ability to conduct contingency operations essential to national security. Its restrictions on funding of contingency operations and the requirement to submit a supplemental appropriations request within a time certain in order to continue a contingency operation are unwarranted restrictions on a President's national security and foreign policy prerogatives. Moreover, by requiring a Presidential certification to assign U.S. Armed Forces under United Nations operational or tactical control, the bill infringes on the President's constitutional authority as Commander in Chief.

Third, H.R. 1530 contains other objectionable provisions that would adversely affect the ability of the Defense Department to carry out national defense programs or impede the Department's ability to manage its day-to-day operations. For example, the bill includes counterproductive certification requirements for the use of Nunn-Lugar Cooperative Threat Reduction (CTR) funds and restricts use of funds for individual CTR programs.

Other objectionable provisions eliminate funding for the Defense Enterprise Fund; restrict the retirement of U.S. strategic delivery systems; slow the pace of the Defense Department's environmental cleanup efforts; and restrict Defense's ability to execute disaster relief, demining, and military-to-military contact programs. The bill also directs the procurement of specific submarines at specific shipyards although that is not necessary for our military mission to maintain the Nation's industrial base.

H.R. 1530 also contains two provisions that would unfairly affect certain service members. One requires medically unwarranted discharge procedures for HIV-positive service members. In addition, I remain very concerned about provisions that would restrict service women and female dependents of military personnel from obtaining privately funded abortions in military facilities overseas, except in cases of rape, incest, or danger to the life of the mother. In many countries, these U.S. facilities provide the only accessible, safe source for these medical services. Accordingly, I urge the Congress to repeal a similar provision that became law in the ''Department of Defense Appropriations Act, 1996.''

In returning H.R. 1530 to the Congress, I recognize that it contains a number of important authorities for the Department of Defense, including authority for Defense's military construction program and the improvement of housing facilities for our military personnel and their families. It also contains provisions that would contribute to the effective and efficient management of the Department, including important changes in Federal acquisition law.

Finally, H.R. 1530 includes the authorization for an annual military pay raise of 2.4 percent, which I strongly support. The Congress should enact this authorization as soon as possible, in separate legislation that I will be sending up immediately. In the meantime, I will today sign an Executive order raising military pay for the full 2.0 percent currently authorized by the Congress and will sign an additional order raising pay by a further 0.4 percent as soon as the Congress authorizes that increase.

I urge the Congress to address the Administration's objections and pass an acceptable National Defense Authorization Act promptly. The Department of Defense must have the full range of authorities that it needs to perform its critical worldwide missions.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *December 28, 1995.*

The SPEAKER pro tempore. The objections of the President will be spread at large upon the Journal and, without objection, the message and bill will be printed as a House document.

There was no objection.

The SPEAKER pro tempore. The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

The Chair recognizes the gentleman from South Carolina [Mr. SPENCE] for 1 hour.

□ 1415

Mr. SPENCE. Mr. Speaker, for purposes of debate only, I yield 30 minutes to the gentleman from California [Mr. DELLUMS], pending which I yield myself such time as I may consume.

Mr. Speaker, I believe the President made a monumental mistake last week

when he vetoed the fiscal year 1996 Defense authorization bill. On a purely political level, the veto has even more clearly defined the stark differences between the Clinton administration and this Congress on key national security issues such as ballistic missile defense and United Nations' control of U.S. military forces—central elements in both the Contract With America and the President's veto.

Unfortunately, against the real-world backdrop of hazardous peacekeeping deployment to Bosnia over a cold and wet holiday season, the President's veto of a bill containing a number of important pay and benefit provisions represents a slap in the face of our military personnel and their families.

First and foremost, this bill is about improving the quality of life of the All Volunteer Force. Contrasted against the President's vehement opposition to the deployment of a national missile defense system by the year 2003 or the bill's limitations on the President's ability to place U.S. military forces under the control of the United Nations—provisions the American people overwhelmingly support—vetoing the bill and risking these quality of life provisions is incomprehensible.

There are really two issues underlying the President's veto. First, the President opposes the ballistic missile defense provisions in the bill that call for the deployment of a national missile defense system by the year 2003. A bipartisan majority of the Members of both the House and Senate support this provision, but apparently not this administration. The missile defense system called for would be consistent with the ABM Treaty and, contrary to the wild assertions of it costing tens of billions of dollars, could be operational for a fraction of the costs based on the Pentagon's own estimates.

The second veto issue is even more of a red herring. The bill contains a provision simply requiring the President to certify in advance that any future deployment of U.S. military troops under the operational control of the United Nations is in the U.S. national security interest. It does not preclude the President from putting U.S. troops under U.N. control, it simply requires the President to certify to the Congress that such an arrangement is in the U.S. national security interests. The President has vetoed the entire Defense authorization bill in large part based on a requirement for a certification.

This veto indicates to me that despite the fact that the conferees went out of their way to accommodate the administration's concerns on numerous provisions, including provisions on ballistic missile defense and U.N. command and control, the White House is truly not interested in having a Defense authorization bill this year. Yesterday's Wall Street Journal carried an op-ed stating that, ''with his veto of the 1996 Defense bill last week, President Clinton just made the world a more dangerous place.'' It is difficult to disagree.

If, as a result of the veto, we are reduced to political jockeying instead of advancing the numerous quality of life and reform provisions contained in this bill, so be it. This is the President's decision. At a minimum, therefore, today's override vote will provide each of us an opportunity to choose where our national security priorities truly lie.

Finally, to those who might have voted against this legislation in other form, or for whatever reason it is a bipartisan product of the Congress, both parties, both Houses—its our bill that the President vetoed.

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

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

Mr. Speaker, as we all are aware, we are here addressing the issue of the President's veto of the Defense authorization bill.

The main focus of the President's veto message had to do with the issue of ballistic missile defense and the ABM Treaty. Before I go into the specifics of that, I would like to set the record straight.

In my capacity, Mr. Speaker, as ranking minority member, I sat with the distinguished gentleman from South Carolina [Mr. SPENCE], who is the present chair of the Committee on National Security. When the Secretary of Defense briefed us in extensive detail on what would invite a veto from this administration, there were a number of issues on that list, Mr. Speaker. The one issue that was very clearly communicated to us was that the ABM Treaty potential violation, the provisions of the ballistic missile defense contained in the bill could indeed invite a veto.

Over the course of the conference process, there were a few meetings addressing this issue attended by my distinguished colleague from California [Mr. HUNTER], the distinguished gentleman from South Carolina, this gentleman, and the gentleman from South Carolina [Mr. SPRATT] with members of the other body. At that time, on the issue of ballistic missile defense/ABM Treaty, the comment was made very clearly: ''You have two options. Either you want this as a political issue, or you want to address the problem and we get a conference report.''

I would suggest, without fear of contradiction, Mr. Speaker, that it was the former decision as opposed to the latter; they wanted the issue, not the conference report.

In the other body, a provision was passed that was the result of a bipartisan effort of a group of Members of the other body selected by the majority leader of the other body. This gentleman and other Members on the Democratic side of the aisle indicated that we were prepared, though not totally pleased with all of the provisions, but in the spirit of collegiality, in the spirit of compromise, we were prepared to live with that language. Easy way to solve the problem. No one was totally happy, but to get the job done, we could come together around the bipartisan language contained in the Defense authorization bill established by Members of the other body. It was not done.

So here we are, Mr. Speaker, with a veto message from the President, and he vetoed for several reasons. I would like to reiterate the main reason: Ballistic missile defense/ABM Treaty. Because the provisions of the conference report that passed required the deployment of a national missile defense system by the year 2003 of a costly missile defense system able to defend all 50 States from a long-range missile threat that our intelligence community, for which we authorize and appropriate billions of dollars, has stated without equivocation that they do not foresee such a threat coming in the next decade, though this bill, this conference report, commits us to deployment by the year 2003.

Mr. Speaker, that has enormous implications. Implication No. 1: It forces an unwarranted deployment decision now that does not have to be made. The threat assessment does not warrant deployment at this time.

Second, it wastes tens of billions of dollars, tens of billions of dollars, at a time when we are handwringing about balanced budgets.

One or two of my colleagues will rise today and say, ''But I was in a briefing that said that X contractor or X service said 'we could do it for this amount of money.'''

Mr. Speaker, this is a legislative body. We have a responsibility to the legislative process. Not one hearing has been held to sustain or to reject the integrity of that assertion. What is on the record at this point sustains this gentleman's assertion that to go forward will cost us tens of billions of dollars, at a time when we are talking about guaranteeing the future for our children, balancing the budget on the backs of people in this country least able to handle the pain and the shock of withdrawing the Government's ability to address their human misery, tens of billions of dollars to address a threat that is not out there.

It also then, Mr. Speaker, prematurely commits us to a specific technological approach to the deployment that may or may not be obsolete next year or the year after or by the year 2003. This would likely require a multiple-site architecture, a multiple-site architecture that cannot be accommodated within the framework of the ABM Treaty as it is presently designed. Thus, it requires us to abrogate the ABM Treaty.

Responsibility, integrity, fiduciary responsibility to our American citizens would, at a minimum, Mr. Speaker, require that any time you start to tread on the waters of abrogating a treaty, it would dictate that we walk lightly, we tread gently, and we move with responsibility. To take bold steps to abrogate a treaty at this point in this gentleman's opinion makes no sense.

Mr. Speaker, this would jeopardize continued Russian implementation of START I, as well as ratification of START II Treaties. Now, START I and START II significantly reduce the nuclear inventory on this planet. We talk about the future for our children. What could be more important to the future of our children than to remove thousands of heinous nuclear weapons that have only one function, and that is to destroy life on this planet? We place that in jeopardy by making moves that unilaterally communicate to the Russians our desire to abrogate a treaty.

It jeopardizes our current efforts to agree on an ABM/theater missile defense demarcation with the Russian federation. Mr. Speaker, at this time we are engaged, this country and the Russians, engaged in a process to address the problem of the distinction between strategic weapons and theater missiles.

I am sure, and I would attempt to jog your memory, Mr. Speaker, but when we negotiated the ABM Treaty, there was no such thing as theater ballistic missiles, so the question of the speed and the range, at what point does a weapon cease to be strategic, or at what point does a weapon cease to be theater, is very significant. We are involved in that process at this point. Why engage in any activity that would jeopardize those efforts to reach an agreement? Again, it flies in the face of reality, and it makes no sense to this gentleman.

There are a few other reasons why the President vetoed this. I would only hit upon four additional areas.

First, it imposes restrictions on the President's ability to conduct contingency operations essential to national security by requiring submission of supplemental appropriations within a time certain.

Second, it infringes upon the President's constitutional authority from his perspective as Commander in Chief by requiring certain Presidential certifications. Therefore, these two areas are areas of constitutional prerogatives that have been bandied back and forth between the Congress and the executive branch of Government over the years, and the President, looking at this bill, said, ''This infringes upon my constitutional rights in this area,'' and has vetoed it. This gentleman's belief is that in many of these areas, we are in gray areas, but I tend to believe the President is correct in this area.

I would just highlight two additional areas where the President calls to our attention reasons for veto.

One of them, it slows the pace of the Defense Department's environmental cleanup program. We have all, many of us in these Chambers, our communities have been affected by base closures. How, then, can we transfer that land on those bases back to the community for higher and better use, allowing them to convert these closed military bases so they do not sit there as pink elephants or white elephants in the middle of the community, how can we transfer that land back to the community for higher and better use, allowing them to convert their economy from a reliance on military presence to peacetime presence if we cut moneys out designed to clean the base?

□ 1430

So how can you on the one hand say to people in your community, we want to help you overcome the adverse impact of removing the military's presence from your community, and then say, but we are not going to put sufficient moneys in the environmental restoration and cleanup fund to allow that to happen expeditiously? That makes not sense to this gentleman.

Any community out there that is adversely affected by base closure, we ought to be leaning over backward to try to help those communities move forward as rapidly as they can into the 21st century, but shaving off dollars for environmental cleanup in order to build ships that we can build in the year 2000 and bring them into 1995; and other weapons systems that we have brought into this to cut environmental restoration, it just does not make any sense, but it tells us where our priorities are.

Our priorities in this bill certainly are not related to community, and I think that is where we ought to be.

The final point that I would like to highlight is that this bill requires medically unwarranted discharge procedures for HIV-positive service members. I would just make one final point on this. Military service people said they do not need this provision. If there is a reason for discharge, present law handles it. But to have that across-the-board, blanket requirement that you must now discharge people who are HIV-positive is oppressive, it is prejudicial, and it ought to be beneath us as American people in terms of how we address and how we treat people, particularly those who have decided to serve their country in this particular capacity.

Mr. Speaker, with those remarks explaining why I believe my colleagues ought to support the President's veto and sustain the President's veto, I would reserve the balance of my time.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana [Mr. LIVINGSTON], the chairman of the Committee on Appropriations.

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

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

Mr. Speaker, the bill before us passed the House, it passed the Senate, went to the President, and he vetoed it. To me, it is absolutely astounding that he would veto the Defense authorization bill immediately on the heels of his deploying 20,000 United States troops in harm's way in Bosnia.

But he vetoed it. So a vote to sustain his veto, or a ''no'' vote on this motion to override, in effect says, we are willing to send you into harm's way, but, by the way, we are not going to pay you.

A vote to override the President is a vote to pay the troops in Bosnia.

Moreover, a vote to sustain the veto, as my friends on the other side would have you do, says to military families, despite the fact that your housing is substandard and 70 percent of their housing is inadequate, we will not fix your housing, we do not want to repair your facilities, we do not care about your quality of life. Those repairs are authorized in this bill, and unless this veto is overridden, they will not be made.

It also says, we will not clean up environmental problems caused by the base closures. It also says to the military retirees, we will not pay your COLA's; and it also says to the men and women of this country and to the men and women of the armed services of this Nation that defending this Nation and defending you from a potential missile attack from any rouge element in the world is too expensive. That is what the President said when he vetoed this bill.

I do not know why he wants to stick to the tenets of the ABM Treaty, which was conceived in 1972 before all of these horrendous weapons systems were created, but in fact, he does; and when President Clinton called for more money last year, as we did, for the military and this year vetoes this bill, he is speaking in tongues.

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

[From the Wall Street Journal, Jan. 2, 1966]

THE ABM TREATY'S THREAT

With his veto of the 1996 defense bill last week, President Clinton just made the world a more dangerous place. If there's a silver lining, it is that it sets down an important political marker for this year's presidential campaign. GOP upstart Steve Forbes also put down a marker last week, castigating Bob Dole and the Senate for their apparent willingness to ratify the Start II treaty—a ''further pretext,'' Mr. Forbes said, for the ''policy of leaving the American people vulnerable to missile attack.''

Given the current Senate, the President's veto is almost certain to be sustained, hamstringing the effort to build critically needed defenses against ballistic missile attack. Millions of Americans may pay for his decision with their lives, when some future commander-in-chief lacks the means to shoot down a ballistic missile heading on a lethal trajectory for an American city. By vetoing the bill, Mr. Clinton also shows that he has no viable strategy for dealing with the changed nuclear realities of the post-Cold War world—realities that are discussed nearby by former Reagan Defense official Fred C. Ikle.

The Administration, to the extent it's thinking at all instead of repeating Democratic party rote, remains mired in an obsolete mindset that sees Moscow as our main foe and regards arms control and ''mutual assured destruction'' as the centerpiece of policy. Mr. Clinton's principal objection to the GOP defense bill is that by requiring deployment of a missile-defense system by 2003 it would violate the 1972 Anti-Ballistic Missile Treaty under which the U.S. and the Soviet Union agreed not to defend themselves against missile attack.

The Republican bill is ''on a collision course with the ABM treaty,'' Mr. Clinton said in his veto message. That, as we see it, is precisely the point. The ABM Treaty is a grave danger to national security and the United States ought to exercise its prerogative to withdraw. If any progress toward defense is to be made, every Republican Presidential candidate ought to pledge to give the required notice on his first day in office.

We thought back in 1972 that agreeing not to defend against missile attack was a reckless promise, but today any vestige of a rationale has vanished. More than two-dozen nations already possess ballistic missiles and a number will soon have missiles capable of reaching across the Atlantic or the Pacific. It's not hard to imagine that Washington or San Francisco would make tempting targets for a lunatic leader in one of the Iraqs or North Koreas of the world. When that happens, it will be too late to start building a missile defense.

The ABM Treaty is just one relic of the Cold War that Mr. Clinton is intent on preserving. He further objects that it would derail his arms-control efforts, keeping the Russian Duma from ratifying Start II, under which Russia would reduce its nuclear arsenal to 3,500 warheads from about 8,000. Whatever the Duma does, it looks likely that the U.S. Senate will ratify Salt II three years after it was signed by Presidents Bush and Yeltsin. Perfunctory debate ended last week and a vote is expected soon. Mr. Forbes, free of the impact of past habit, is one of the few Republican voices urging against ratification.

Yet with few exceptions, Republicans do believe that defending America against missile attack ought to be a national priority. Their Congress has put forward a workable and affordable plan toward that goal. On the other hand, we have a President who's decided that it is more important to the security of the United States to reduce the number of Russian nuclear warheads than to have the capability to defend ourselves against missile attack from the madmen of the world.

As for Start II, somehow we don't find it very comforting to contemplate a world in which the Russians have 4,500 fewer scary things tucked away in their arsenal but a Saddam Hussein has one that he intends to use on us. Clearly it's time for a new security strategy. It will require more, but missile defense will be a cornerstone. Mr. Iklé argues that to wake the world to this obvious need may well take a nuclear explosion, either accidental or deliberate.

[From the USA Today, Dec. 1, 1994]

CLINTON SEEKS $25B MORE FOR MILITARY

(By Bill Nichols)

President Clinton said Thursday he wants $25 billion more in military spending over the next six years to improve quality of life for military personnel, increase their pay and boost troop readiness.

In an announcement some saw as an attempt to preempt Republican plans to boost military spending next year, Clinton said unexpected military deployments in the Persian Gulf, Haiti and elsewhere contributed to the budget shortfall.

''I have pledged that . . . our military will remain the best-trained, best-equipped, the best fighting force on Earth,'' Clinton said. ''We ask much of our military and we owe much to them.''

Some Republicans weren't impressed.

''This is a small step in the right direction but it does not go far enough,'' said Sen. John McCain, R-Ariz.

But the White House said the increase request wasn't prompted by politics or by earlier cuts in the military budget.

Even in an era when the public wants a leaner government, ''the people of this country expect us to do right by our men and women in uniform,'' Clinton said.

Said Republican strategist William Kristol: ''See, the Republican Congress is already having an effect.''

Details:

The $25 billion would cover a projected $49 billion shortfall over six years, created in part by a congressionally mandated pay hike for military personnel.

Rep. Ike Skelton, D-Mo., outgoing chairman of the House Armed Services Subcommittee on military forces and personnel, said the Pentagon would still face a $15 billion shortfall.

Deputy Defense Secretary John Deutch said the gap would be closed with the additional $25 billion plus more favorable economic assumptions from the Congressional Budget Office and ''modernization reductions'' at the Pentagon.

The White House did not specify where the $25 billion would come from.

In addition, Clinton asked for at least $2 billion to pay for unexpected operations in Kuwait, Haiti, Bosnia-Herzegovina and to deter Cuban refugees.

Among the quality-of-life improvements the money would pay for: more military family housing, increased child care and improved barracks for single men and women.

Mr. DELLUMS. Mr. Speaker, I yield myself 30 seconds in order to address an issue raised by the distinguished gentleman from Louisiana [Mr. LIVINGSTON], the previous speaker in the well.

I might call to your attention, Mr. Speaker, something that I am sure you are aware of, and that is that there is a bill that has been passed in the other body, it is Senate bill 1514, to be enacted by the Senate and House of Representatives, a separate piece of legislation addressing the issue of the pay of military troops. Therefore, if my colleagues are interested in addressing the issue of the pay of military troops, there is a bill at the desk that can be brought up to maintain the integrity of that.

Mr. Speaker, I yield 4 minutes to the distinguished gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Speaker, I thank the distinguished gentleman from California for yielding me this time.

Mr. Speaker, I am delighted that he made that point. I would make one further point, and that is that the President did sign the defense appropriations bill. I am sure the appropriations chairman knew that. So the appropriation for the Defense Department is up and running, and people are indeed getting paid. So I do not think we need to run those kind of scare tactics out here.

This is not an appropriations bill. This is not an agency that needs a continuing resolution. This is an authorization bill, and it is really embarrassing that we are dealing with this bill after the appropriation bill has already passed anyway. This is really passé. But some of the reasons that have been given for sustaining the President's veto I think are terribly important.

Obviously, Senator NUNN in the Senate is, I think, a very esteemed Member that people look to, and as he pointed out over and over and over again, if you want to see all sorts of earmarking, you ought to see this bill. This bill is earmarked 101.

He points out that every single line of the National Guard and Reserve procurement funds have been earmarked. There are no general categories left. The Department of Defense, all sorts of unrequested projects at undesignated sites have been earmarked. I could go on and on and on. For anybody who would like, there is a three-page letter over here with all of the things that he is upset about.

The gentleman from California has made a very eloquent statement in behalf of the President that all I can say is ditto, ditto, ditto, because he is absolutely right on, about the very seriousness of saying to the State Department and the executive branch, oh, you do not know what you are doing; we can go ahead and do this. This will not really violate the treaty. We do not need hearings on this. We know better than you.

I do not think so. This is a great display of arrogance, I think, if we proceed and do this, and I think the President is absolutely correct. It we are so sure we are right, why are we not having hearings, and why have we not really made our case in public?

But to run it out this way and run over some very serious treaties with parts of the world that are not the most stable is, I think, very, very dangerous, and I think the President is right on that too.

It also authorizes way more than this administration asks for. For heaven's sake, we have the Government partially closed down; we are spending all sorts of money and angst over that. Never, never, even during the cold war, did we authorize more money than the administration asked for, and yet we did in this budget. This was like a feeding frenzy.

I must say as an American citizen, one of the things that bothers me the most in here too is the message we are sending to service women and to dependents of servicemen and saying to them, nice that you gave up your rights to go protect our rights, and we are not going to give you the same rights that any other American would have. The fact that we would deny them the right to privately finance abortions when the health of the mother could be jeopardized is absolutely unconscionable in 1996 when they are out there defending freedom and liberty for the rest of us.

Why are we throwing political firecrackers into the military personnel system? That is what we are doing. We are taking political firecrackers and throwing them into the personnel system?.

The other political firecracker we throw in there that the military says we do not need, this is divisive, it is not a problem, we can handle this, are the regulations on HIV-positive. Why

are we doing these things? I think this is a political embarrassment.

I certainly hope that people vote to sustain the veto.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. HUNTER], the chairman of our Subcommittee on Military Procument.

Mr. HUNTER. Mr. Speaker, I thank the distinguished chairman of the committee for yielding time to me.

Let me tell my colleagues, this is a basic difference between the President of the United States and the Republican majority in the House, the full House, and the American people whom they represent, because we do want to have a defense against incoming ballistic missiles.

The President does not want to have a defense against incoming ballistic missiles. In 1991 in the wake of Desert Storm, after we saw those Scud missiles come in and do damage against our troops, we rose as a body in both bodies, the House and the Senate, and we passed a mandate that we should build a defense, a national defense, against incoming ballistic missiles, and that we should have that defense completed by, guess when? 1996.

Well, folks, it is 1996, the Berlin Wall was down at that time when we made that mandate, so this was not in consideration of the cold war, and we have not done a thing toward that goal that both Houses set in motion. In fact, some of the leaders on the Democratic side who have urged the President to veto this bill on the basis that it defends America were authors of that initial legislation that says, we should defend America.

Now, on a couple of specifics. We had three basic elements in our plan to defend this country against ballistic missiles. One was that we shall deploy a system, we shall deploy a system; No. 2, it shall be at multiple sites, not just one site; and No. 3, that it shall be by the year 2003.

To pacify the President on this issue, we took out the second element, the multiple sites. We took that out. I objected to taking that out, and a number of other Members did, but we took it out to get a bill. Now the President says that it implies that we shall likely require multiple sites, so it is still not quite good enough.

We want to defend America; the President does not. Let us override his veto.

Mr. DELLUMS. Mr. Speaker, I yield 6 minutes to my distinguished colleague the gentleman from South Carolina [Mr. SPRATT].

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

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

Mr. Speaker, I voted for this bill when it passed the House. I thought the parts of it I objected to would be cured in conference. Some were, some were not. So I decided reluctantly to vote against the conference report, and today I vote reluctantly to sustain the veto.

I want to address the very provisions that the gentleman just in the well took up, namely, the parts of the bill to which the President objected and singled out that deal with ballistic missile defense and the ABM Treaty.

This year, Mr. Speaker, each House adopted in the authorization bill what amounts to a special chapter devoted solely to ballistic missile defense and the ABM Treaty. In the Senate, this chapter was painstakingly worked out, and in the end it represented a compromise that almost everyone agreed to, the Clinton administration included. The Senate vote in favor of it was overwhelming: 85 to 13. So in conference, on the Democratic side, we offered a straightforward, simple, efficient solution. We said we would take the Senate provisions in toto, completely.

Now in 12 years of going to defense conferences, this is the first that I can recall where the House conferees or some of us said to the Senate, we will buy your language lock, stock, and barrel, only to have the Senate conferees say to us, sorry, it is not for sale anymore.

That is exactly what happened in this conference. Having cut a deal on ballistic missile defense, having voted for the deal and the bill that contained it, Senator DOLE and others in the Senate decided that they had to have more. Senator NUNN told us in conference, look, you can have it one way or the other. You can have a defense bill or you can make a political statement, but not both, and the Republican conferees in the House and Senate chose to do the latter and refused to compromise further; and so here we are in January without an authorization act.

□ 1445

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

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

Mr. HUNTER. I thank the gentleman for yielding. If we did not compromise, why did we take out the multiple-site language to accommodate the President?

Mr. SPRATT. I was getting ready to take that up right now. I thank the gentleman for bringing that up.

I will admit that this draft that we have before us does smooth the sharpest edges off the original earlier drafts that dealt with ballistic missile defense and the ABM Treaty. But this bill would require the President to renegotiate the treaty with the Russians now, when START II has yet to be ratified, and the politics in Russia are hardly propitious for ratification.

Second, it would imply that the United States should break out of the treaty if the Russians do not agree to the amendments we want, permitting multiple sites, unlimited interceptors, and space-based sensors, and it would require the testing of a chemical laser in orbit in 1999, which would be a violation of the treaty.

I believe that we should develop and deploy a ground-based missile defense system. The gentleman referred to some of us who had voted for that before. I voted for it. Frankly, before that system is finished, I think we will want to deploy interceptors at more than one site. We will need to. I think we will also want to deploy space-based sensors, and I think that both of these features, plus more, will probably require changes and revisions in the ABM Treaty, but nothing requires us to negotiate those changes just now, right now.

If we force the administration to renegotiate the ABM Treaty now, with START II not yet ratified, we will risk the ratification of START II. And if START II is not ratified and our warheads are not reduced from 8,000 to around 3,500, and we have to maintain the deployment of nuclear weapons at START I levels, additional costs in operations and maintenance by the year 2000 are going to be $5 to $8 billion.

If we have to find these additional billions of dollars each year for offensive missile deployment and maintenance, where are we going to find the additional billions for defensive missile systems? Where will we find the billions needed to deploy missile interceptors and ground-based radars at multiple sites, to fast-track the space-based sensors, to field four theater ballistic missile systems at the same time?

One particular point. Dig deep into title II of this bill, research, deployment, and testing for the Air Force, and you will see where this bill simply does not ask the hard questions about where is the money going.

Here we say in this particular section that the Air Force should step up the deployment of so-called Brilliant Eyes or the Space and Missile Tracking System. We now plan on deploying one first operational shot in the year 2003. The cost estimated for that is $5.5 billion, to do one operational shot in 2003. Of that cost, only $800 million is now programmed in the Air Force's budget.

If we want to fast-track these space-based sensors so that all 18 satellites can be deployed in 2003, which is what title II calls for, that will mean billions of additional dollars in R&D over the next 7 years plus billions of additional dollars more to produce and launch 18 satellites, and the bill does not breathe a word about where this money is coming from.

That is why these provisions in this bill make for more of a political statement than a ballistic missile defense plan that can be paid for and carried out over the next 6 to 7 years.

Mr. Speaker, we need an authorization bill. We need it to provide additional pay for our troops. We need it to authorize military construction. We need it to authorize end-strength, we

need it for lots of reasons. But we can sustain this veto and still have a bill because I am convinced that in 1 week, 1 week of earnest work and reasonable compromise, we can bring forth a bill that the President will sign and almost all of us will vote for.

Mr. SPENCE. Mr. Speaker, I yield 30 seconds to the gentleman from Florida [Mr. YOUNG], the chairman of the Subcommittee on National Security of the Committee on Appropriations.

Mr. YOUNG of Florida. Mr. Speaker, I only rise to respond briefly to the comments of the gentlewoman from Colorado, who I know always wants to be exactly correct in her comments. She made the comment that the President was really a strong supporter of national defense because he signed the defense appropriations bill.

In fact, in an interview with the Los Angeles Times, the President himself said that he signed the defense appropriations bill. But a message from the White House on November 30 indicates that the President did not sign the defense appropriations bill, that it became law without his signature, and I think that is one indication of just how strong the President does support national defense.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia [Mr. BATEMAN], the chairman of the Subcommittee on Military Readiness.

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

Mr. BATEMAN. I thank the distinguished gentleman for yielding me the time.

Mr. Speaker, as the chairman of the military readiness Subcommittee and on behalf of U.S. forces and their families, I rise to strongly urge my colleagues to override the veto of the fiscal year 1996 Defense authorization bill.

The conference report on H.R. 1530 achieves the goals that the Committee on National Security set to ensure that the readiness problems experienced late in 1994 would not be repeated. It provides the necessary resources to meet requirements. It establishes a mechanism to fund contingency operations so that funds are not diverted from critical readiness accounts. It institutes reforms in Defense support services to free resources for critical readiness and modernization programs.

With the deployment of United States forces to Bosnia as only the latest reminder of the commitment and sacrifice these men and women willingly make on a daily basis, it is critical that we keep faith with these men and women and demonstrate our commitment to ensure their welfare and that of their families. The conference report on H.R. 1530 does this. It ensures military readiness, improves quality of life for our military personnel and their families, and furthers the efficient use of Defense resources.

This bill takes concrete action in support of our forces. It deserves to be enacted into law. Support our troops, override the veto.

Mr. SPENCE. Mr. Speaker, I yield such time as he may consume to the gentleman from Utah [Mr. HANSEN].

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

Mr. HANSEN. Mr. Speaker, I rise in strong support of the defense authorization bill and urge all Members to vote in favor of this veto override.

There are three simple reasons for my support. First, this bill provides tangible support for our troops deployed to Bosnia. This bill includes a 2.4-percent pay raise, important increases in housing allowances, and other support for our troops and their families.

Second, this bill makes an important commitment to defending this country and the American people against the growing threat of attack from ballistic missiles. The missile defense sections of this bill have been carefully coordinated with the administration and do not violate the ABM Treaty. Whatever my personal feelings about the ABM Treaty, any attempt to characterize this bill as a ''dangerous violation'' is simply to mislead the public and keep this Nation completely vulnerable to a growing and real threat.

Third, this bill keeps our promise to revitalize our national security within a balanced budget. We freeze the level of defense spending, slightly below 1995 levels. We will not allow the President to underfund even his own bottom-up review while continuing to use U.S. troops as the world's policemen.

For these reasons, I urge all Members to support our troops by supporting this bill and this override.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WELDON], the chairman of the Subcommittee on Military Research and Development.

(Mr. WELDON of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. WELDON of Pennsylvania. I thank the gentleman for yielding me the time.

Mr. Speaker, I rise to, in the strongest possible terms, express that if Members want to vote to sustain the President's veto, do not buy the rhetoric that somehow we are doing this because it will in any way violate any treaty. This bill in no way violates any treaty to which this country is a party, and my colleagues on both sides of the aisle know that.

What offends me most about this debate, listening from home, one would think that perhaps those on the other side do not support this bill, when in fact on the House floor 86 Democrats supported this bill, and when the President threatened to veto, 58 Democrats voted with us on this bill, because this is a good bill.

This does not violate the ABM Treaty in any way, shape, or form, and I will debate anyone at any time for any length of time on the detailed specifics that are debated here in 1-minute and 2-minute sound bites, and my colleagues know that.

And the talk about costly expenses to implement an ABM Treaty? The Air Force has said they could do a system for $2.5 billion in 4 years. The Army has said they could do one for $4 billion in 5 years, and these figures were not contrived by some contractor. These were done in a special task force requested by Secretary Perry himself. Why do our colleagues not admit the facts as they are?

Then our colleagues get up and say that it is going to violate the START treaty. If our colleagues would read the Russian media on a daily basis, their concern is not about this bill and its impact on the ABM Treaty. Their concern is about this administration's plans with NATO. That is what is going to jeopardize START II in the minds of the Russians, not the ABM provisions in this bill.

But what really upsets me about my liberal colleagues and the President on this issue, Mr. Speaker, is they want to fund the world's first ABM system with United States tax dollars to protect the people of Israel. Because this country will do that with the Arrow system, and, by the way, I support that. My liberal friends will pay to protect the people of Israel but will not spend the money to protect the people of the United States. That is what is so outrageous.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado [Mr. HEFLEY], the chairman of the Subcommittee on Military Installations and Facilities.

Mr. HEFLEY. Mr. Speaker, I rise again in strong support of H.R. 1530, the National Defense Authorization Act for fiscal year 1996. However, I am troubled to have to rise today for this purpose, not because of the numerous merits of the bill but because the President has chosen to veto legislation that supports military personnel and their families even while he has chosen to deploy those troops thousands of miles from home in a place called Bosnia.

It is rare for a President, any President, Mr. Speaker, to veto a defense bill. This President has already signed into law two appropriation bills for general defense and military construction. Yet here we are today debating whether to override a veto on the bill which specifies how these funds will be spent, and I have to ask why.

Let us look at the little part of the bill that I had the most responsibility for. On a bipartisan basis, the Subcommittee on Military Installations and Facilities, which I chair, has worked with the Department of Defense and with the gentlewoman from Nevada [Mrs. VUCANOVICH], the chairman of the Subcommittee on Military Construction of the Committee on Appropriations to develop a military construction program which makes significant improvements in our military infrastructure and enhance the quality of life for our service personnel and their families.

Over 9,200 families would benefit from new construction, as well as improvements to existing family housing

units. This bill would also provide for 68 new barracks projects.

In addition to those significant housing improvements, this bill would provide needed child development centers and medical facilities for our personnel. Hundreds of construction projects in this bill are designed to enhance the readiness of our forces, and the quality of life.

We know there is a military housing crisis. We have worked hard to improve the quality of life for military personnel and their families. We are confronting a significant deterioration in military infrastructure. Without an authorization bill by law, none of these projects can go forward.

This legislation also provides for an important reform that, over the long term, will go a long way toward resolving the military housing crisis. Working closely with the Secretary of Defense, we have developed a program to encourage the private sector to develop troop housing and military family housing at installations where there is a certified shortage of quality housing—and we know that there are tens of thousands of such units in our present inventory. The housing crisis is deplorable and we must act to change it. Yet, the President has vetoed an initiative strongly supported by his own Secretary of Defense that can fix the problem.

Mr. Speaker, the President has chosen to put critical improvements that would begin to end years of benign neglect of our military infrastructure at risk. Why? As best I can tell it is because this President objects to a reasonable outcome on the question of ballistic missile defense. His view appears to be that if the threat is only realistically a decade away we should do nothing now to prepare for that possibility.

Most people I talk to are surprised—shocked—to learn that we have no defense against ballistic missile threats. The President should look to the future beyond his own term in office and help lay a foundation for a strong national defense in the next century. This bill does that. I urge a vote to override this ill-considered veto.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. CLINGER], the chairman of the Committee on Government Reform and Oversight.

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

Mr. Speaker, I once again rise in strong support of H.R. 1530, the Department of Defense authorization conference report. I am extremely disappointed that the President chose to veto this bill which represents the dedicated efforts of Chairman SPENCE and all the conferees to revitalize U.S. national security.

As I said on the House floor when we voted on the conference report last month, included in this conference report are provisions to significantly reform the procurement system of the Department of Defense and the civilian agencies of the Federal Government. These provisions are consistent with H.R. 1670, the Federal Acquisition Reform Act of 1995, which was a joint initiative of the Committee on Government Reform and Oversight and the Committee on National Security. H.R. 1670 passed the House by a vote of 423 to 0 in September of last year.

The language in this conference agreement represents the efforts of many of our colleagues on both sides of the aisle and in both Chambers who have joined with us in rejecting the status quo, and who are prepared to lead the way toward reforming a system which, for years, has become increasingly more arcane, more convoluted, and therefore, more costly—both to government buyers and to businesses wanting to participate in the Federal marketplace.

The President supports these changes. The Statement of Administration Policy specifically pointed to these provisions as ones which are ''beneficial.'' It was disappointing that the President chose to overlook these provisions in making the decision to veto this conference report.

I would expect that the President believes that procurement reform legislation can be accomplished another way—and maybe it can. But the likelihood that free standing procurement legislation will be taken up by the Senate this year is remote and thus, it seems that the President has run the risk that important procurement reforms will not be enacted. By not taking advantage of this opportunity in the Defense authorization bill, he has endangered reforms which would free the Federal procurement system from continuing wasteful and costly procedures in a way that promotes affordable and commonsense approaches to meet our budgetary goals.

We in Congress have an opportunity today to override the President's veto in order to see these significant reforms enacted into law. Therefore, I strongly urge my colleagues to join me in voting for H.R. 1530, the Department of Defense Authorization Conference Report.

□ 1515

Mr. DELLUMS. Mr. Speaker, I yield myself 30 seconds. Let me just respond to the distinguished gentleman, for whom I have a great deal of respect.

First, the President did not veto this bill on the procurement issue, and I would suggest that the gentleman totally and fully understand the legislative process that if we sustain the President's veto, we can go back, address the issues of ballistic missile defense and ABM, the issues upon which the President vetoed the bill, correct those problems and come back to the floor with a conference report.

Nothing in the President's message would throw out any of the legislation the gentleman responded to.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, the gentlewoman from Colorado historically fails to see the solutions to very simple problems and requirements for national security. We can neither accept nor tolerate anything less than a superlative force in our Armed Services. Someone with HIV positive, with the limited numbers of personnel we have, degrades from that readiness. We need a full up-round of that individual to serve, both either a man or woman, in our forces. We do not need the social engineering in a defense bill.

We voted 48 to 3 in the committee. How often in a committee do you vote 48 Republicans and Democrats to 3 to support a bill? Because it serves the needs of our men and women.

What are those needs? First of all, you have got to be able to train people so that they are going to survive in combat. You have got to be able to provide the weapons systems.

Do you know that the service life of our F–15 Strike Eagles over in Bosnia and the F–18 CD's is almost gone? The replacement for F–16's like Scott O'Grady, was shot down, and the helos in Iraq, there was no replacement?

The President's budget, the military and Pentagon reacted to the President's budget. That was not in there. We went and asked, ''What do you need?'' Not what do you want, ''What do you need to do your job?'' ''We need replace those airplanes. We need the quality of care for our troops and those issues.'' And we provided that. That is why we had a 48-to-3 vote within the committee.

I take a look at the Bottom-Up Review, where we are $200 billion shy of the Bottom-Up Review, the ability to fight two conflicts at the same time. And, yes, we put some more money in because the Pentagon said, ''This is what we need, a bare-bones minimum for readiness.''

What it is going to cost us, not $2.2 billion but $3 billion or $6 billion to support Bosnia. Where do you think the President is going to want to take it from? Out of this bill.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentlewoman from Florida [Mrs. FOWLER].

(Mrs. FOWLER asked and was given permission to revise and extend her remarks.)

Mrs. FOWLER. Mr. Speaker, over the last several months, President Clinton has picked up the veto pen frequently.

As of today, the President has rejected not only an overall plan to balance the budget, but also a number of other bills which would have put our Government employees back to work, opened our National Parks, and provided funds to fight crime and protect the environment.

The crowning blow, however, came last week, when he vetoed legislation authorizing the funds for our Nation's defense at the very same time that United States troops were setting up their tents and sleeping bags in the snow of Bosnia.

In addition to laying out a plan to maintain our national security, this bill provides funds for desperately needed military housing improvements

and a very modest 2.4-percent pay raise for our military personnel. The President's veto sends the wrong message to our friends and allies; to our enemies; and—most especially—to our troops, and we should vote to override it.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from West Columbia, TX [Mr. LAUGHLIN].

Mr. LAUGHLIN. Mr. Speaker, I rise in support of the motion to override the President's veto of H.R. 1530, the Defense authorization conference report.

Mr. Speaker, I cannot understand the President's goals in vetoing this essential piece of legislation.

It contains authorities that are absolutely necessary to maintain and train our Armed Forces.

For example, this Congress voted to protect the American people from ballistic missle attack.

What President would tell the citizens of this country that he does not want to protect them? This President, by his veto, said just that.

This Congress voted to keep American troops under American operational control.

What President would tell the Armed Forces of this country that he wanted them commanded by foreigners? This President, by his veto, said just that.

This Congress voted to support American military families with a small but well deserved pay raise, with basic protections for housing allowances, and improved health care. This President, believe it or not, vetoed that support.

This President vetoed the improvements in readiness that this Congress saw as essential. Among other things, we must have the mobilization insurance and dental care programs that H.R. 1530 will provide for our military reserve components. Through these and other programs, we must provide for our ''citizen-soldiers, sailors, airmen and marines'' to which this country has turned for over 200 years.

Mr. Speaker, this conference report contains too many important improvements for our Armed Forces than I can detail here. Suffice it to say that the President, by his veto, has made a grave mistake. It is no exaggeration to say that this President has made the world a more dangerous place to live by his veto.

It is the constitutional responsibility of this body to correct that mistake. Vote yes to override the President's veto.

Mr. DELLUMS. Mr. Speaker, I yield 1 minute to my distinguished colleague, the gentleman from South Carolina [Mr. SPRATT].

Mr. SPRATT. Mr. Speaker, I want to respond quickly to the statements made about the Arrow missile defense system in the well just a few minutes ago by my colleague, the gentleman from Pennsylvania [Mr. WELDON].

That system is being funded in this budget at $56.5 million in an account called Other Theater Ballistic Missile Systems, which is totally funded at $460 million. This $56 million compares to about $2 billion we are spending on upper-tier and lower-tier for the Navy, and Impact Three, and it is considered a theater ballistic missile defense system. It compares to $770 million. None of it is for production, procurement and deployment. That issue is yet to be reached.

Mr. WELDON of Pennsylvania. Mr. Speaker, will the gentleman yield?

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

Mr. WELDON of Pennsylvania. Mr. Speaker, will be gentleman answer for the record the total cost of the Arrow system, the total percentage of American dollars that will fund the first total, complete nationwide ABM system for a country in the world? Will the gentleman provide those for the record, the total cost, not this year, total cost?

Mr. SPRATT. Reclaiming my time, this is for a demonstration of the validity of the system. It is an R&D and development program. There is no money for deploying such a system. We have not reached that decision. We have not funded it.

Out of a total budget of $3.8 billion, $56 million for this; we fund it because we think there are complementaries and commonalities that will teach us something about our other systems.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentlewoman from Nevada [Mrs. VUCANOVICH].

Mrs. VUCANOVICH. Mr. Speaker, on September 20, 1995 this House voted overwhelmingly in support of the conference report for the Military Construction Appropriations Act for fiscal year 1996. By a bipartisan vote of 326 to 93 we demonstrated our commitment to addressing the serious housing and quality of life problems affecting our servicemembers and their families. On October 3, the President signed the appropriations bill, yet on December 28, the President vetoed the necessary authorization for the construction of badly needed new facilities.

Mr. Speaker, without this authorization, $1 billion for construction and improvements for family housing cannot go forward. Secretary Perry's No. 1 priority for a family housing private sector initiative will remain stalled. And, $626 million for desperately needed barracks; $207 million for environmental compliance projects; $430 million for Guard and Reserve operational facilities; $196 million for medical related facilities; and, $44 million for child development centers—none of these mentioned will be built.

In addition, while we have committed our troops to participate in IFOR, the $161 million appropriated for the United States contribution to the NATO Security Investment Program cannot be obligated or expended. While our troops are supporting the Bosnia peacekeeping mission, the United States contribution for NATO communications and facility support for the same mission is nonexistent without the enactment of this authorization.

Mr. Speaker, we have worked hard and in a bipartisan manner. The Appropriations and Authorization Committees have worked closely together to meet the needs of our soldiers, sailors, airmen, and their families. Don't let our efforts disintegrate now. I urge you to join me in voting to override the veto of this much needed authorization.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. HORN].

Mr. HORN. Mr. Speaker, what we have is an appropriations bill not signed by the President that became law without his signature in search of an authorization bill.

If we care in this Chamber about adequate pay for the military, if we care in this Chamber for adequate housing for the military, if we care in this Chamber for adequate health for the military, if we care in this Chamber for our military retirees, if we care for adequate procurement reform within the Pentagon as a whole, then we will vote to override the President's veto.

This is long overdue. It is the House that historically has decided how much you authorize and you appropriate for the armed services of the United States. This has become an institutional matter. We should send a signal that the Government is open for business in terms of the Department of Defense, which needs these authorizations.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Speaker, I want to go back to the missile defense portion of this thing a little bit.

Let me make it clear that when the negotiations were held with the chairman, the ranking member, a number of leaders from the other body, and the President's representative, he gave us a long laundry list of things he thought were wrong with the bill. When I asked him directly what he had to have out, what had to be taken out for the President to sign the bill, the answer I would characterize as evasive.

Now, we had a series of meetings with them. At least my feeling was, my impressive was, that if we took out one of the three basic elements of missile defense, that is, the multiple site designation, that the President would probably sign the bill. We took that out, and the gentleman from South Carolina [Mr. SPRATT] has risen up again and has given us a long litany of other things he thinks the President based his decision on.

Let me just say this: I think he has defined the issue fairly well. The President does not think it is in the interests of the United States of America to defend against incoming ballistic missiles. He feels we should not do that, because if we do that at some point we either have to renegotiate the ABM Treaty or we have to break it.

The problem is there are other countries besides the two countries that signed the ABM Treaty. We signed the ABM Treaty, the Russians signed it, and the North Koreans did not sign the ABM Treaty. They are building a missile which we project in a few years will have the ability of reaching some States in the United States of America.

We have no defense against that missile. Now, the gentleman from South Carolina [Mr. SPRATT] has given us a good reason to continue to delay the building of a defense against ballistic missiles.

In 1991 we said we will have it by 1996. Today the majority, the Republicans, the American people said let us have it by at least 2003. No, that is not acceptable.

Maybe at some point, maybe at some point we will agree to defend the country by the year 2020. But the President has made it clear he does not want to defend America.

Mr. DELLUMS. Mr. Speaker, I yield 1 minute to my distinguished colleague, the gentleman from South Carolina [Mr. SPRATT], to respond to the gentleman from California.

Mr. SPRATT. Mr. Speaker, let me make clear to my friend, as I think he knows, I am for building and deploying a ground-based system that is treaty-compliant to start with. I candidly acknowledge that before we are finished with it, we will probably want to go back to that treaty, change it significantly, so we can allow space-based sensors and multiple site deployment.

What I am saying now is if you push that issue, if you force it now, you are going to risk ratification of START–II. If START–II is not ratified, then ballistic missile defense against 8,000 warheads as opposed to 3,000 warheads is a much different thing.

I do not know where we are coming up with the money to maintain START-level offensive systems without, and at the same time to pay for, the development and deployment of a ballistic missile defense system. That is a coherent position.

I am for protecting ourselves against ballistic missiles that may be launched against this country.

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

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

Mr. HUNTER. Will the gentleman tell me when he is for completing this defense system?

Mr. SPRATT. As soon as practicable, and there is plenty of time between now and then to go back to the ABM Treaty once we have ratified START–II and to deal with the issues that we have to deal with, plenty of time to develop a system and then work out those issues.

Mr. SPENCE. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas [Mr. TIAHRT].

□ 1530

Mr. TIAHRT. Mr. Speaker, I recently went to Bosnia to visit the area where our troops will be located in Sarajevo and other places. I also stopped by in Germany to see the First Armor Division before they left. I went along with many others from this body, about 18 others who also visited with our troops.

Something very disturbing occurred to me while I was there. Many who support the policy of Bosnia do not support this authorization bill nor did they support the appropriations bill. I disagree with the policy in Bosnia. I cannot find anybody in my district who strongly supports it. Most of them say we should not be in there. But for us to go ahead and send troops there and then not support them through the authorization process, through the appropriation process is somehow fundamentally wrong.

With all respects to our President and his office, he did not sign the appropriations bill. He did not even have the courage to sign the appropriations bill. I think there is something fundamentally wrong there. He vetoed this authorization bill, which provides for our volunteer Army. I heard one comment over the time when we were contemplating sending troops in that this was the job of our military, that they had volunteered to do the job similar to Bosnia.

I believe that is above and beyond the call of what they agreed to when they took the oath as military personnel. They defend the Constitution, our borders, and our vital American interests overseas, but this is above and beyond that. There are no vital American interests in Bosnia that have been named or that have convinced the American people.

What is this fundamental difference? Why are we saying, yes, we will do this through the administration and send troops there but then not providing for the appropriations? Not providing for the authorization, there is a big fundamental difference here. I think that it may be possibly that someone is trying to embarrass our military. That cuts against everything that I believe this government stands for. It is evident in the Fourth District of Kansas. It is evident here on the floor of the House.

I believe that we should support this and override the veto. We should have had an appropriations bill that was signed by the President.

The SPEAKER pro tempore (Mr. DREIER). The Chair wishes to inform the floor managers that the gentleman from South Carolina [Mr. SPENCE] has 1½ minutes remaining and is entitled to close, and the gentleman from California [Mr. DELLUMS] has 4¾ minutes remaining.

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

Mr. Speaker, in concluding, let me make a few observations. First, it is a very significant rule of the House that I believe is important, and it makes a great deal of sense. That is that none of us have the right to question each other's motives. I think that is important. I think that allows us to be large in this body. It allows us to rise above mundane, earth bounding, pedestrian statements. It forces us to address the issues. I think we ought not be about questioning anyone's motives in this body, including the President of the United States.

I would suggest that it flies in the face of reality to suggest that anyone is attempting to embarrass the U.S. military. That is bizarre and extreme in its orientation, and it defies response except to suggest that it is totally disingenuous and it ought to be beyond us.

Second, all of us know why the appropriations bill was not signed into law. If we recall, the President of the United States initially said that he would veto the appropriations bill on the grounds that increasing the military budget by $7 billion at a time when we were cutting education for our children, challenging Medicare and doing other kinds of things in the totality of the budget debate was unacceptable. But then along came the issue of Bosnia, and a number of my colleagues challenged the President on the issue of Bosnia and said, you ought to take a second look at whether you veto the appropriation bill.

So the President was caught between vetoing on the integrity of the budget and the stress on the issue of deploying of troops in Bosnia, stepped back, allowed the bill to become law without signature. I do not think we ought to question that as, in some kind of way, unAmerican, unpatriotic or noncourageous or suggesting that anyone wanted to embarrass the military in this country. That is extreme and we ought to stay with reality.

Second, let me make this observation for those who raised the brilliant parts of the bill regarding family housing, et cetera: No. 1, we all understand the legislative process. We can bring the MILCON bill to the floor of Congress in a separate piece of legislation. For those of my colleagues who raised the issue of acquisition reform, they understand the legislative process. They know they can bring acquisition to the floor of Congress in a separate piece of legislation. For those who raised the issue of the cost-of-living increases for military troops, they can bring that bill to the floor of Congress in a separate piece of legislation.

I would also remind my colleagues that, just before we left to go home for the few days of the Christmas break, during that week we had four separate opportunities in the context of the debate on the issue of the continuing resolution of whether we would pass a continuing resolution that would provide for the cost of living for the troops, four times. So it is a little disingenuous to bring the issue in the context of a veto message suggesting that this is the only way that we can deal with the cost of living of the troops.

This gentleman has been around here 25 years. It seems to me that the one

thing we ought to be about is dealing with each other with a degree of honesty and integrity that is warranted by our significant responsibilities here. It seems to me that all of us have a responsibility to be part of the educative process.

Finally, I would make this observation, Mr. Speaker. The President did not veto the bill on the basis of all these good things. He vetoed the bill on the basis of the bad things. One of the bad things was that it does indeed have the potential of abrogating the ABM treaty.

The gentleman from Pennsylvania said nothing can be further from the truth. But the ABM treaty only allows one site on either side. If you move to multiple sites, if you move to a multiple site, there is violation. But I would grant that in this particular bill the language has been fuzzed up so that it speaks to protection of the continental image of the United States. The gentleman from Pennsylvania will, I am sure, agree that, at a bare minimum, it is debatable that you can do that without multiple sites. The gentleman understands that. There have been no hearings on this basis.

So what is in the record is the potential for abrogation. That is what I am suggesting, potential for abrogation.

Mr. SPENCE. Mr. Speaker, I yield 1 minute to the gentleman from Texas, Mr. SAM JOHNSON, a man who knows something about representing this country abroad, having served in prisoner of war camps in Vietnam.

Mr. SAM JOHNSON of Texas. Mr. Speaker, I hate this disagreement among us. I respect the Democrats, and I respect the gentleman from California [Mr. DELLUMS] very much. I think he knows exactly what he is doing. But in the last 10 years, he is aware that the defense budget has been cut by 71 percent. It has hit us hard.

This particular authorization takes care of our troops. It gives them equipment that they need in order to fight the battle. It gives them the stuff of what it takes for this President to expand our military all over the world with new missions and lets them do the job. It gives them the ability to do the job. In addition it gives them that quality of life that gets them out of the snow and mud and makes the military worth being in and worth fighting for this nation.

I urge Members to support this and override that presidential veto and give our troops what they need. We do not want the President trying to do more with less. I think the gentleman would agree with that.

Mr. SPENCE. Mr. Speaker, I yield the balance of my time to the gentleman from Pennsylvania [Mr. WELDON].

(Mr. WELDON of Pennsylvania as end was given permission to revise and extend his remarks.)

Mr. WELDON of Pennsylvania. Mr. Speaker, let us call it like it is.

This President does not want a defense bill. He only signed the appropriations bill and allowed it to become law to get support for the funding of troops in Bosnia. He never wanted this bill. Did we try?

Mr. Speaker, I was in meetings with Senator NUNN and Bob Bell, the Assistant to the President for National Security, for one entire day on missile defense. Mr. Bell raised 12 specific points. I will put in the RECORD, Mr. Speaker, the fact that we resolved all 12 points to his satisfaction. Senator NUNN raised four points, Mr. Speaker, and we resolved all four points to Senator NUNN's satisfaction.

Mr. Speaker, in the end this President does not want a bill because this President does not support our military. I urge an override of the President's veto.

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

NET RESULT OF CHANGES MADE TO ACCOMMODATE THE MINORITY AND THE WHITE HOUSE

(1) Virtually all the complaints lodged against the BMD provisions in the SASC-reported (prior to the compromise) and House-passed bills related to the ABM Treaty and the President's prerogatives in the area of arms control negotiations. All of these concerns have been eliminated by the conference action. Two areas, in particular, have been fixed:

In dropping the House demarcation language and adopting language virtually identical to the Senate-passed language, the conference report will not constrain the President's right to negotiate and will not impose a unilateral interpretation of the treaty.

In eliminating the requirement to deploy a multiple-site NMD system, we eliminate the argument that the bill contains an ''anticipatory breach'' of the ABM Treaty. The requirement to deploy an NMD system by a date certain is not a treaty issue since we are permitted to deploy a single site under the treaty. Therefore, concern that this will upset the Russians and START II should be eliminated. After all, the only operational ABM system in the world is around Moscow.

(2) The other argument or concern that has been raised is that the Senate-passed language is particularly important since it was carefully negotiated, agreed to by a large majority in the Senate, and is acceptable to the Administration. The fact of the matter is that the conference action incorporates an overwhelming majority of the Senate compromise.

The structure of the conference agreement is virtually identical to the Senate-passed bill. One section (cruise missile defense) was split off as a free-standing provision and one non-controversial section (cooperation with allies) was added.

Although there have been changes made to the Senate-passed language, there is more identical than different. With the exception of the three NMD variables (deploy, multi-site, and date), which have been negotiated with the Minority and the White House, the underlying structure and content is overwhelmingly the Senate language.

Mr. DORNAN. Mr. Speaker, I would like to include for the record the following remarks regarding Bill Clinton's veto of this defense authorization conference report. I spent this past New Year's weekend with our troops and their families in Germany as they prepared for deployment into Bosnia. This defense bill including pay raises, increased housing allowances, vital weapons modernization, and new combat readiness priorities, is exactly what these soldiers and their families want—it is exactly what they need. Please support this conference report and please support an override of the Clinton veto—a veto against our troops deploying to Bosnia!

CONGRESSMAN ROBERT K. DORNAN REBUKES CLINTON FOR VETO OF DEFENSE BILL

''It's absolutely absurd for Bill Clinton to send our troops into civil war in Bosnia and then veto a defense authorization bill which provides them and their families so much support,'' commented Congressman Robert K. Dornan of California who, as the chairman of the House National Security Subcommittee on Military Personnel, was one of the prime authors of the FY 1996 defense bill which the president rejected yesterday.

''General Omar Bradley once said that 'Fairness, diligence, sound preparation, professional skill and loyalty are the marks of American military leadership.' Where's your fairness; where's your loyalty, Mr. President?''

Dornan firmly believes this defense bill contains exactly what the troops and their families scheduled for deployment to Bosnia need. Among the provisions in the bill Dornan helped develop and pass include a modest 2.4 percent military pay raise, a 5.2 percent increase in the basic allowance for quarters/housing, and new guidelines for accountability of American POWs and MIAs. Dornan, who introduced the first and only free standing legislation to restore the pay raise two years ago, had harsh words for the President. ''After twice canceling a modest pay raise for our military, a raise that was twice restored by the U.S. Congress, Clinton now is attempting to gain credit for this raise by separating it from the rest of the defense bill. The troops already were expecting this raise! Other real benefits, such as the additional housing funding and POW/MIA legislation, are being held hostage to cheap liberal politics!''

In his veto statement, Clinton described his objections to three major provisions of the bill. All three provisions were major initiatives by Congressman Dornan. ''Clinton objects to immediately deploying an effective ballistic missile defense, despite the fact that we Republicans have identified a near term/low cost system known as 'upper tier' which would modify existing Navy ships and missiles for wide area missile defense. Clinton objects to my limitations on placing U.S. troops under foreign and U.N. command, even though this is precisely the reason why he cost 19 Americans their lives in Somalia. Finally, Clinton objects to restrictions on U.S. defense funding going to Russia, including my provision to restrict some aid pending an end to Russian work on offensive biological weapons. It's obvious 'Peacenik Clinton' is more interested in supporting Third World dictators with missiles, the United Nations, and communists in Russia than supporting the United States military and the United States taxpayer!''

THE FISCAL YEAR 1996 DEFENSE AUTHORIZATION CONFERENCE REPORT

Republicans Restore Defense Spending After Clinton Cuts Combat Readiness

President Bill Clinton has more than doubled the defense cuts promised by Candidate Clinton—$120 billion!

Clinton's defense plan—the ''Bottom Up Review''—should be called the ''Bottom Out Plan''—it's underfunded by as much as $150 billion!

Republicans, under the leadership of Floyd Spence, have restored just $7 billion to defense, including programs I personally helped initiate such as: additional funding for Army ''scout'' helicopters—both the OH-58D ''Kiowa Warrior'' and RAH–66 ''Comanche'', additional funding to build ''more''

than 20 B–2 bombers and equip the B–1B with precision guided munitions, and additional funding for a near term ballistic missile defense capability using existing Navy Aegis cruisers and destroyers.

My Subcommittee on Personnel, thanks to the efforts of my ranking Democrat Owen Pickett and the hard work of all my subcommittee members, improved military quality of life by: increasing military housing allowance by 35 percent, setting permanent personnel levels to stop the ''drawdown,'' and increasing the number of national guard technicians.

I also included several initiatives that reverse the trend of liberal social programs within the department designed to conduct combat operations.

This bill: stops abortions at U.S. military hospitals, stops pay for convicted military prisoners, establishes strict new guidelines for the accountability of American Prisoners of War and Missing in Action, discharges all non-deployable HIV+military personnel, and awards the AFEM to U.S. veterans of El Salvador.

In closing, I would remind those who oppose this bill of the wise words of one of our founding fathers, Benjamin Franklin, who warned:

The expenses required to prevent a war are much lighter than those that will, if not prevented, be absolutely necessary to maintain it.

Support our troops, support modernization, support this conference report.

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

There was no objection.

The SPEAKER pro tempore. The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding.

Under the Constitution, the vote must be determined by the yeas and nays.

The vote was taken by electronic device, and there were—yeas 240, nays 156, not voting 38, as follows:

[Roll No. 3]

YEAS—240

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Boehlert
Boehner
Bonilla
Bono
Brewster
Browder
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Calvert
Campbell
Canady
Castle
Chambliss
Chenoweth
Christensen
Chrysler
Clement
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
de la Garza
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Frelinghuysen
Frisa
Frost
Funderburk
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Graham
Greenwood
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hunter
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (RI)
Kennelly
Kim
King
Kingston
Knollenberg
Kolbe
LaHood
Largent
Latham
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Livingston
Longley
Lucas
Manzullo
McCrery
McDade
McHugh
McIntosh
McKeon
McNulty
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Myers
Myrick
Nethercutt
Neumann
Ney
Nussle
Ortiz
Oxley
Packard
Parker
Paxon
Payne (VA)
Petri
Pickett
Pombo
Porter
Portman
Poshard
Pryce
Quinn
Radanovich
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Scott
Seastrand
Sensenbrenner
Shadegg
Shaw
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Spence
Stearns
Stenholm
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff

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Ackerman
Andrews
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Blute
Bonior
Borski
Boucher
Brown (CA)
Camp
Cardin
Chabot
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Coyne
DeLauro
Dellums
Deutsch
Dicks
Dingell
Doggett
Dooley
Doyle
Engel
Eshoo
Evans
Farr
Fattah
Fields (LA)
Filner
Flake
Ford
Frank (MA)
Franks (NJ)
Furse
Ganske
Gejdenson
Gephardt
Gonzalez
Gordon
Green
Gunderson
Gutierrez
Gutknecht
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kildee
Kleczka
Klink
Klug
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
LoBiondo
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McDermott
McHale
McInnis
McKinney
Meehan
Menendez
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran
Morella
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Orton
Owens
Pallone
Payne (NJ)
Peterson (FL)
Peterson (MN)
Pomeroy
Rahall
Ramstad
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Schroeder
Schumer
Serrano
Shays
Skaggs
Slaughter
Spratt
Stokes
Stupak
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Upton
Velazquez
Vento
Volkmer
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wynn
Yates
Zimmer

NOT VOTING—38

Abercrombie
Berman
Brown (FL)
Brown (OH)
Bryant (TX)
Callahan
Chapman
Clay
DeFazio
Dixon
Durbin
Fazio
Fields (TX)
Foglietta
Gallegly
Gibbons
Hoke
Hutchinson
LaTourette
Lightfoot
McCollum
Meek
Mfume
Norwood
Pastor
Pelosi
Quillen
Roukema
Sawyer
Shuster
Souder
Stark
Stockman
Studds
Tanner
Visclosky
Wilson
Wyden

☐ 1545

The Clerk announced the following pairs:

On this vote:

Mr. Abercrombie and Mr. Hoke for, with Mr. DeFazio against.

Mr. Quillen and Mr. Lightfoot for, with Mr. Pastor against.

Messrs. BAESLER, ROHRABACHER, and DE LA GARZA changed their vote from ''nay'' to ''yea''.

So, two-thirds not having voted in favor thereof, the veto of the President was sustained and the bill was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The message and bill are referred to the Committee on National Security.

The Clerk will notify the Senate of the action of the House.

PERSONAL EXPLANATION

Mr. PASTOR. Mr. Speaker, I was unfortunately enroute to Washington when three rollcall votes were ordered. Had I been present, I would have voted ''present'' on rollcall No. 1, ''no'' on rollcall No. 2, and ''no'' on rollcall No. 3.

GENERAL LEAVE

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1530.

The SPEAKER pro tempore (Mr. WALKER). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

CONTINUATION OF MOST-FAVORED-NATION STATUS FOR ROMANIA

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means and ordered printed:

To the Congress of the United States:

On May 19, 1995, I determined and reported to the Congress that Romania is in full compliance with the freedom of emigration criteria of sections 402 and 409 of the Trade Act of 1974. This action allowed for the continuation of most-favored-nation (MFN) status for Romania and certain other activities without the requirement of an annual waiver.

As required by law, I am submitting an updated report to the Congress concerning emigration laws and policies of Romania. You will find that the report indicates continued Romanian compliance with U.S. and international standards in the area of emigration policy.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *January 3, 1996.*

CONTINUATION OF NATIONAL EMERGENCY WITH RESPECT TO LIBYA (H. DOC. NO. 104–157)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered printed:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1662(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Libyan emergency is to continue in effect beyond January 7, 1996, to the *Federal Register* for publication.

The crisis between the United States and Libya that led to the declaration of a national emergency on January 7, 1986, has not been resolved. The Government of Libya has continued its actions and policies in support of terrorism, despite the calls by the United Nations Security Council, in Resolutions 731 (1992), 748 (1992), and 883 (1993) that it demonstrate by concrete actions its renunciation of such terrorism. Such Libyan actions and policies pose a continuing unusual and extraordinary threat to the national security and vital foreign policy interests of the United States. For these reasons, the national emergency declared on January 7, 1986, and the measures adopted on January 7 and January 8, 1986, to deal with that emergency, must continue in effect beyond January 7, 1996. I have determined that it is necessary to maintain in force the broad authorities necessary to apply economic pressure to the Government of Libya to reduce its ability to support international terrorism.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *January 3, 1996.*

PROVIDING U.S. MILITARY PERSONNEL WITH FULL COST OF LIVING INCREASE

Mr. DELLUMS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1514) to authorize the obligation and expenditure of appropriated funds for a 2.4-percent increase for basic allowance for quarters for the members of the uniformed services, and ask for its immediate consideration in the House.

The SPEAKER pro tempore. Under the guidelines consistently issued by successive Speakers, as recorded on page 534 of the House Rules Manual, the Chair is constrained not to entertain the gentleman's request until it has been cleared by the bipartisan floor and committee leaderships.

PARLIAMENTARY INQUIRIES

Mr. VOLKMER. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. VOLKMER. Mr. Speaker, because of the din on the floor, I was unable to hear the Speaker's ruling on the request of the gentleman from California. Would the Speaker be so kind as to repeat the ruling?

The SPEAKER pro tempore. The Chair declined recognition as the Chair has in previous cases.

Mr. DELLUMS. Mr. Speaker, the House is not in order, and the gentleman is entitled to be heard. We cannot hear the Speaker.

The SPEAKER pro tempore. The House will be in order.

The Chair will repeat his denial of recognition. Under the guidelines consistently issued by successive Speakers, as recorded on page 534 of the House Rules Manual, the Chair is constrained not to entertain the gentleman's request until it has been cleared by the bipartisan floor and committee leaderships.

Mr. DELLUMS. Parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state it.

Mr. DELLUMS. Mr. Speaker, is the reason that this gentleman cannot be recognized to offer this unanimous-consent request because of the minority status of this gentleman and the fact that the majority has not agreed to bring up this legislation which is needed, as this gentleman understands, by 5 p.m. this afternoon?

The SPEAKER pro tempore. The Chair would say to the gentleman, it has absolutely nothing to do with the gentleman's minority status; it has to do with the clearances that have to be obtained for a measure to be brought to the floor by unanimous consent by majority or minority Members.

Mr. DELLUMS. Mr. Speaker, further parliamentary inquiry.

Does that mean, as I understand the language of the Chair, that that bipartisan agreement has not been achieved as of this moment?

The SPEAKER pro tempore. The Chair knows of no understanding between the bipartisan leaderships, committee leadership, or by the floor leaderships for bringing the gentleman's measure to the floor by a unanimous-consent request.

Mrs. SCHROEDER. Mr. Speaker, parliamentary inquiry.

The SPEAKER pro tempore. The gentlewoman will state it.

Mrs. SCHROEDER. Mr. Speaker, I had trouble hearing during the prior parliamentary inquiry. In order to bring the needed pay-raise bill to the floor, which is needed by 5 o'clock tonight, we are to go get bipartisan support. The question we have is, Where do we go to get that?

The SPEAKER pro tempore. The gentlewoman is not stating a parliamentary inquiry.

Mrs. SCHROEDER. We do not know where that room is. No one has been able to find that.

The SPEAKER pro tempore. The committee leadership, I would say to the gentlewoman and the floor leadership.

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1996

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

The Clerk read as follows:

Mr. Rogers moves to discharge the Committee on Appropriations from further consideration of the veto message on the bill, H.R. 2076, making appropriations for the Departments of Commerce, Justice, and State, the Judiciary and related agencies for the fiscal year ending September 30, 1996, and for other purposes.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Kentucky [Mr. ROGERS] is recognized for 1 hour.

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

Mr. Speaker, this bill was referred back to the Committee on Appropriations when the veto message was received from the President. Consequently, any effort to override the veto must await a discharge of the bill from the committee back to the floor, and consequently, that is the purpose of my motion.

I think the parties are prepared to yield back the time which otherwise would be allocated to us on the motion to discharge, so that we can get directly to the main motion. So if there is no request for time on the other side, I am prepared to yield back the time on this side on the motion.

Mr. MOLLOHAN. No objection, Mr. Speaker.

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

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

The motion was agreed to.

A motion to reconsider was laid on the table.

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1996—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104–149)

The SPEAKER pro tempore. The unfinished business is the further consideration of the veto message of the President of the United States on the bill (H.R. 2076) making appropriations for the Departments of Commerce, Justice and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1996, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding.

The gentleman from Kentucky [Mr. ROGERS] is recognized for 1 hour.

Mr. ROGERS. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from West Virginia [Mr. MOLLOHAN].

GENERAL LEAVE

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the veto message of the President on H.R. 2076, and that I may include tabular and extraneous material.

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

There was no objection.

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

Mr. Speaker, just a few minutes ago, the President took to the airwaves to say that we have workers in the Justice Department that are not able to go to work; we have workers in the Commerce Department that have been laid off; we have workers in the Federal Judiciary and the State Department around the world unable to go to work. He says it is because the Congress shut down the Government.

I am going to make the President a real deal here today. We are going to give the President a chance to put these workers back to work.

We have heard speakers in the well of this House, for the last several weeks now, saying we need to put these workers back to work. I am going to make you a real deal today. We are going to give you a chance to vote to put these workers back to work, because today we are going to give you a chance to vote to override the President's veto of this bill and put the workers back to work.

Make no mistake, the reason the workers in these departments are not working today is not because the Congress did not pass a bill. We sent the President this appropriations bill for these departments several weeks ago. The President chose to lay them off. The President chose to close the Government for these agencies. The President chose to say to the American people, I am going to shut these agencies down because I do not like the bill the Congress gave to me.

Well, I am saying to Members of this body today, here is your chance. You have been telling the folks back home, if I had a chance, I would put the workers back to work. If I had a vote, I would vote to require the workers to go back to work and to reinstate their pay.

Here is your chance. Here it is, right square before you. The vote on the bill to override this veto by the President of the spending bill for these agencies is square before you. A ''yes'' vote will send these workers back to work.

A ''yes'' vote to override the veto will mean that the guards in the prisons will also receive their pay, even today, as the prisoners are receiving their benefit checks. It is true. Today, prisoners are receiving money and the guards in the Federal prisons are not. Is that not something, Mr. President?

Well, today you have a chance. Let us pay the guards in the prisons as well as the prisoners, Mr. Speaker. Let us put them all back to work. Vote ''yes'' to override the President's veto.

Some of the most important agencies of the Government are shut down because of the President's veto. The Justice Department, the FBI, the Drug Enforcement Administration, U.S. Attorneys, the Federal prisons, all law enforcement agencies in the Justice Department are laid off or working without pay because the President chose to thumb his nose at the bill we sent to him.

We bring to the floor the President's veto of the Commerce, State, Justice appropriations bill. You get a chance today to put more than 200,000 employees back to work and to end the crisis of the government to these major parts of our Government.

□ 1600

The bill we sent to the President is a good bill. It is tough on crime and even tougher on spending. The bill provides the largest amount of funding ever provided in the Nation's history for the number one domestic priority, and that is fighting crime. But even more important at this moment, it represents our best opportunity to put over 200,000 Federal employees back to work, with pay, not just for a day, not just for a week, but for the rest of the fiscal year.

This is what Members of this body can do, while the negotiators are down at the White House trying to work out a deal on a continuing resolution for a few days, here is the chance to short-circuit all of that. Here is the chance to override all of that.

Our immigration patrol, the Border Patrol, fighting illegal immigration, laid off. Drug Enforcement Administration, fighting the Nation's scourge of drugs, laid off. State Department personnel around the world issuing passports, visas and the like, guarding America's diplomacy efforts around the world, laid off. Prosecuting criminals in the Federal courts, laid off. Here is the chance. Members have been saying in the well of this House in speech after speech, day after day, week after week, ''Give me a chance to vote and I'll put these workers back to work.'' Here it is, square before you.

Vote ''no'' and you continue this shutdown. Vote ''yes,'' and you put our workers back to work. New Border Patrol agents, new FBI employees, new Drug Enforcement agents will be hired and put to work in addition to the ones already hired.

The fundamental question, Mr. Speaker, is whether the President's objections to this bill outweigh the harm caused by the shutdown of these departments and agencies, harm to Federal employees and their families and to the American people that has resulted from the President's veto of this bill.

In my view, there is no reason, no valid reason, to support the veto and vote against this effort to override the veto. Of course we have differences with the President. But they relate to just a handful of programs in this bill, and certainly do not justify shutting down these agencies.

The President vetoed the bill, with one exception, because it does not provide enough money for several programs funded in the bill. And what compelling need caused him to prevent the Nation's war against crime from being funded and put 200,000 Federal paychecks in jeopardy? Listen to this. This is why: No funding for corporate welfare, he says. The Advanced Technology Program, he vetoed the bill because of that. That is corporate welfare. I thought we were out to eliminate it. Certainly the bill did. The President says, ''No, I don't like that.''

Another reason why he vetoed the bill, Mr. Speaker, listen to this one. There is no funding for the Ounce of Prevention Council, $2 million, an extension of the Vice President's office.

Another reason he vetoed the bill was lack of funding for international organizations, like the International Office of Epizootics, Mr. Speaker.

Is that enough to shut down the Government? Well, the President said so when he vetoed our bill. He would like to put more money in the United Nations and international organizations, and that is why he vetoed the bill.

There may not be as much funding as he or even some of us wanted for individual programs. But we have set priorities, we had to, priorities we thought were the President's as well, the war on crime and drugs and the fight against illegal immigration. On no scale of right and wrong can you justify shutting down 3 departments, the Federal courts, 20 independent agencies, and depriving more than 200,000 Federal employees of paychecks because a handful of programs are not funded at a high enough level to merit

the President's signature. Any yet that is exactly what happened.

Look at the harm being done by the President's veto and the shutting down of these departments. Two-thirds of the funding in the bill, nearly $18 billion, is aimed at putting criminals behind bars. The bill contains $14.6 billion for law enforcement programs at the Department of Justice, a 19-percent increase over 1995 funding, including $3.6 billion for State and local law enforcement to give them the resources to fight crime where it counts, on our streets back home. That is a 57-percent increase over last year.

It contains $2.5 billion, an $895 million increase, to combat illegal immigration and secure our Nation's borders, $146 million more than the President requested, including 3,000 more INS personnel, 1,000 more Border Patrol agents on the border.

The bill includes $500 million for California, Texas, Florida, New York, and other States most impacted by criminal aliens, a $370 million increase, and the President's veto is telling those States, tough luck.

It includes $175 million for violence against women programs, 7 times more than provided in 1995, the full amount of the President's request, one of the major initiatives of the bill, and now because of this veto those programs are sitting at zero.

This is the largest crime-fighting budget in the Nation's history which the President vetoed.

If you cannot justify shutting down these agencies because of funding levels for a handful of programs and you cannot justify the veto because of the harm it does to the Nation's fight against crime, what does it come down to, Mr. Speaker? It comes down to one policy difference. Instead of funding the President's COPS Program, the bill provides a $1.9 billion grant, full funding, to provide local communities the resources to hire every single policeman on the beat that he has proposed, and then some. It comes down to this, Mr. Speaker: The issue of who controls the program to help local communities fight crime—the President's Washington-based one-size-fits-all program which half the communities cannot afford, or the block grant approach in this bill to empower local communities to decide what they need most to fight crime in their judgment, tailor made to their community.

This bill provides a better way. The President was willing to block the largest crime-fighting bill in the Nation's history and shut down 3 departments, the Federal courts, 20 independent agencies and more than 200,000 employees because he did not get his way on the COPS Program.

Now the House has the opportunity to overturn that decision, to put 200,000 employees back to work for the rest of the fiscal year, to reopen Justice, State, the Federal judiciary, to put the war against crime back on track to fight illegal immigration, drug abuse and violence against women.

I urge my colleagues to weigh the balance. The choice is to reopen the business in the Departments of Justice, State and Commerce, the Federal courts and 20 agencies, provide paychecks and jobs to 200,000 employees, fund the largest anticrime bill in history, or to shut them down, over a handful of funding issues and a matter of who gets credit for hiring police on the beat. I believe, Mr. Speaker, the choice is plain. Let us put them back to work. Vote ''yes'' to put America's workers back to work.

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

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

Mr. Speaker, today we find ourselves once again spending time on the floor of the House taking on an action which will not advance the process of completing the fiscal year 1996 appropriation bills. We are way behind in them. They are way past due. They should have been passed in the first session, and here we are at the beginning of the second session of the 104th Congress and we do not have our appropriation bills done.

The Commerce-State-Justice bill was vetoed by the President and received by the House on December 19. It was referred to committee at that time, and today, rather than presenting to the House a bill that could be signed into law and one that ends the shutdown of all the agencies funded in this bill, now in the 19th day, we are debating a veto override.

Well, I will vote to sustain the President's veto today, Mr. Speaker. At the time the conference report was passed, I indicated that if a vote to override occurred, that I would support the President. My position is based on the belief that the most constructive thing to be doing now is working out our differences on this bill in a rational way, without the Government shutdown being used by the majority in the House of Representatives as leverage in these policy debates. Indeed, Mr. Speaker, I think there is a pretty clear analogy between just good old hostage-taking and the strategy being pursued by the majority.

The similarity is that both in the conventional hostage-taking situation and in the situation where we allow Federal workers to be laid off and not employed and do not pass a continuing resolution, there is an irrationality that is common on both situations. That irrationality is this: In this case by the majority here in the House it is the presumption that by holding these hostages, by keeping these Federal workers unemployed, keeping them out, that that is going to affect the policy debate; that the President of the United States is going to be brought to heel on these issues because these Federal employees and all of the Americans they serve are being held hostage in the debate.

That is an irrationality, Mr. Speaker. It is an irrationality in the conventional hostage situation; it is an irrationality here. There is no relationship between these Federal workers going back to work and solving these policy questions.

We could pass a continuing resolution here today in a shorter period of time than we take to debate this veto override, get the workers back to work and then sit down in a rational way and solve these policy issues.

The Government shutdown in its 19th day is furloughing some 280,000 Federal Government workers, holding them hostage, and keeping 480,000 excepted workers on the job without pay.

Last night, Mr. Speaker, the Senate did a sensible thing, a rational thing. It passed a clean continuing resolution lasting until January 12, giving us some time to work on these issues. I believe the quote is ''enough is enough,'' were the words of the Senate majority leader. In fact, he used the word ''pawns'' to describe those employees caught in the middle of this fight that they have nothing to do with and no reason to be involved in.

These people want to go back to work, and we should be addressing that situation today with a simple continuing resolution. Various Republican Members have been quoted as indicating that the current shutdown was having no significant effects across the country and should perhaps be extended. I think the statement, the whole idea is irresponsible and I patently disagree, Mr. Speaker.

At the Justice Department, most of the law enforcement personnel have been declared essential, but as of this week they will only receive half a paycheck. What a way to ring in the new year. All FBI training, all Federal Bureau of Investigation training of State and local law enforcement has stopped.

My good friend and chairman of the committee alluded to the COPS Program, Mr. Speaker, a wonderfully successful program. I know there are some other speakers that are going to be speaking in greater detail about the success of the COPS Program, a program to get community police, federally assisted community police, out on the beat.

□ 1615

To date, there are 31,000 cops out on the beat as a result of this program, doing good work, good reviews, real results in reducing crime in the neighborhoods in which they are working.

Mr. Speaker, 7,688 more policemen could be added right now to the beat in communities all across this country if the money were available, if we would simply pass a continuing resolution. That's 7,688 more policemen out there fighting crime.

Mr. Speaker, also vendors who are supplying food to prisons are continuing to deliver that food, but they are not being paid. How long can that continue before vendors either refuse to deliver more food or go bankrupt? What a reputation for the Federal Government to get, reneging on its obligations, not paying small businessmen,

small business women out there trying to make it work for their services. What would this mean to the prisons if that would happen? No food, riots. Mr. Speaker, it is not a pretty picture.

More than 200,000 Americans, Mr. Speaker, are now waiting for passports. That is not in effect. Our friends suggest that these workers are unessential? This affects students trying to begin school overseas, individuals who have job offers, and many people who have nonrefundable tickets for overseas travel. The inconveniences are tremendous.

Local employers who process visa applications are required to come to work but cannot do their jobs once they get there.

Funds to pay for the massive State Department-run worldwide communication system will run out of funding the end of this week. That is the heart of our ability to communicate with our posts around the world. Activities to facilitate American businesses around the world are being hampered with the nongranting of more than 30 export licenses a day worth over $30 million to U.S. businesses, blocking more than $92 million a day in export licenses for defense articles and dual-use technology items.

The release of government-generated statistics is being held up that is affecting business decisions, and more than 260 small businesses which receive an average of $40 million in financing guarantees from the SBA are not receiving those guarantees, Mr. Speaker.

The impact is real. It is affecting the ability of the Federal Government to provide essential services. Keeping Federal employees off the job is just not being mean-spirited to Federal employees, reducing and eliminating their paychecks, it is meaning that we are not delivering services to the American people across a broad sector, and it is patently irresponsible. These are the impacts of the shutdown, Mr. Speaker.

Clearly, we ought to be working today to get the Government open. It is simple to do it, pass the CR and not wasting time on a veto override motion.

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

Mr. ROGERS. Mr. Speaker, I yield 3 minutes to the gentleman from Louisiana [Mr. LIVINGSTON], chairman of the full committee.

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

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

Mr. Speaker, I agree with my friend, the gentleman from Kentucky. This is, indeed, an opportunity for a real deal.

Today we can vote to override the President. We can solve many of the problems we heard the President complain about just a little while ago on television. He said the Congress is keeping many Federal employees out of work.

Well, the fact is that 620,000 Federal employees have not returned to work, because the three appropriations bills that provide the funding for those 620,000 employees were vetoed by the President of the United States, the same gentleman who was on television just a little while ago complaining about the lack of appropriations bills.

The Congress did its job in those three bills. We sent the President the Commerce, Justice, State, and judiciary bill, on which we are considering the veto here today; the Interior bill; and the VA–HUD bill. The President chose to veto them and put those 620,000 Federal employees on the street without paychecks for the Christmas holidays. In fact, he vetoed the bills just about a week before Christmas.

The American people can thank the President for the closure of the national parks and museums. They can thank the President for delaying Government services. The Federal employees can thank the President for reductions in paychecks, and while they are thanking people, they might also consider the Labor, Health and Human Services bill which has passed the House of Representatives, went over to the other body, the U.S. Senate, and it got lost there. There are 143,000 people employed with the funding in the Labor-HHS bill that is being filibustered by the Democrats in the Senate. It cannot move, because every time they bring the bill up, the Democrats in the Senate filibuster it.

The SPEAKER pro tempore (Mr. WALKER). The gentleman is reminded that he is not to characterize the actions of the Senate.

PARLIAMENTARY INQUIRY

Mr. LIVINGSTON. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state his parliamentary inquiry.

Mr. LIVINGSTON. Mr. Speaker, I did not characterize it. I just simply pointed out they filibustered.

The SPEAKER pro tempore. The gentleman is not allowed to characterize the actions or inaction of the Senate.

Mr. LIVINGSTON. I stand corrected, Mr. Speaker. I apologize for pointing that out.

Mr. Speaker, I might add that on this bill alone, which is the real crime bill, if the President had not vetoed it, if he were sincere in his concerns that he expressed on television a little while ago, $14.6 billion would have been spent to fight crime, an increase of 20 percent over last year. Mr. Speaker, 25 percent more would have been spent on immigration initiatives, 57 percent more would have been spent on State and local law enforcement, 285 percent more than last year would have been spent on State criminal alien assistance, and 573 percent more would have been spent for violence against women programs.

So let us not hear that the Congress is responsible for the shutdown. When the President chose to veto these bills, he knew it was going to hang us up over the Christmas holidays, and he know these 620,000 people would hit the bricks for the Christmas holidays. Our hearts go out to these people sincerely. We are sorry. We do not want to hold them hostage. But the President committed that he was going to meet our demands to balance the budget and save our children and our grandchildren from total economic catastrophe. He has reneged on that promise. He has not met us halfway.

We need to override this bill so that we can put these people back to work. This is our opportunity. If you do not take advantage of this opportunity, then, in fact, do not talk about how people are being hurt.

The fact is we have a real chance to put all of those people back to work by overriding this veto, and by overriding the veto on the Interior bill, and by overriding the veto on the VA–HUD bill, and, for that matter, we can put the people to work who are funded in the Labor, Health and Human Services bill by getting the other body to do what they are supposed to do.

Mr. MOLLOHAN. Mr. Speaker, I yield 5½ minutes to the gentleman from Wisconsin [Mr. OBEY], the distinguished ranking member of the Committee on Appropriations.

Mr. OBEY. Mr. Speaker, the President's veto of this bill is hardly new news to people. The President made clear his intentions to veto this bill in July if it passed without continuing the President's program under which 31,000 cops on the beat positions were filled in communities all throughout the country because of action of the Congress in the previous year.

So there is no reason to be suddenly shocked or chagrined by the President's simply doing what he told us many months ago he would do if this bill did not pass in its present form.

I think we need to really be frank about what is happening here today. What is happening here today is that we are going through a series of meaningless exercises, pretending to have an effort to override the previous veto that was considered by the House. Now we are going through the charade of pretending that we are going to try to override the President's veto on this bill because the House does not have any other legislative business to perform. That is what is going on, and that is what the taxpayers ought to know.

What ought to be on the floor today is the motion to continue the bipartisan action that was taken in the Senate yesterday by Mr. DOLE and Mr. DASCHLE, when, on a bipartisan basis, they passed a resolution to open up the entire Government. That is the motion that should be before us today. Instead, we face the ridiculous spectacle of first seeing Government workers paid for work that they were not allowed to do, then we see Government workers being forced to do work for which they are not yet being paid, and the Congress sits here and allows that to continue.

Do not kid anybody. The President did not shut down the Government. The President exercised his constitutional right to veto a bill which he thought was haywire, and the President has asked on every occasion that the Congress pass legislation to keep the Government open while differences are being resolved.

The Congress has shut down the Government because the Speaker and the Republican majority have made a conscious decision that they want to gain leverage over the President of the United States to force him to make cuts in Medicare and Medicaid and education that he simply is not willing to do, and that is why the Government is shut down.

What I really believe ought to happen—instead of this meaningless consumption of time here today on this veto override that is going nowhere—what ought to happen is we ought to take note of the quote in the newspaper this morning by the Senate majority leader, who said, ''I can't see any sense in what we have been doing. I would hope we would have quick action in the House. People have been gone from their jobs long enough. Enough is enough.''

I want to say to my moderate friends on the Republican side of the aisle, sooner or later you are going to have to decide whether you are Gingrich Republicans or Dole Republicans, and that time might as well be today. Because what ought to happen here today is that you ought to bring on to this floor—and only you can do it, only you have the votes—you ought to bring onto the floor a resolution which will open up all of the Government so that Government can stay open while we continue to work on the other differences between us.

After that resolution is passed, then what ought to happen it that appropriation bills ought to be separated from the other debate going on about long-term budget policy. We ought to reach a bipartisan, reasonable consensus on the dollar levels in those appropriation bills. Those bills should be stripped of extraneous language, and then we should try to pass those compromise appropriation measures.

We are supposed to be public servants. We are supposed to be looking for ways to provide service to the public, not to deny that service, and yet by your refusal to follow the Senate lead, to follow Senator DOLE's lead in opening up the Government, you are insisting upon denying to the public services for which they have already paid.

What you have here, in my view, is an incredible display of arrogance.

We are being told that the majority in this House believes that their political ideology is more important to them than providing the services to the taxpayers who we are all supposed to serve.

What we ought to do is, on a bipartisan basis, the same as the Senate did: pass the Dole motion and get on with the business of opening up the Government. Open up the Government, that is what we are paid to do, and we should not be paid until we do it.

Mr. ROGERS. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. REGULA], a member of the subcommittee.

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

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

Mr. Speaker, very simply, today's Post carries a story about 40,000 people being laid off by AT&T. The other day it was reported 3 million jobs have been lost through downsizing.

That is the reason this bill is extremely important. We need to expand our exports, open up the markets so that there will be new jobs for the 3 million people that have been downsized in the name of efficiency.

What is in this bill that would affect that? No. 1, this cripples the embassies if we do not override this veto. It cripples our security. It cripples our communications. It makes them difficult to represent the United States around the world and to encourage the growth in exports.

Second, the International Trade Agency is crippled, and it is the protector of our industries against unfair dumping, against unfair practices that make it difficult for them to compete.

Third, it cripples the manufacturing extension assistance, which helps small and medium businesses to be competitive in the marketplace.

□ 1630

Mr. MOLLOHAN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Michigan [Mr. CONYERS], ranking member of the Committee on the Judiciary.

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

Mr. CONYERS. Mr. Speaker, I thank my friend on the subcommittee, the ranking chairman, for yielding me the time.

Mr. Speaker, may I again wish my friend, the subcommittee chairman with the least meritorious appropriation bills, a warm and happy new year. The time that he had off for Christmas has left him confused and not as prepared as he normally is, because he said the Congress has an opportunity to bring people back to work.

Dear Mr. Subcommittee Chairman of Appropriations, a Congressman rose on the floor in April and said, ''I will shut down the government if the President does not agree to my budget, and when that happens, watch and see what he will do then.''

That was the Time Man of the Year that uttered those now famous remarks. So why does the gentleman not admit that a continuing resolution would not free your appropriation, which was wisely vetoed by the President, but that a continuing resolution would open up the entire Government? Let us get real around here.

We could not work during Christmas because there was not anything to do. We come back now, there still is not anything to do. So we start bringing up these lemons, trying to see if we can override them.

Please, the President's veto did not shut down the Government. So my dear friend, recognize that we are the ones that could operate. Tell me what is the problem with your Presidential candidate, the majority leader, who is trying to organize the Republicans to make a face-saving device after Christmas.

Now, in Detroit, the eighth largest police force in the country, we strongly support the President's Cops on the Beat Program. We have already received the first round funding. In Dearborn Heights, Mayor Ruth Canfield has said this is excellent. We are on the way. In Highland Park, MI, another part of my district, the mayor, Lindsey Porter, has praised the half dozen. They only got six cops, but six makes a difference in a small town. Ruth Canfield, the mayor of Dearborn Heights, the Detroit police chief, Isaiah McKinnon, all say the same thing. Do not kill this program.

Mr. ROGERS. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. HYDE], the chairman of the Committee on the Judiciary.

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

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

Mr. HYDE. I yield to the gentleman from Georgia.

Mr. LINDER. Mr. Speaker, I rise only to respond to the ranking member of the Committee on Appropriations's remarks about our obligation to provide services that have already been paid for. That is the point of this debate.

For 26 years we have been providing services that have not been paid for. We have passed the bill on to future generations. That is why we are here and having trouble. But we insist on a balanced budget so we stop passing the bill on. That is why we are here.

Mr. HYDE. Mr. Speaker, reclaiming my time, at the conclusion of this debate we will have the opportunity to reopen three executive branch departments and all of their agencies and to fund the judicial branch of the U.S. Government.

The President's veto of this appropriations bill has had the effect of keeping no less than 43,200 employees of the United States furloughed. It did not have to be this way.

The President vetoed this conference report because of an alternative method of funding the 1994 crime bill's COPS Program. The fact is under this bill, the one the President vetoed, there is more funding provided for more local governments with more flexibility to hire cops or to hire technology or get

equipment, but it lets the decision be made locally, not ''Father Knows Best'' in Washington. I guess it is hard to break the habit of assuming that all wisdom and judgment is here in Washington, and not out where the people are.

Prison building grants are contained in this bill that the President vetoed. This bill provides $500 million to fund our Truth in Sentencing Program: This conference report deals directly with what our criminal justice system needs most, holding violent criminals accountable for the pain they have caused. It contains needed legislation to prevent activist Federal judges from taking over and running State prison systems. Count these casualties of the President's veto pen.

It is clear keeping criminals behind bars will reduce crime. This bill does it. Prison construction is worthwhile in a proven prevention program. There are so many other things. Few problems have contributed more to the revolving door of justice than Federal court-imposed prison population caps. This bill removes them.

Cities across the United States are being forced to put up with predators on their streets because of this judicial activism. In dozens of States and hundreds of communities, Federal judges have imposed prison population caps. So vicious criminals are released simply because we cannot accommodate the caps.

In short, the President's veto of the Commerce, State, judiciary and Justice conference report does real harm.

Mr. MOLLOHAN. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I would like to clear the air, because we are talking about the present status of the Government. We simply need to pass and consider the Dole legislation, which allows us to open this Government and to keep it running.

While we have some major philosophical differences, those that would impact in a dastardly way my 18th congressional district, just recently we cited statistics in Houston that showed crime was going down. Partly crime was going down because we happened to be the beneficiary of some $3 million over the last month to help us ensure that we had 52 or more police out in our neighborhoods, the kind of coverage by law enforcement that our citizens applauded, participated in, and wanted.

Yet this bill that is before us that has now been vetoed, of which we should sustain the President's veto, denies America's cities the opportunity to have the continuation of the Cops on the Beat Program, eliminating over 100,000 police. Why our Republican colleagues would think that their contract on America can deny the basic rights of Americans to have safe streets with police officers patrolling the neighborhoods is beyond me. It is a philosophical difference that is impacting citizens in the 18th congressional district in the worse way.

I do not think it is any news to anyone that drugs kill. They simply kill. In this legislation, we have our Republican colleagues killing the drug courts, courts that have been noted in Harris County to be of great consequence and have been able to isolate those in drug trafficking, managed to move those people quickly through the system, and have them incarcerated, where they belong.

But what have our Republican colleagues done? The very vital drug courts that have helped us stem the tide of drugs, have been eliminated under this bill, along with dollars for DEA, the Drug Enforcement Administration, when we have already stated that it is of great need for us to make sure that we have drug violation enforcement and stop the tide of drugs coming across our borders.

Likewise, let me say that rather than provide for jobs, we are eliminating jobs by eliminating the Advanced Technology Program, which stimulates much needed technical research which creates jobs.

This bill also devastates our Legal Services Corporation severely limiting the access of poor people to the justice system.

Mr. ROGERS. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. GILMAN], the chairman of the Committee on International Relations.

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

Mr. GILMAN. Mr. Speaker, I am pleased to commend the gentleman from Kentucky, the distinguished chairman of the Subcommittee on Commerce, Justice and State Appropriations, Mr. ROGERS, for his leadership in seeking to override the President's veto and put the employees of several important Federal agencies back to work. Time is of the essence for them to return back to work and to get their salaries restored. Vital services need to be resumed.

This motion to override the President's veto is the right thing to do. As the chairman of our Committee on International Relations, I am concerned about the impact that the continued shutdown of the State Department is having on American citizens, both here and abroad.

One key activity of the State Department affected is the operation of our domestic passport offices located in our major cities. Our colleagues have heard from constituents who have been unable to obtain their passports, causing hardship to U.S. businesses, to students, and others who need to travel overseas.

Our embassies and consulates overseas are not providing any visa services to foreigners seeking to come to our country, including au pairs, who must obtain a J–1 visa to enter our country. Our passport offices and visa services should be resumed as quickly as possible. Commerce and tourism are vital to our Nation's economy. These vital services should be restored immediately.

These are just a few of the serious consequences of the President's veto of this bill, in addition to the impact on law enforcement and international trade. As a world leader, Mr. Speaker, we must resume our international services to the fullest. We must pay the bills we have incurred overseas and end the fiscal limbo into which this veto has plunged our foreign service employees. Credibility and reliability are hard to gain, but much too easy to lose.

Accordingly, Mr. Speaker, I strongly support the motion to override the President's veto to get these agencies running again and putting our Federal workers back to work.

Mr. MOLLOHAN. Mr. Speaker, I yield 2½ minutes to the distinguished gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. Mr. Speaker, I thank the gentleman for yielding time.

Mr. Speaker, listening to this debate, a lot of attention has been paid to the crime-fighting elements contained in this bill, I think the biggest crime being committed here is on this floor here today by trying to blame the President of the United States for vetoing this bill, which somehow shuts down Government.

If we wanted to put Government back to work and all of our employees, we would have voted earlier today on a resolution to put them all back to work, the so-called Dole legislation. So let us quit talking about crime in this crime bill and how great it is and somehow it shuts down Government. We really should be talking about fighting crime.

Being an ex-police officer, I want to devote my attention to the crime portion of this legislation.

Back in 1994, when we passed a real crime bill, we promised, all of us, in a bipartisan manner, to put 100,000 more police officers on the street. Unlike my friend from Illinois, who said Father Washington knows all, we have put 31,000 more police officers on the street.

Who applied for those 31,000 police officers? No one in this room. No one in this room. It was the local mayors, the local county boards of commissioners, the state police. They asked, and they applied on a one page application, and it worked extremely well.

The American public wants more police officers on the street. That is what this program is delivering. American people feel safe and secure in their homes and communities. Putting more police officers in their communities will make them safer and make America more secure.

But in this bill that you are presenting today, not one single police officer is guaranteed. We asked you back on December 6, our motion to recommit, to take $1.9 billion to fund the COPS Program out of your $14.6 billion.

My friends on that side of the aisle said no, they could not allow us to do that. So the President vetoed the bill, amongst others reasons, but mostly the COPS reason. December 19, the COPS More Program was announced. Many of you got police officers. But you got more than police officers, because the COPS Program is more than just cops. It is equipment, it is civilian employees, it is technology. It is what you need, it is what the local people are telling us they need to fight crime in their communities.

So if you take a look at it, COPS has the support of virtually every major law enforcement agency in the United States, the cops, the sheriffs, the chief of police, the beat cops in every town and city across this country.

Mr. ROGERS. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. SMITH].

(Mr. SMITH of New Jersey asked and was given permission to revise and extend his remarks.)

Mr. SMITH of New Jersey. Mr. Speaker, I thank my friend for yielding time.

Mr. Speaker, this vote presents us with an immediate opportunity to reopen a large and important part of our Government. If the House and the Senate votes to override the President's veto, we can have our embassies and our passport offices and our freedom broadcasting operations back at full strength tomorrow morning.

In all of the publicity about the Government shutdown, what gets lost is that many of the most essential Government services, the ones that Americans miss the most, like national parks, museums, passports, VA mortgages, are suspended, even though the Republican Congress has passed various appropriation bills to keep them open. President Clinton vetoed each and every one of these bills, complaining that the multi-billion-dollar spending levels were too low.

In the CJS bill, provisions covering the State Department and related agencies, only two major items, international organizations and peacekeeping, are substantially lower than the 1995 figures. The House, I might add, supported higher numbers both in the authorization bill which went through my subcommittee, and we met the President and gave him exactly what he asked for on that.

□ 1645

Mr. MOLLOHAN. Mr. Speaker, I yield 1 minute to the distinguished gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I rise in strong opposition to the Commerce, Justice, State, and Judiciary appropriations bill and I urge my colleagues to sustain the President's veto of this legislation.

With two-thirds of the Cabinet agencies closed, paychecks stopped for 760,000 Federal workers, and 260,000 Government employees furloughed, this body should be taking up legislation to immediately reopen the Government and put Federal employees back to work.

What we are engaged in this afternoon is filler, trying to put something on the floor because there is no legislative business to conduct, so we have this veto override. We know what the outcome will be on this, but let us take up the time because the Speaker of the House, and the House Republican majority do not want to do what they were sent here to do and that is to reopen this Government and put those Federal employees back to work again.

That is wrong to keep them out of work and not being paid. The House should follow the actions of the other body and correct this injustice. Failure to reopen the Government represents a dereliction of our constitutional duty.

Mr. ROGERS. Mr. Speaker, I yield 1 minute to the gentlewoman from New York [Ms. MOLINARI].

Ms. MOLINARI. Mr. Speaker, I rise to urge my colleagues to override President Clinton's veto, and I ask my colleagues who did not support the original conference report to consider the program being held hostage by President Clinton's veto pen.

In America, during the next 5 minutes, one woman will be raped and more than a dozen will be beaten, but the President's veto pen ended the Federal Government's commitment to protecting these women. This bill included full funding for the Violence Against Women Act, $175 million to protect women and children from abuse. That, Mr. Speaker, is a 573-percent increase from last year.

No, this is not filler. A continuing resolution will provide funding for these very important programs at the 1995 level of $26 million. How many of my colleagues would argue it is filler to increase $175 million for programs to protect women and children compared to this year's $26 million, and how many of my colleagues are willing to bridge this gap at the expense of abused and battered women and children?

It was a long fight to authorize the Violence Against Women Act. Now let us fund it. I thank the gentleman for his time.

Mr. MOLLOHAN. Mr. Speaker, I yield 1 minute to the distinguished gentleman from California [Mr. BROWN], the ranking member on the Committee on Science.

(Mr. BROWN of California asked and was given permission to revise and extend his remarks.)

Mr. BROWN of California. Mr. Speaker, I rise in support of the President's veto of H.R. 2076. Although there are many sections of this bill which I find troubling, I will limit my remarks to the funding of the ATP and MEP programs at the National Institute of Standards and Technology.

Mr. Speaker, before speaking in defense of these, I want to pay tribute to the distinguished ranking member of the subcommittee dealing with these subjects, who has done a valiant job throughout the year, including today, in trying to educate the Congress to the importance of these various programs. Funding levels for the MEP and the ATP were not the result of any objective analysis of the merits of these programs, but were based solely on political considerations.

From the beginning days of the 104th Congress, both MEP and ATP programs were targeted as corporate welfare by many of my colleagues on the other side of the aisle.

Mr. Speaker, before I list my specific objections to the bill, I want to express my disgust with the process this House is following at the beginning of the second session of the 104th Congress. We are in the midst of the longest Government shutdown in the history of the United States. As a result, vital services are being denied to Americans. In addition, the other body has passed legislation which would put the Government back to work as the budget negotiations progress.

However, rather than taking up legislation which would put the government back to work, the leadership of this House is simply marking time by bringing up this veto override. Congress did not pass H.R. 2076 with the necessary margin to override a veto, so why do we think we will have the necessary margin today—we do not. This is a feeble pretense by the leadership that the House is doing something, anything rather than proceeding with the substantive business pending before Congress.

H.R. 2076 provides adequate funding for the NIST laboratories and provides subsistence funding for the Manufacturing Extension Partnership [MEP] but it completely eliminates funding for the Advanced Technology Program [ATP]. Funding levels for the MEP and the ATP were not the result of any objective analysis of the merits of these programs, but were based solely on political considerations. From the beginning days of the 104th Congress both the MEP and ATP programs were targeted as corporate welfare by many of my colleagues on the other side of the aisle.

The only reason there is any funding for the MEP is due to the educational efforts of the small and medium-sized business community about the importance of this program. The ATP, which up to now has funded only 276 grants, could not muster the widespread support to withstand a political vendetta. Indeed, H.R. 2076 not only eliminates funding for new projects, it eliminates funding for projects currently underway. Current ATP recipients which provide 50 percent of a project's cost, will suddenly find themselves short. This bill forces the Government to simply walk away from commitments it has made to business. Is this the signal that we want to send our business community?

Why do I believe that the termination of these programs was based in politics rather than any rational evaluation of the programs? In hearings before the Committee on Science this year, the only witnesses who spoke

against ATP and MEP were individuals with no technical or business background.

Every other private sector witness supported these programs and programs like them—regardless of whether their company received an ATP award. According to a Congressional Budget Office [CBO] report, Federal Financial Support of Business, the ATP and MEP represent less than 4 percent of the $12 billion the Federal Government will spend on programs that support industrial technology commercialization.

If Republicans were interested in rooting out so-called corporate welfare, why are they silent regarding the other 96 percent of the programs such as the almost $1 billion Small Business Innovation Research Program [SBIR] or $3.7 billion at the National Institutes of Health [NIH] for applied biomedical research? In fact, the chairman of the Science Committee is a cosponsor of legislation, which has passed the House, which strengthens government/industry partnerships at Federal labs. If opponents of industrial welfare were serious, we would be debating the entire range of Government-funded technology commercialization programs. The Science Committee has not done this and this House has not done this.

Eliminating the ATP is nothing more than a banner for Members who pretend we are eliminating Government corporate welfare. The CBO number show that we are not. Let us be frank, ATP was targeted by this Republican Congress, despite its initiation by a Republican administration, because it was enthusiastically endorsed by Bill Clinton—both as a candidate and as President. Eliminating ATP funding does not say we are willing to make hard choices—it says we are making simple ones. Eliminating ATP is easy because it is a small program with a small constituency. Spouting platitudes, opponents of ATP have tried to kill it for purely political reasons.

Mr. ROGERS. Mr. Speaker, I yield 1 minute to the gentleman from Georgia [Mr. COLLINS].

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

Mr. Speaker, to quote a Member of the other body: ''Enough is enough.''

It is time for the President to do for the American Government and the taxpayer's employees what he did for the government and people of Mexico.

Last year, President Clinton provided $20 billion United States taxpayer dollars to Mexico so they could pay their bills and employees.

But President Clinton vetoed the appropriations bills that would have paid the bills for the Commerce, Justice, and State Departments and their employees.

Mr. Speaker, enough is enough. It is time to override the irresponsibility of the President. Vote yes to override President Clinton's veto of the Commerce, Justice, and State appropriations bill.

Mr. Speaker, It is time for Congress to do for America what the President did for Mexico.

Mr. MOLLOHAN. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Michigan [Mr. LEVIN].

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

Mr. LEVIN. Mr. Speaker, I come here this afternoon to express my outrage. My colleagues talk about opening the Government when they have closed it down. Some of them say they are revolutionaries. I think the question is whether they are becoming anarchists or nihilists.

I have heard some say their hearts go out to the those whose services are being cut, but their fists are on their neck.

Look, I like the COPS Program. It is working in the 12th District. It is working in nine different police departments and they fashion their own. Some of my colleagues may not like it, but they should not shut down the Government to carry out their point of view; they should do it through normal legislative processes.

Mr. ROGERS. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. BILBRAY].

Mr. BILBRAY. Mr. Speaker, as one of the individuals who has had the privilege of living along the Mexican border, I need to highlight that a continuing resolution will not address the outrageous situation along our border. Actually, this bill does include $500 million of reimbursement to State and local government for the cost of incarceration of criminal illegal aliens, Mr. Speaker. Also, there are 1,000 new Border Patrol agents to be put at the border and also 1,500 additional INS individuals to be put at the border.

Mr. Speaker, if Members had seen the rape, the main, the loss of life along our frontiers, they would never want to support the status quo. I ask my colleagues on the other side of the aisle, do they really want to serve the status quo, even at the cost of the type of anarchy we are confronting on our border?

We keep hearing about the need to fight for crime. Let me tell my colleagues that the fight against drugs, the fight against crime, and the fight against the injustices of illegal immigration starts at our borders, and it is time we have the guts to either admit that we do not want to control the border, or we start voting for the funding so we do our job at the border.

Mr. MOLLOHAN. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from New York [Mrs. MALONEY].

Mrs. MALONEY. Mr. Speaker, for those of my colleagues who may have missed it, New York City is experiencing the steepest decline in violent crime since 1972. No one thought we could do it, but we did. With the help of the President's COPS Program, we have added well over 2,000 new police officers to the New York City Police Department. Those police are dedicated to new policing strategies; targeting hot spots, walking neighborhood beats, working with the community to prevent crime. That is what community policing is all about.

Mr. Speaker, this trend is not just confined to New York City. Other cities, like Houston and San Diego, are experiencing a similar decline. It makes no sense to eliminate a successful program such as this, as this bill does.

This is not a debate about balancing the budget, a goal many of us support, this is about the priorities of our country. To me and my constituents, ridding our streets of crime is a priority worth fighting for. Sustain safe communities. Sustain the President's veto.

Mr. ROGERS. Mr. Speakers, I yield 1 minute to the gentlewoman from Florida [Mrs. FOWLER].

(Mrs. FOWLER asked and was given permission to revise and extend her remarks.)

Mrs. FOWLER. Mr. Speaker, today we have the opportunity to put many Government employees back to work—by overriding the President's ill-conceived veto of H.R. 2076, the Commerce, State and Justice appropriations bill.

H.R. 2076 is a fiscally responsible bill which reflects the priorities of the American people. The bill provides $1.8 billion—a 20-percent increase over fiscal year 1995—to help I.N.S. stem the tide of illegal immigration.

H.R. 2076 provides $3.4 billion to aid States and localities in their fight against crime. That includes money for Byrne grants, Weed and seed, and the local law enforcement block grant.

It also provides $2.9 billion for prison construction so that States can keep violent criminals behind bars.

When the House passed this appropriation earlier, 256 Members—including 35 Democrats—voted for it. It is not radical. It is not extreme. In fact, H.R. 2076 is a responsible approach to balancing fiscal constraints with the need to provide real tools to fight crime at the local level.

With just a few more votes, we can override the President's veto. A yes vote on H.R. 2076 would mean that the hard working employees at the Drug Enforcement Agency, the Federal Bureau of Investigation, and the U.S. Marshal's Service can go to work and get paid. It would also mean that our constituents will be able to get passports in a timely manner.

If we want to get our Nation on the path to a balanced budget, preserve our commitment to fighting crime, and get the Government back to work again, we must support the motion to override the President's veto.

Mr. MOLLOHAN. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New York [Mr. SCHUMER].

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

Mr. SCHUMER. Mr. Speaker, as Senator DOLE said, as the Member of the other body said, enough is enough. The majority leader the other day said it. The American people are saying it. All of the House Republicans, who are becoming extremists, ''Shut the government down unless you do it exactly my way,'' they can blame this on the

President, but everyone knows that is not the case. He has exercised his veto power because he wants to see the COPS Program continue, the cops on the beat which are helping our neighborhood.

Look at the choice we are putting law enforcement in. We are saying either knock out the COPS Program, which every major police group in America supports, or all our brave Federal law enforcement people get half pay. Shame on us. FBI agents, half pay? DEA agents, risking their lives, half pay? And now we are telling them that they may not get health benefits next week? Young Federal law enforcement people who go out and risk their lives?

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

Mr. SCHUMER. Mr. Speaker, I will not yield on my time. If the gentleman has time, I would love to continue the dialog with him. But it should be a dialog; not do it my way or no way, as the majority party is saying. So I will not yield.

Shame on those who are saying that young FBI agent, that young DEA agent, maybe his wife is pregnant, that they may not get health benefits next week because of this horrible political game. Members on the other side are bringing this House to a new low, telling law enforcement either they will not get the police program or they will get half pay; telling law enforcement unless it is done exactly our way they will get half pay.

Republicans are not the party of law and order any more. They are are not the party defending law enforcement any more. They have become the party of extremism, of political games, and the American people know it.

Mr. ROGERS. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. HORN].

Mr. HORN. Mr. Speaker, the gentleman that just spoke, I am afraid, is slightly confused on who is responsible for what. This bill covers part of the Federal Government, a part of which is mostly out and not working. But if we want to change it, we need to vote to override the President's veto because that will put the employees of the departments in this bill—Commerce, Justice, State and Judiciary—back to work.

These are valuable departments. In 1994, I happened to have supported the 100,000 cops on the street proposal. After looking at the list where Justice gave those awards, I strongly support giving the community the funds and letting those closest to the problem make the decision. I was a coauthor with the gentleman from Maryland [Mr. WYNN] of the troops to cops proposal that is part of that program. And I must say I am disappointed at some of the judgments made by those in the Department of Justice.

I think the sooner we have the States, the counties, and the cities making these decisions, the more confidence we can have in the outcome.

□ 1700

Mr. MOLLOHAN. Mr. Speaker, I yield the balance of my time to the distinguished gentleman from New York [Mr. SCHUMER].

The SPEAKER pro tempore (Mr. WALKER). The gentleman from New York is recognized for 2 minutes.

Mr. SCHUMER. Mr. Speaker, I just want to reply to the gentleman from California [Mr. HORN], for whom I have a great deal of respect. The gentleman did support the COPS Program. It took some courage. The gentleman had to break from some of his party's leadership last year to do that.

Mr. Speaker, I would say this: Be a group. Sit down and negotiate. I am not talking to the gentleman from California per se, although I would be interested to hear what the gentleman had to say. I am talking to the Speaker and the leadership on that side.

The President vetoed the bill because of a fundamental disagreement. He thought the COPS Program should continue. He thought that the money that the majority party put in there for prisons only went to three or four States, instead of my State, which needs more money for prisons, so he vetoed the bill. That has been done by every President from George Washington on.

Mr. Speaker, that does not mean the President is causing this. This is the first Congress in history, with a Republican Speaker as its leader, to say, ''When the President vetoes, we shut down the Government until we force him to his knees.'' That is what is happening here, and let the American people hear it.

Again, a veto happens all the time, has happened hundreds of times. That is not what is shutting the Government down. I just want to make this point again. It happens all the time.

What is different today, for the first time in history a political party has the temerity, has the gall to say to the President, ''Unless you do it my way, we are shutting the Government down.'' And who loses? Who loses are the brave men and women whom we both support: Law enforcement, the FBI. They get half pay. They do not know what their health benefits are going to be next week. Shame on you.

Mr. ROGERS. Mr. Speaker, I yield such time as he may consume to the gentleman from Nebraska [Mr. BEREUTER].

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

Mr. BEREUTER. Mr. Speaker, I rise in strong support of the override of the Presidential veto.

Mr. Speaker, this Member rises in strong support for an override of the Presidential veto of H.R. 2076, the Commerce, Justice, State Appropriations Act.

For those in this body interested in putting Federal employees back to work, this vote presents an opportunity to immediately restore funds for three extremely important agencies. Tens of thousands of Government workers will go back to work if we override the President's ill-conceived veto.

My colleagues have offered excellent reasons to vote in favor of the Justice Department provisions of H.R. 2076. It provides bloc grants to get cops on the street while avoiding the cookie-cutter, one-size-fits-all Federal bureaucracy, and funds an additional 1,000 border patrol agents to combat illegal immigration. As my colleague, the chairman of the Commerce, Justice, State Subcommittee, the distinguished gentleman from Kentucky [Mr. ROGERS], has noted, it is a good, tough, anticrime bill.

But this Member, as vice-chairman of the Committee on International Relations, would alert his colleagues to some of the implications of the continued shutdown of the Department of State. We have sent representatives to every country on earth, and now we are refusing to support them. High-risk posts, such as Lebanon, Pakistan, and the Central Asian Republics, can no longer pay for personal security. In many of these locations, American diplomats are open targets. Two State Department employees were recently assassinated in Karachi. And now we cannot pay guards to protect these employees. My colleagues, this is just plain wrong.

Certainly most congressional offices have been contacted by angry constituents unable to get a passport. According to today's Washington Post, we now have a backlog of 200,000 passport applications waiting to be processed. In some cases, people with real family emergencies are finding it impossible to reach their destination because the State Department passport office is closed.

Likewise, individuals seeking to come to the United States are finding it impossible to get visas from our overseas Embassies. My colleagues, the Untied States is losing hundreds of millions of dollars daily because foreign tourists are unable to fulfill their vacation plans. This Member has been to American consular sections in places like Seoul, Korea, where even under normal conditions the line to get an American visa can be blocks long—with each visa applicant ready to spend thousands of dollars in the United States if given the opportunity.

In addition, our Embassies are beginning to face litigation or loss of basic services because of failure to pay our bills. This is not a trivial matter. Licenses for the sale of high-technology equipment are not being processed, and American commercial service centers have closed their doors. The United States compound in Vietnam is having its electricity cut off for failure to pay its bill. Drinking water is being shut off at the United States special interests section in Cuba. The Government of Bangladesh, one of the poorest nations on Earth, has offered us a loan to keep operations up and running. The United States simply cannot continue to function in this way—we are abnegating our basic international responsibilities.

Mr. Speaker, there are many reasons to support H.R. 2076. Overriding the Presidential veto will restore a range of basic services that currently are denied to the American people. Overriding the Presidential veto will get Federal employees back to work. Overriding the Presidential veto is just, plain good Government.

This Member urges his colleagues to vote in favor of H.R. 2076.

Mr. ROGERS. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. GUTKNECHT].

Mr. GUTKNECHT. Mr. Speaker, I represent two Federal prison facilities in my district. Last week I was advised that the guards would not be paid, but some of the inmates would. This is the perverse consequence of a Washington-knows-best mentality. It is precisely this mentality that this bill attempts to change.

Even the Washington Post editorial board on September 21 of last year, which is hardly a Republican propaganda organ, says that our approach makes more sense: Crime is primarily a State and local issue.

Mr. Speaker, let us grant locals some flexibility in dealing with it. Let us end this absurdity. Let us override this veto.

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

Mr. Speaker, let us get it straight. Who is saying that, ''If I do not get it my way, I am going to shut the Government down''? It is the President. In his veto message he says, as I have said, ''I will not sign any version of this bill that does not fund the COPS initiative as a freestanding, discretionary, grant program as authorized.''

''If I do not get my way I will shut the Government down, and I vetoed the bill,'' and so there it is. The President vetoed the bill that funds the State Department, the Commerce Department, the Justice Department, the Judiciary, 20 independent agencies, and said, ''So there.''

We are saying to our colleagues on the other side, This is your time, Members of Congress. If you want to put 206,000 American workers in the Government back to work, vote yes on this bill. If you want to keep them out and deny them paychecks, vote no. But now is your chance.

Mr. Speaker, my colleagues on the other side have all made speeches right here: ''If I had the vote, I would put them all back to work.'' Mr. Speaker, my colleagues have got it right now. Vote ''yes.'' Put them back to work.

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

Mr. HOYER. Mr. Speaker, with the passage of the 1994 crime bill, we made a landmark commitment to provide an additional 100,000 police officers on the streets and sidewalks of our communities across America. When I talk to law enforcement officers and members of orange hat patrols, PTA presidents and parents in my district, they tell me that putting cops on the beat is the best way to fight crime. These officers walk the streets of our communities, get to know the people they serve, and the community members to get to know them. Their presence deters crime and instills a sense of safety in our neighborhoods.

But the Commerce, Justice, State apprpopriations bill which has been adopted by the Republican majority of this House eviscerates the COPS Program and its goal. This was the primary reasons President Clinton vetoed this bill. I applaud his actions, and urge my colleagues to sustain his veto.

No one can argue that the COPS Program isn't working. In the Fifth District of Maryland, the towns of Crofton, La Plata, Greenbelt, Laurel, Hyattsville, and the counties of Anne Arundel, Calvert, Charles, and Prince George's have all received funds to hire additional police officers. More than half the police departments in the country have been scheduled to receive additional officers.

Why are the Republicans dismantling this effective program? Why are they eliminating the funding for community officers? Why are they lumping money for COPS into a block grant that adds bureaucracy? Sheriffs across the country, including those in my district, Republican and Democrat alike, are opposed to this change. Fred Davis, the sheriff of Charles County and a Republican, told me that he wanted this funding to remain intact. Block granting it, he argues, will jeopardize the goal of adding 100,000 cops. ''My concern is that would be lost,'' he says. If the money is given to States, it ''could be used for other programs. I think to change the way it is now done adds another layer of bureaucracy. It's going to slow things down.'' Our superintendent of the Maryland State Police, David Mitchell, has also voiced his support for the COPS Program and I would like to submit it for the RECORD.

Mr. Speaker, the Republicans in the House should listen to the voices of those like Sheriff Davis, Chief Mitchell and law enforcement organizations like the Fraternal Order of Police, the National Association of Police Organizations, and the National Sheriffs' Association, and keep street smart law enforcement officers on the streets of America.

Crime is a national emergency. We know that putting more police on the streets is an effective response to this crisis. We know that the COPS Program puts police officers in the place where they make the most difference—on the streets. I urge my colleagues to uphold the President's veto and support the Cops on the Beat Program.

STATE OF MARYLAND,
DEPARTMENT OF MARYLAND
STATE POLICE,
Pikesville, MD, January 3, 1996.

Hon. STENY HAMILTON HOYER,
U.S. House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE HOYER: The Violent Crime Control and Law Enforcement Act of 1994 provides needed assistance to many governmental agencies. In particular, the Community Oriented Policy Services (COPS) program provides much needed funding for manpower and equipment for the law enforcement community. Moreover, the COPS program provides an excellent framework from which to build a consistent community policing approach throughout the country. Additionally, many police departments would not otherwise be able to afford implementation of this innovative approach to policing without federal assistance.

Another extremely important component of the violent Crime Control Act is funding for addressing the problem of violence against women. The law enforcement community benefits greatly from funding for education, training and the formation of special investigative units to fight this terrible plague on society. Without continued funding many gains will be negated.

Should funding for this important act diminish or be abolished, the adverse impact will be felt at state and local levels throughout our country. Without the centralized administration and direction from the COPS office, much progress in these important endeavors will be lost. Ceasing these programs in their infancy will cause disruption in service to our communities, as most state and local governments cannot afford to pick up lost funding with local funds at this time.

As this act is of vital importance to the communities in Maryland, I strongly urge your support for continued funding by the federal government. The partnership currently in place among the federal, state and local governments, the police and our communities is far too important to allow to dissolve.

Sincerely,

DAVID B. MITCHELL,
Superintendent.

Mrs. MORELLA. Mr. Speaker, I rise to support overriding the President's veto of the Commerce-Justice-State fiscal year 1996 appropriations bill.

For more than 2 weeks, Federal workers within the affected agencies of this bill, have not been paid to perform the crucial services which this bill funds. This bill funds 3 Cabinet departments, the Supreme Court, the Federal judiciary, the U.S. Trade Representative, and 22 independent agencies.

The bill is diverse. It funds such disparate agencies as the Federal Bureau of Investigation [FBI], the Small Business Administration [SBA], the Securities and Exchange Commission [SEC], the United States Information Agency [USIA], the Legal Services Corporation, and the National Marine Fisheries Service. By overriding the President's veto today, we can return these Federal workers to work tomorrow.

Federal employees want to work. They want to go back and perform their vital and necessary functions—processing passports and visas, implementing strong crimefighting measures, collecting important commerce data, and allowing our Nation to be more globally competitive, among other critical duties.

Mr. Speaker, it's important to note that this bill also funds programs which are important to law enforcement and our economic competitiveness. During consideration of the conference report last month, I pointed out that funding for the Violence Against Women Act [VAWA] and other legal and law enforcement programs critical to the well-being of American families needed to be funded.

The bill also funds the National Institute of Standards and Technology [NIST], the only Federal laboratory specifically charged with the mission of assisting U.S. industry. The bill funds the vital measurement and standards activities and other basic science research of the NIST laboratories upon which industry significantly relies.

The bill also provides NIST funding for its Manufacturing Extension Partnership [MEP] Program, the Malcolm Baldrige National Quality Awards Program, and NIST Construction of Facilities Program, which is vital for NIST to be able to continue meeting its mission in the future.

Mr. Speaker, it's time to return our Federal workers to work. I urge my colleagues to override the President's veto of this bill.

Mr. TAYLOR of North Carolina. Mr. Speaker, I rise in support of the Commerce, Justice, State and Judiciary Appropriations Act, and in support of overriding the President's veto. This bill does exactly what needs to be done in this time of fiscal restraint: It sets priorities and it trims the fat.

This bill recognizes the fact that President Clinton's COPS Program is a myth; the communities will never see the 100,000 cops that the President has promised—the numbers just don't add up.

Instead, the bill empowers communities by providing for the block grants that passed as part of the Contract With America. We offer more funding and more flexibility; most of all, we have an approach that is realistic and very workable. It places power in the hands of our local governments, who can use the money to address the problems unique to their area.

This legislation also reduces funding for the Legal Services Corporation [LSC], an entity that has systematically abused taxpayer money by, for example, representing drug dealers in public housing. I would have preferred to eliminate the LSC altogether, but the bill makes a step in the right direction by placing restrictions on the types of cases it can engage in.

We also devote additional resources to combat illegal immigration by providing increased resources for the Immigration and Naturalization Service [INS]. New border patrol agents will enable us to police our borders more effectively, thus preventing the problems that arise once the illegals sneak in.

Mr. Chairman, I therefore urge my fellow Members to vote in support of overriding the President's veto of this Commerce, Justice, State and Judiciary Appropriations Act. Let's get the Federal workers in these Departments back to work.

The SPEAKER pro tempore (Mr. WALKER). Without objection, the previous question is ordered.

There was no objection.

The SPEAKER pro tempore. The question is, Will the House, on reconsideration, pass the bill, the objections of the President to the contrary notwithstanding?

Under the Constitution, this vote must be determined by the yeas and nays.

The vote was taken by electronic device, and there were—yeas 240, nays 159, not voting 34, as follows:

[Roll No. 4]

YEAS—240

Allard
Archer
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Calvert
Camp
Campbell
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
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hunter
Hyde
Inglis
Istook
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Livingston
LoBiondo
Longley
Lucas
Luther
Manzullo
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Minge
Molinari
Montgomery
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Nussle
Oxley
Packard
Parker
Paxon
Payne (VA)
Petri
Pombo
Porter
Pryce
Radanovich
Ramstad
Regula
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Spence
Stearns
Stenholm
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Waldholtz
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—159

Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Berman
Bevill
Bishop
Bonior
Borski
Brown (CA)
Cardin
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Danner
de la Garza
DeLauro
Dellums
Deutsch
Dicks
Dingell
Doggett
Dooley
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gonzalez
Green
Gutierrez
Hall (OH)
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Menendez
Miller (CA)
Mink
Moakley
Mollohan
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Portman
Poshard
Quinn
Rahall
Rangel
Reed
Richardson
Rose
Roybal-Allard
Sabo
Sanders
Sanford
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Slaughter
Spratt
Stokes
Stupak
Tanner
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Velazquez
Vento
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wise
Woolsey
Wynn
Yates

NOT VOTING—34

Abercrombie
Armey
Brown (FL)
Brown (OH)
Bryant (TX)
Callahan
Chapman
Clay
DeFazio
Dixon
Fazio
Fields (TX)
Gallegly
Gephardt
Gibbons
Hoke
Hutchinson
LaTourette
Lightfoot
Meek
Mfume
Norwood
Pelosi
Quillen
Rush
Sawyer
Shuster
Souder
Stark
Stockman
Studds
Visclosky
Wilson
Wyden

□ 1724

The Clerk announced the following pairs:

On this vote:

Mr. Armey and Mr. Hoke for, with Mr. Abercrombie against.

Mr. Lightfoot and Mr. Quillen for, with Mr. DeFazio against.

Mr. BARCIA and Mr. DICKS changed their vote from ''yea'' to ''nay.''

So, two-thirds not having voted in favor thereof, the veto of the President was sustained and the bill was rejected.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. WALKER). The message and the bill are referred to the Committee on Appropriations.

The Clerk will notify the Senate of the action of the House.

PERSONAL EXPLANATION

Mr. RUSH. Mr. Speaker, during rollcall vote No. 4 on H.R. 2076. I was unavoidably detained. Had I been present I would have voted ''nay.''

PERSONAL EXPLANATION

Mr. LATOURETTE. Mr. Speaker, unfortunately, due to the inclement weather in the Cleveland area, I was unable to arrive in Washington in time for votes this afternoon. As a result, I was unable to vote on rollcall votes No. 1—procedural vote—quorum call—2, 3, and 4. However, had I been present I would have voted "yes" on rollcall votes Nos. 2, 3, 4, and "present" on rollcall vote No. 1.

FARM CREDIT SYSTEM REFORM ACT OF 1996

Mr. EMERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2029) to amend the Farm Credit Act of 1971 to provide regulatory relief, and for other purposes, with Senate amendments thereto, and concur in the Senate amendment to the title of the bill and concur in the Senate amendment to the text of the bill with an amendment.

The SPEAKER pro tempore. Is this a unanimous-consent request that has been cleared?

Mr. EMERSON. Mr. Speaker, this is a unanimous-consent request that has been cleared by both leaders and by the committee chairmen and ranking member on each side.

The SPEAKER pro tempore. The Clerk will report the title of the bill and the proposed amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments and the House amendment to the Senate amendments as follows:

Senate Amendments:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Farm Credit System Reform Act of 1996''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—AGRICULTURAL MORTGAGE SECONDARY MARKET

Sec. 101. Definition of real estate.
Sec. 102. Definition of certified facility.
Sec. 103. Duties of Federal Agricultural Mortgage Corporation.
Sec. 104. Powers of the Corporation.
Sec. 105. Federal reserve banks as depositaries and fiscal agents.
Sec. 106. Certification of agricultural mortgage marketing facilities.
Sec. 107. Guarantee of qualified loans.
Sec. 108. Mandatory reserves and subordinated participation interests eliminated.
Sec. 109. Standards requiring diversified pools.
Sec. 110. Small farms.
Sec. 111. Definition of an affiliate.
Sec. 112. State usury laws superseded.
Sec. 113. Extension of capital transition period.
Sec. 114. Minimum capital level.
Sec. 115. Critical capital level.
Sec. 116. Enforcement levels.
Sec. 117. Recapitalization of the Corporation.
Sec. 118. Liquidation of the Federal Agricultural Mortgage Corporation.

TITLE II—REGULATORY RELIEF

Sec. 201. Compensation of association personnel.
Sec. 202. Use of private mortgage insurance.
Sec. 203. Removal of certain borrower reporting requirement.
Sec. 204. Reform of regulatory limitations on dividend, member business, and voting practices of eligible farmer-owned cooperatives.
Sec. 205. Removal of Federal Government certification requirement for certain private sector financings.
Sec. 206. Borrower stock.
Sec. 207. Disclosure relating to adjustable rate loans.
Sec. 208. Borrowers' rights.
Sec. 209. Formation of administrative service entities.
Sec. 210. Joint management agreements.
Sec. 211. Dissemination of quarterly reports.
Sec. 212. Regulatory review.
Sec. 213. Examination of farm credit system institutions.
Sec. 214. Conservatorships and receiverships.
Sec. 215. Farm Credit Insurance Fund operations.
Sec. 216. Examinations by the Farm Credit System Insurance Corporation.
Sec. 217. Powers with respect to troubled insured system banks.
Sec. 218. Oversight and regulatory actions by the Farm Credit System Insurance Corporation.
Sec. 219. Farm Credit System Insurance Corporation Board of Directors.
Sec. 220. Interest rate reduction program.
Sec. 221. Liability for making criminal referrals.

TITLE III—NATIONAL NATURAL RESOURCES CONSERVATION FOUNDATION

Sec. 301. Short title.
Sec. 302. Definitions.
Sec. 303. National Natural Resources Conservation Foundation.
Sec. 304. Composition and operation.
Sec. 305. Officers and employees.
Sec. 306. Corporate powers and obligations of the Foundation.
Sec. 307. Administrative services and support.
Sec. 308. Audits and petition of Attorney General for equitable relief.
Sec. 309. Release from liability.
Sec. 310. Authorization of appropriations.

TITLE IV—IMPLEMENTATION AND EFFECTIVE DATE

Sec. 401. Implementation.
Sec. 302. Effective Date.

TITLE I—AGRICULTURAL MORTGAGE SECONDARY MARKET

SEC. 101. DEFINITION OF REAL ESTATE.

Section 8.0(1)(B)(ii) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(1)(B)(ii)) is amended by striking ''with a purchase price'' and inserting '', excluding the land to which the dwelling is affixed, with a value''.

SEC. 102. DEFINITION OF CERTIFIED FACILITY.

Section 8.0(3) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(3)) is amended—

(1) in subparagraph (A), by striking ''a secondary marketing agricultural loan'' and inserting ''an agricultural mortgage marketing''; and

(2) in subparagraph (B), by striking '', but only'' and all that follows through ''(9)(B)''.

SEC. 103. DUTIES OF FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Section 8.1(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–1(b)) is amended—

(1) in paragraph (2), by striking ''and'' at the end;

(2) in paragraph (3), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(4) purchase qualified loans and issue securities representing interests in, or obligations backed by, the qualified loans, guaranteed for the timely repayment of principal and interest.''.

SEC. 104. POWERS OF THE CORPORATION.

Section 8.3(c) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–3(c)) is amended—

(1) by redesignating paragraphs (13) and (14) as paragraphs (14) and (15), respectively; and

(2) by inserting after paragraph (12) the following:

''(13) To purchase, hold, sell, or assign a qualified loan, to issue a guaranteed security, representing an interest in, or an obligation backed by, the qualified loan, and to perform all the functions and responsibilities of an agricultural mortgage marketing facility operating as a certified facility under this title.''.

SEC. 105. FEDERAL RESERVE BANKS AS DEPOSITARIES AND FISCAL AGENTS.

Section 8.3 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–3) is amended—

(1) in subsection (d), by striking ''may act as depositories for, or'' and inserting ''shall act as depositories for, and''; and

(2) in subsection (e), by striking ''Secretary of the Treasury may authorize the Corporation to use'' and inserting ''Corporation shall have access to''.

SEC. 106. CERTIFICATION OF AGRICULTURAL MORTGAGE MARKETING FACILITIES.

Section 8.5 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–5) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by inserting ''(other than the Corporation)'' after ''agricultural mortgage marketing facilities''; and

(B) in paragraph (2), by inserting ''(other than the Corporation)'' after ''agricultural mortgage marketing facility''; and

(2) in subsection (e)(1), by striking ''(other than the Corporation)''.

SEC. 107. GUARANTEE OF QUALIFIED LOANS.

Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6) is amended—

(1) in subsection (a)(1)—

(A) by striking ''Corporation shall guarantee'' and inserting the following: ''Corporation—

''(A) shall guarantee'';

(B) by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(B) may issue a security, guaranteed as to the timely payment of principal and interest, that represents an interest solely in, or an obligation fully backed by, a pool consisting of qualified loans that—

''(i) meet the standards established under section 8.8; and

''(ii) have been purchased and held by the Corporation.'';

(2) in subsection (d)—

(A) by striking paragraph (4); and

(B) by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively; and

(3) in subsection (g)(2), by striking ''section 8.0(9)(B))'' and inserting ''section 8.0(9))''.

SEC. 108. MANDATORY RESERVES AND SUBORDINATED PARTICIPATION INTERESTS ELIMINATED.

(a) GUARANTEE OF QUALIFIED LOANS.—Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6) is amended by striking subsection (b).

(b) RESERVES AND SUBORDINATED PARTICIPATION INTERESTS.—Section 8.7 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–7) is repealed.

(c) CONFORMING AMENDMENTS.—

(1) Section 8.0(9)(B)(i) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(9)(B)(i)) is amended by striking ''8.7, 8.8,'' and inserting ''8.8''.

(2) Section 8.6(a)(2) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6(a)(2)) is amended by striking ''subject to the provisions of subsection (b)''.

SEC. 109. STANDARDS REQUIRING DIVERSIFIED POOLS.

(a) IN GENERAL.—Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6) (as amended by section 108) is amended—

(1) by striking subsection (c); and

(2) by redesignating subsections (d) through (g) as subsections (b) through (e), respectively.

(b) CONFORMING AMENDMENTS.—

(1) Section 8.0(9)(B)(i) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(9)(B)(i)) is amended by striking ''(f)'' and inserting ''(d)''.

(2) Section 8.13(a) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–13(a)) is amended by striking ''sections 8.6(b) and'' in each place it appears and inserting ''section''.

(3) Section 8.32(b)(1)(C) of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–1(b)(1)(C)) is amended by striking ''under section 8.6(b)(2)''.

(4) Section 8.6(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6(b)) (as redesignated by subsection (a)(2)) is amended—

(A) by striking paragraph (4) (as redesignated by section 107(2)(B)); and

(B) by redesignating paragraphs (5) and (6) (as redesignated by section 107(2)(B)) as paragraphs (4) and (5), respectively.

SEC. 110. SMALL FARMS.

Section 8.8(e) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–8(e)) is amended by adding at the end the following: ''The Board shall promote and encourage the inclusion of qualified loans for small farms and family farmers in the agricultural mortgage secondary market.''.

SEC. 111. DEFINITION OF AN AFFILIATE.

Section 8.11(e) of the Farm Credit Act of 1971 (21 U.S.C. 2279aa–11(e)) is amended—

(1) by striking ''a certified facility or''; and

(2) by striking ''paragraphs (3) and (7), respectively, of section 8.0'' and inserting ''section 8.0(7)''.

SEC. 112. STATE USURY LAWS SUPERSEDED.

Section 8.12 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–12) is amended by striking subsection (d) and inserting the following:

''(d) STATE USURY LAWS SUPERSEDED.—A provision of the Constitution or law of any State shall not apply to an agricultural loan made by

an originator or a certified facility in accordance with this title for sale to the Corporation or to a certified facility for inclusion in a pool for which the Corporation has provided, or has committed to provide, a guarantee, if the loan, not later than 180 days after the date the loan was made, is sold to the Corporation or included in a pool for which the Corporation has provided a guarantee, if the provision—

''(1) limits the rate or amount of interest, discount points, finance charges, or other charges that may be charged, taken, received, or reserved by an agricultural lender or a certified facility; or

''(2) limits or prohibits a prepayment penalty (either fixed or declining), yield maintenance, or make-whole payment that may be charged, taken, or received by an agricultural lender or a certified facility in connection with the full or partial payment of the principal amount due on a loan by a borrower in advance of the scheduled date for the payment under the terms of the loan, otherwise known as a prepayment of the loan principal.''.

SEC. 113. EXTENSION OF CAPITAL TRANSITION PERIOD.

Section 8.32 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–1) is amended—

(1) in the first sentence of subsection (a), by striking ''Not later than the expiration of the 2-year period beginning on December 13, 1991,'' and inserting ''Not sooner than the expiration of the 3-year period beginning on the date of enactment of the Farm Credit System Reform Act of 1996,'';

(2) in the first sentence of subsection (b)(2), by striking ''5-year'' and inserting ''8-year''; and

(3) in subsection (d)—

(A) in the first sentence—

(i) by striking ''The regulations establishing'' and inserting the following:

''(1) IN GENERAL.—The regulations establishing''; and

(ii) by striking ''shall contain'' and inserting the following: ''shall—

''(A) be issued by the Director for public comment in the form of a notice of proposed rulemaking, to be first published after the expiration of the period referred to in subsection (a); and

''(B) contain''; and

(B) in the second sentence, by striking ''The regulations shall'' and inserting the following:

''(2) SPECIFICITY.—The regulations referred to in paragraph (1) shall''.

SEC. 114. MINIMUM CAPITAL LEVEL.

Section 8.33 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–2) is amended to read as follows:

''SEC. 8.33. MINIMUM CAPITAL LEVEL.

''(a) IN GENERAL.—Except as provided in subsection (b), for purposes of this subtitle, the minimum capital level for the Corporation shall be an amount of core capital equal to the sum of—

''(1) 2.75 percent of the aggregate on-balance sheet assets of the Corporation, as determined in accordance with generally accepted accounting principles; and

''(2) 0.75 percent of the aggregate off-balance sheet obligations of the Corporation, which, for the purposes of this subtitle, shall include—

''(A) the unpaid principal balance of outstanding securities that are guaranteed by the Corporation and backed by pools of qualified loans;

''(B) instruments that are issued or guaranteed by the Corporation and are substantially equivalent to instruments described in subparagraph (A); and

''(C) other off-balance sheet obligations of the Corporation.

''(b) TRANSITION PERIOD.—

''(1) IN GENERAL.—For purposes of this subtitle, the minimum capital level for the Corporation—

''(A) prior to January 1, 1997, shall be the amount of core capital equal to the sum of—

''(i) 0.45 percent of aggregate off-balance sheet obligations of the Corporation;

''(ii) 0.45 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

''(iii) 2.50 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2);

''(B) during the 1-year period ending December 31, 1997, shall be the amount of core capital equal to the sum of—

''(i) 0.55 percent of aggregate off-balance sheet obligations of the Corporation;

''(ii) 1.20 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

''(iii) 2.55 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2);

''(C) during the 1-year period ending December 31, 1998, shall be the amount of core capital equal to—

''(i) if the Corporation's core capital is not less than $25,000,000 on January 1, 1998, the sum of—

''(I) 0.65 percent of aggregate off-balance sheet obligations of the Corporation;

''(II) 1.95 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

''(III) 2.65 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2); or

''(ii) if the Corporation's core capital is less than $25,000,000 on January 1, 1998, the amount determined under subsection (a); and

''(D) on and after January 1, 1999, shall be the amount determined under subsection (a).

''(2) DESIGNATED ON-BALANCE SHEET ASSETS.—For purposes of this subsection, the designated on-balance sheet assets of the Corporation shall be—

''(A) the aggregate on-balance sheet assets of the Corporation acquired under section 8.6(e); and

''(B) the aggregate amount of qualified loans purchased and held by the Corporation under section 8.3(c)(13).''.

SEC. 115. CRITICAL CAPITAL LEVEL.

Section 8.34 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–3) is amended to read as follows:

''SEC. 8.34. CRITICAL CAPITAL LEVEL.

''For purposes of this subtitle, the critical capital level for the Corporation shall be an amount of core capital equal to 50 percent of the total minimum capital amount determined under section 8.33.''.

SEC. 116. ENFORCEMENT LEVELS.

Section 8.35(e) of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–4(e)) is amended by striking ''during the 30-month period beginning on the date of enactment of this section,'' and inserting ''during the period beginning on December 13, 1991, and ending on the effective date of the risk based capital regulation issued by the Director under section 8.32,''.

SEC. 117. RECAPITALIZATION OF THE CORPORATION.

Title VIII of the Farm Credit Act of 1971 (12 U.S.C. 2279aa et seq.) is amended by adding at the end the following:

''SEC. 8.38. RECAPITALIZATION OF THE CORPORATION.

''(a) MANDATORY RECAPITALIZATION.—The Corporation shall increase the core capital of the Corporation to an amount equal to or greater than $25,000,000, not later than the earlier of—

''(1) the date that is 2 years after the date of enactment of this section; or

''(2) the date that is 180 days after the end of the first calendar quarter that the aggregate on-balance sheet assets of the Corporation, plus the outstanding principal of the off-balance sheet obligations of the Corporation, equal or exceed $2,000,000,000.

''(b) RAISING CORE CAPITAL.—In carrying out this section, the Corporation may issue stock under section 8.4 and otherwise employ any recognized and legitimate means of raising core capital in the power of the Corporation under section 8.3.

''(c) LIMITATION ON GROWTH OF TOTAL ASSETS.—During the 2-year period beginning on the date of enactment of this section, the aggregate on-balance sheet assets of the Corporation plus the outstanding principal of the off-balance sheet obligations of the Corporation may not exceed $3,000,000,000 if the core capital of the Corporation is less than $25,000,000.

''(d) ENFORCEMENT.—If the Corporation fails to carry out subsection (a) by the date required under paragraph (1) or (2) of subsection (a), the Corporation may not purchase a new qualified loan or issue or guarantee a new loan-backed security until the core capital of the Corporation is increased to an amount equal to or greater than $25,000,000.''.

SEC. 118. LIQUIDATION OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Title VIII of the Farm Credit Act of 1971 (12 U.S.C. 2279aa et seq.) (as amended by section 117) is amended by adding at the end the following:

''Subtitle C—Receivership, Conservatorship, and Liquidation of the Federal Agricultural Mortgage Corporation

''SEC. 8.41. CONSERVATORSHIP; LIQUIDATION; RECEIVERSHIP.

''(a) VOLUNTARY LIQUIDATION.—The Corporation may voluntarily liquidate only with the consent of, and in accordance with a plan of liquidation approved by, the Farm Credit Administration Board.

''(b) INVOLUNTARY LIQUIDATION.—

''(1) IN GENERAL.—The Farm Credit Administration Board may appoint a conservator or receiver for the Corporation under the circumstances specified in section 4.12(b).

''(2) APPLICATION.—In applying section 4.12(b) to the Corporation under paragraph (1)—

''(A) the Corporation shall also be considered insolvent if the Corporation is unable to pay its debts as they fall due in the ordinary course of business;

''(B) a conservator may also be appointed for the Corporation if the authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended; and

''(C) a receiver may also be appointed for the Corporation if—

''(i)(I) the authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended; or

''(II) the Corporation is classified under section 8.35 as within level III or IV and the alternative actions available under subtitle B are not satisfactory; and

''(ii) the Farm Credit Administration determines that the appointment of a conservator would not be appropriate.

''(3) NO EFFECT ON SUPERVISORY ACTIONS.—The grounds for appointment of a conservator for the Corporation under this subsection shall be in addition to those in section 8.37.

''(c) APPOINTMENT OF CONSERVATOR OR RECEIVER.—

''(1) QUALIFICATIONS.—Notwithstanding section 4.12(b), if a conservator or receiver is appointed for the Corporation, the conservator or receiver shall be—

''(A) the Farm Credit Administration or any other governmental entity or employee, including the Farm Credit System Insurance Corporation; or

''(B) any person that—

''(i) has no claim against, or financial interest in, the Corporation or other basis for a conflict of interest as the conservator or receiver; and

''(ii) has the financial and management expertise necessary to direct the operations and affairs of the Corporation and, if necessary, to liquidate the Corporation.

''(2) COMPENSATION.—

''(A) IN GENERAL.—A conservator or receiver for the Corporation and professional personnel (other than a Federal employee) employed to represent or assist the conservator or receiver may be compensated for activities conducted as, or for, a conservator or receiver.

''(B) LIMIT ON COMPENSATION.—Compensation may not be provided in amounts greater than the compensation paid to employees of the Federal Government for similar services, except that the Farm Credit Administration may provide for compensation at higher rates that are not in excess of rates prevailing in the private sector if the Farm Credit Administration determines that compensation at higher rates is necessary in order to recruit and retain competent personnel.

''(C) CONTRACTUAL ARRANGEMENTS.—The conservator or receiver may contract with any governmental entity, including the Farm Credit System Insurance Corporation, to make personnel, services, and facilities of the entity available to the conservator or receiver on such terms and compensation arrangements as shall be mutually agreed, and each entity may provide the same to the conservator or receiver.

''(3) EXPENSES.—A valid claim for expenses of the conservatorship or receivership (including compensation under paragraph (2)) and a valid claim with respect to a loan made under subsection (f) shall—

''(A) be paid by the conservator or receiver from funds of the Corporation before any other valid claim against the Corporation; and

''(B) may be secured by a lien, on such property of the Corporation as the conservator or receiver may determine, that shall have priority over any other lien.

''(4) LIABILITY.—If the conservator or receiver for the Corporation is not a Federal entity, or an officer or employee of the Federal Government, the conservator or receiver shall not be personally liable for damages in tort or otherwise for an act or omission performed pursuant to and in the course of the conservatorship or receivership, unless the act or omission constitutes gross negligence or any form of intentional tortious conduct or criminal conduct.

''(5) INDEMNIFICATION.—The Farm Credit Administration may allow indemnification of the conservator or receiver from the assets of the conservatorship or receivership on such terms as the Farm Credit Administration considers appropriate.

''(d) JUDICIAL REVIEW OF APPOINTMENT.—

''(1) IN GENERAL.—Notwithstanding subsection (i)(1), not later than 30 days after a conservator or receiver is appointed under subsection (b), the Corporation may bring an action in the United States District Court for the District of Columbia for an order requiring the Farm Credit Administration Board to remove the conservator or receiver. The court shall, on the merits, dismiss the action or direct the Farm Credit Administration Board to remove the conservator or receiver.

''(2) STAY OF OTHER ACTIONS.—On the commencement of an action under paragraph (1), any court having jurisdiction of any other action or enforcement proceeding authorized under this subtitle to which the Corporation is a party shall stay the action or proceeding during the pendency of the action for removal of the conservator or receiver.

''(e) GENERAL POWERS OF CONSERVATOR OR RECEIVER.—The conservator or receiver for the Corporation shall have powers comparable to the powers available to a conservator or receiver appointed pursuant to section 4.12(b).

''(f) BORROWINGS FOR WORKING CAPITAL.—

''(1) IN GENERAL.—If the conservator or receiver of the Corporation determines that it is likely that there will be insufficient funds to pay the ongoing administrative expenses of the conservatorship or receivership or that there will be insufficient liquidity to fund maturing obligations of the conservatorship or receivership, the conservator or receiver may borrow funds in such amounts, from such sources, and at such rates of interest as the conservator or receiver considers necessary or appropriate to meet the administrative expenses or liquidity needs of the conservatorship or receivership.

''(2) WORKING CAPITAL FROM FARM CREDIT BANKS.—A Farm Credit bank may loan funds to the conservator or receiver for a loan authorized under paragraph (1) or, in the event of receivership, a Farm Credit bank may purchase assets of the Corporation.

''(g) AGREEMENTS AGAINST INTERESTS OF CONSERVATOR OR RECEIVER.—No agreement that tends to diminish or defeat the right, title, or interest of the conservator or receiver for the Corporation in any asset acquired by the conservator or receiver as conservator or receiver for the Corporation shall be valid against the conservator or receiver unless the agreement—

''(1) is in writing;

''(2) is executed by the Corporation and any person claiming an adverse interest under the agreement, including the obligor, contemporaneously with the acquisition of the asset by the Corporation;

''(3) is approved by the Board or an appropriate committee of the Board, which approval shall be reflected in the minutes of the Board or committee; and

''(4) has been, continuously, from the time of the agreement's execution, an official record of the Corporation.

''(h) REPORT TO THE CONGRESS.—On a determination by the receiver for the Corporation that there are insufficient assets of the receivership to pay all valid claims against the receivership, the receiver shall submit to the Secretary of the Treasury, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the financial condition of the receivership.

''(i) TERMINATION OF AUTHORITIES.—

''(1) CORPORATION.—The charter of the Corporation shall be canceled, and the authority provided to the Corporation by this title shall terminate, on such date as the Farm Credit Administration Board determines is appropriate following the placement of the Corporation in receivership, but not later than the conclusion of the receivership and discharge of the receiver.

''(2) OVERSIGHT.—The Office of Secondary Market Oversight established under section 8.11 shall be abolished, and section 8.11(a) and subtitle B shall have no force or effect, on such date as the Farm Credit Administration Board determines is appropriate following the placement of the Corporation in receivership, but not later than the conclusion of the receivership and discharge of the receiver.''.

TITLE II—REGULATORY RELIEF

SEC. 201. COMPENSATION OF ASSOCIATION PERSONNEL.

Section 1.5(13) of the Farm Credit Act of 1971 (12 U.S.C. 2013(13)) is amended by striking '', and the appointment and compensation of the chief executive officer thereof,''.

SEC. 202. USE OF PRIVATE MORTGAGE INSURANCE.

(a) IN GENERAL.—Section 1.10(a)(1) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)(1)) is amended by adding at the end the following:

''(D) PRIVATE MORTGAGE INSURANCE.—A loan on which private mortgage insurance is obtained may exceed 85 percent of the appraised value of the real estate security to the extent that the loan amount in excess of 85 percent is covered by the insurance.''.

(b) CONFORMING AMENDMENT.—Section 1.10(a)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)(1)(A)) is amended by striking ''paragraphs (2) and (3)'' and inserting ''subparagraphs (B), (C), and (D)''.

SEC. 203. REMOVAL OF CERTAIN BORROWER REPORTING REQUIREMENT.

Section 1.10(a) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)) is amended by striking paragraph (5).

SEC. 204. REFORM OF REGULATORY LIMITATIONS ON DIVIDEND, MEMBER BUSINESS, AND VOTING PRACTICES OF ELIGIBLE FARMER-OWNED COOPERATIVES.

(a) IN GENERAL.—Section 3.8(a) of the Farm Credit Act of 1971 (12 U.S.C. 2129(a)) is amended by adding at the end the following: ''Any such association that has received a loan from a bank for cooperatives shall, without regard to the requirements of paragraphs (1) through (4), continue to be eligible for so long as more than 50 percent (or such higher percentage as is established by the bank board) of the voting control of the association is held by farmers, producers or harvesters of aquatic products, or eligible cooperative associations.''.

(b) CONFORMING AMENDMENT.—Section 3.8(b)(1)(D) of the Farm Credit Act of 1971 (12 U.S.C. 2129(b)(1)(D)) is amended by striking ''and (4) of subsection (a)'' and inserting ''and (4), or under the last sentence, of subsection (a)''.

SEC. 205. REMOVAL OF FEDERAL GOVERNMENT CERTIFICATION REQUIREMENT FOR CERTAIN PRIVATE SECTOR FINANCINGS.

Section 3.8(b)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2129(b)(1)(A)) is amended—

(1) by striking ''have been certified by the Administrator of the Rural Electrification Administration to be eligible for such'' and inserting ''are eligible under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) for''; and

(2) by striking ''loan guarantee, and'' and inserting ''loan guarantee from the Administration or the Bank (or a successor of the Administration or the Bank), and''.

SEC. 206. BORROWER STOCK.

Section 4.3A of the Farm Credit Act of 1971 (12 U.S.C. 2154a) is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(2) by inserting after subsection (e) the following:

''(f) LOANS DESIGNATED FOR SALE OR SOLD INTO THE SECONDARY MARKET.—

''(1) IN GENERAL.—Subject to paragraph (2) and notwithstanding any other provision of this section, the bylaws adopted by a bank or association under subsection (b) may provide—

''(A) in the case of a loan made on or after the date of enactment of this paragraph that is designated, at the time the loan is made, for sale into a secondary market, that no voting stock or participation certificate purchase requirement shall apply to the borrower for the loan; and

''(B) in the case of a loan made before the date of enactment of this paragraph that is sold into a secondary market, that all outstanding voting stock or participation certificates held by the borrower with respect to the loan shall, subject to subsection (d)(1), be retired.

''(2) APPLICABILITY.—Notwithstanding any other provision of this section, in the case of a loan sold to a secondary market under title VIII, paragraph (1) shall apply regardless of whether the bank or association retains a subordinated participation interest in a loan or pool of loans or contributes to a cash reserve.

''(3) EXCEPTION.—

''(A) IN GENERAL.—Subject to subparagraph (B) and notwithstanding any other provision of this section, if a loan designated for sale under paragraph (1)(A) is not sold into a secondary market during the 180-day period that begins on the date of the designation, the voting stock or participation certificate purchase requirement that would otherwise apply to the loan in the absence of a bylaw provision described in paragraph (1)(A) shall be effective.

''(B) RETIREMENT.—The bylaws adopted by a bank or association under subsection (b) may provide that if a loan described in subparagraph (A) is sold into a secondary market after the end of the 180-day period described in the subparagraph, all outstanding voting stock or participation certificates held by the borrower with respect to the loan shall, subject to subsection (d)(1), be retired.''.

SEC. 207. DISCLOSURE RELATING TO ADJUSTABLE RATE LOANS.

Section 4.13(a)(4) of the Farm Credit Act of 1971 (12 U.S.C. 2199(a)(4)) is amended by inserting before the semicolon at the end the following: '', and notice to the borrower of a change in the interest rate applicable to the loan of the borrower may be made within a reasonable time after the effective date of an increase or decrease in the interest rate''.

SEC. 208. BORROWERS' RIGHTS.

(a) DEFINITION OF LOAN.—Section 4.14A(a)(5) of the Farm Credit Act of 1971 (12 U.S.C. 2202a(a)(5)) is amended—

(1) by striking ''(5) LOAN.—The'' and inserting the following:

''(5) LOAN.—

''(A) IN GENERAL.—Subject to subparagraph (B), the''; and

(2) by adding at the end the following:

''(B) EXCLUSION FOR LOANS DESIGNATED FOR SALE INTO SECONDARY MARKET.—

''(i) IN GENERAL.—Except as provided in clause (ii), the term 'loan' does not include a loan made on or after the date of enactment of this subparagraph that is designated, at the time the loan is made, for sale into a secondary market.

''(ii) UNSOLD LOANS.—

''(I) IN GENERAL.—Except as provided in subclause (II), if a loan designated for sale under clause (i) is not sold into a secondary market during the 180-day period that begins on the date of the designation, the provisions of this section and sections 4.14, 4.14B, 4.14C, 4.14D, and 4.36 that would otherwise apply to the loan in the absence of the exclusion described in clause (i) shall become effective with respect to the loan.

''(II) LATER SALE.—If a loan described in subclause (I) is sold into a secondary market after the end of the 180-day period described in subclause (I), subclause (I) shall not apply with respect to the loan beginning on the date of the sale.''.

(b) BORROWERS' RIGHTS FOR POOLED LOANS.—The first sentence of section 8.9(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–9(b)) is amended by inserting ''(as defined in section 4.14A(a)(5))'' after ''application for a loan''.

SEC. 209. FORMATION OF ADMINISTRATIVE SERVICE ENTITIES.

Part E of title IV of the Farm Credit Act of 1971 is amended by inserting after section 4.28 (12 U.S.C. 2214) the following:

''SEC. 4.28A. DEFINITION OF BANK.

''In this part, the term 'bank' includes each association operating under title II.''.

SEC. 210. JOINT MANAGEMENT AGREEMENTS.

The first sentence of section 5.17(a)(2)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2252(a)(2)(A)) is amended by striking ''or management agreements''.

SEC. 211. DISSEMINATION OF QUARTERLY REPORTS.

Section 5.17(a)(8) of the Farm Credit Act of 1971 (12 U.S.C. 2252(a)(8)) is amended by inserting after ''except that'' the following: ''the requirements of the Farm Credit Administration governing the dissemination to stockholders of quarterly reports of System institutions may not be more burdensome or costly than the requirements applicable to national banks, and''.

SEC. 212. REGULATORY REVIEW.

(a) FINDINGS.—Congress finds that—

(1) the Farm Credit Administration, in the role of the Administration as an arms-length safety and soundness regulator, has made considerable progress in reducing the regulatory burden on Farm Credit System institutions;

(2) the efforts of the Farm Credit Administration described in paragraph (1) have resulted in cost savings for Farm Credit System institutions; and

(3) the cost savings described in paragraph (2) ultimately benefit the farmers, ranchers, agricultural cooperatives, and rural residents of the United States.

(b) CONTINUATION OF REGULATORY REVIEW.—The Farm Credit Administration shall continue the comprehensive review of regulations governing the Farm Credit System to identify and eliminate, consistent with law, safety, and soundness, all regulations that are unnecessary, unduly burdensome or costly, or not based on law.

SEC. 213. EXAMINATION OF FARM CREDIT SYSTEM INSTITUTIONS.

The first sentence of section 5.19(a) of the Farm Credit Act of 1971 (12 U.S.C. 2254(a)) is amended by striking ''each year'' and inserting ''during each 18-month period''.

SEC. 214. CONSERVATORSHIPS AND RECEIVERSHIPS.

(a) DEFINITIONS.—Section 5.51 of the Farm Credit Act of 1971 (12 U.S.C. 2277a) is amended—

(1) by striking paragraph (5); and

(2) by redesignating paragraph (6) as paragraph (5).

(b) GENERAL CORPORATE POWERS.—Section 5.58 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–7) is amended by striking paragraph (9) and inserting the following:

''(9) CONSERVATOR OR RECEIVER.—The Corporation may act as a conservator or receiver.''.

SEC. 215. FARM CREDIT INSURANCE FUND OPERATIONS.

(a) ADJUSTMENT OF PREMIUMS.—

(1) IN GENERAL.—Section 5.55(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4(a)) is amended—

(A) in paragraph (1), by striking ''Until the aggregate of amounts in the Farm Credit Insurance Fund exceeds the secure base amount, the annual premium due from any insured System bank for any calendar year'' and inserting the following: ''If at the end of any calendar year the aggregate of amounts in the Farm Credit Insurance Fund does not exceed the secure base amount, subject to paragraph (2), the annual premium due from any insured System bank for the calendar year'';

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following:

''(2) REDUCED PREMIUMS.—The Corporation, in the sole discretion of the Corporation, may reduce by a percentage uniformly applied to all insured System banks the annual premium due from each insured System bank during any calendar year, as determined under paragraph (1).''.

(2) CONFORMING AMENDMENTS.—

(A) Section 5.55(b) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4(b)) is amended—

(i) by striking ''Insurance Fund'' each place it appears and inserting ''Farm Credit Insurance Fund'';

(ii) by striking ''for the following calendar year''; and

(iii) by striking ''subsection (a)'' and inserting ''subsection (a)(1)''.

(B) Section 5.56(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–5(a)) is amended by striking ''section 5.55(a)(2)'' each place it appears in paragraphs (2) and (3) and inserting ''section 5.55(a)(3)''.

(b) ALLOCATION TO INSURED SYSTEM BANKS AND OTHER SYSTEM INSTITUTIONS OF EXCESS AMOUNTS IN THE FARM CREDIT INSURANCE FUND.—Section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4) is amended by adding at the end the following:

''(e) ALLOCATION TO SYSTEM INSTITUTIONS OF EXCESS RESERVES.—

''(1) ESTABLISHMENT OF ALLOCATED INSURANCE RESERVES ACCOUNTS.—The Corporation shall establish an Allocated Insurance Reserves Account in the Farm Credit Insurance Fund—

''(A) for each insured System bank; and

''(B) subject to paragraph (6)(C), for all holders, in the aggregate, of Financial Assistance Corporation stock.

''(2) TREATMENT.—Amounts in any Allocated Insurance Reserves Account shall be considered to be part of the Farm Credit Insurance Fund.

''(3) ANNUAL ALLOCATIONS.—If, at the end of any calendar year, the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the average secure base amount for the calendar year (as calculated on an average daily balance basis), the Corporation shall allocate to the Allocated Insurance Reserves Accounts the excess amount less the amount that the Corporation, in its sole discretion, determines to be the sum of the estimated operating expenses and estimated insurance obligations of the Corporation for the immediately succeeding calendar year.

''(4) ALLOCATION FORMULA.—From the total amount required to be allocated at the end of a calendar year under paragraph (3)—

''(A) 10 percent of the total amount shall be credited to the Allocated Insurance Reserves Account established under paragraph (1)(B), subject to paragraph (6)(C); and

''(B) there shall be credited to the Allocated Insurance Reserves Account of each insured System bank an amount that bears the same ratio to the total amount (less any amount credited under subparagraph (A)) as the average principal outstanding for the 3-year period ending on the end of the calendar year on loans made by the bank that are in accrual status bears to the average principal outstanding for the 3-year period ending on the end of the calendar year on loans made by all insured System banks that are in accrual status (excluding, in each case, the guaranteed portions of government-guaranteed loans described in subsection (a)(1)(C)).

''(5) USE OF FUNDS IN ALLOCATED INSURANCE RESERVES ACCOUNTS.—To the extent that the sum of the operating expenses of the Corporation and the insurance obligations of the Corporation for a calendar year exceeds the sum of operating expenses and insurance obligations determined under paragraph (3) for the calendar year, the Corporation shall cover the expenses and obligations by—

''(A) reducing each Allocated Insurance Reserves Account by the same proportion; and

''(B) expending the amounts obtained under subparagraph (A) before expending other amounts in the Fund.

''(6) OTHER DISPOSITION OF ACCOUNT FUNDS.—

''(A) IN GENERAL.—As soon as practicable during each calendar year beginning more than 8 years after the date on which the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the secure base amount, but not earlier than January 1, 2005, the Corporation may—

''(i) subject to subparagraphs (D) and (F), pay to each insured System bank, in a manner determined by the Corporation, an amount equal to the lesser of—

''(I) 20 percent of the balance in the insured System bank's Allocated Insurance Reserves Account as of the preceding December 31; or

''(II) 20 percent of the balance in the bank's Allocated Insurance Reserves Account on the date of the payment; and

''(ii) subject to subparagraphs (C), (E), and (F), pay to each System bank and association holding Financial Assistance Corporation stock a proportionate share, determined by dividing the number of shares of Financial Assistance Corporation stock held by the institution by the total number of shares of Financial Assistance Corporation stock outstanding, of the lesser of—

''(I) 20 percent of the balance in the Allocated Insurance Reserves Account established under paragraph (1)(B) as of the preceding December 31; or

''(II) 20 percent of the balance in the Allocated Insurance Reserves Account established under paragraph (1)(B) on the date of the payment.

''(B) AUTHORITY TO ELIMINATE OR REDUCE PAYMENTS.—The Corporation may eliminate or reduce payments during a calendar year under subparagraph (A) if the Corporation determines, in its sole discretion, that the payments, or other circumstances that might require use of

the Farm Credit Insurance Fund, could cause the amount in the Farm Credit Insurance Fund during the calendar year to be less than the secure base amount.

''(C) REIMBURSEMENT FOR FINANCIAL ASSISTANCE CORPORATION STOCK.—

''(i) SUFFICIENT FUNDING.—Notwithstanding paragraph (4)(A), on provision by the Corporation for the accumulation in the Account established under paragraph (1)(B) of funds in an amount equal to $56,000,000 (in addition to the amounts described in subparagraph (F)(ii)), the Corporation shall not allocate any further funds to the Account except to replenish the Account if funds are diminished below $56,000,000 by the Corporation under paragraph (5).

''(ii) WIND DOWN AND TERMINATION.—

''(I) FINAL DISBURSEMENTS.—On disbursement of $53,000,000 (in addition to the amounts described in subparagraph (F)(ii)) from the Allocated Insurance Reserves Account, the Corporation shall disburse the remaining amounts in the Account, as determined under subparagraph (A)(ii), without regard to the percentage limitations in subclauses (I) and (II) of subparagraph (A)(ii).

''(II) TERMINATION OF ACCOUNT.—On disbursement of $56,000,000 (in addition to the amounts described in subparagraph (F)(ii)) from the Allocated Insurance Reserves Account, the Corporation shall close the Account established under paragraph (1)(B) and transfer any remaining funds in the Account to the remaining Allocated Insurance Reserves Accounts in accordance with paragraph (4)(B) for the calendar year in which the transfer occurs.

''(D) DISTRIBUTION OF PAYMENTS RECEIVED.—Not later than 60 days after receipt of a payment made under subparagraph (A)(i), each insured System bank, in consultation with affiliated associations of the insured System bank, and taking into account the direct or indirect payment of insurance premiums by the associations, shall develop and implement an equitable plan to distribute payments received under subparagraph (A)(i) among the bank and associations of the bank.

''(E) EXCEPTION FOR PREVIOUSLY REIMBURSED ASSOCIATIONS.—For purposes of subparagraph (A)(ii), in any Farm Credit district in which the funding bank has reimbursed 1 or more affiliated associations of the bank for the previously unreimbursed portion of the Financial Assistance Corporation stock held by the associations, the funding bank shall be deemed to be the holder of the shares of Financial Assistance Corporation stock for which the funding bank has provided the reimbursement.

''(F) INITIAL PAYMENT.—Notwithstanding subparagraph (A), the initial payment made to each payee under subparagraph (A) shall be in such amount determined by the Corporation to be equal to the sum of—

''(i) the total of the amounts that would have been paid if payments under subparagraph (A) had been authorized to begin, under the same terms and conditions, in the first calendar year beginning more than 5 years after the date on which the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the secure base amount and to continue through the 2 immediately subsequent years;

''(ii) interest earned on any amounts that would have been paid as described in clause (i) from the date on which the payments would have been paid as described in clause (i); and

''(iii) the payment to be made in the initial year described in subparagraph (A), based on the amount in each Account after subtracting the amounts to be paid under clauses (i) and (ii).''.

(c) TECHNICAL AMENDMENTS.—Section 5.55(d) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4(d)) is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking ''subsections (a) and (c)'' and inserting ''subsections (a), (c), and (e)''; and

(B) by striking ''a Farm Credit Bank'' and inserting ''an insured System bank''; and

(2) in paragraphs (1), (2), and (3), by striking ''Farm Credit Bank'' each place it appears and inserting ''insured System bank''.

SEC. 216. EXAMINATIONS BY THE FARM CREDIT SYSTEM INSURANCE CORPORATION.

Section 5.59(b)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–8(b)(1)(A)) is amended by adding at the end the following: ''Notwithstanding any other provision of this Act, on cancellation of the charter of a System institution, the Corporation shall have authority to examine the system institution in receivership. An examination shall be performed at such intervals as the Corporation shall determine.''.

SEC. 217. POWERS WITH RESPECT TO TROUBLED INSURED SYSTEM BANKS.

(a) LEAST-COST RESOLUTION.—Section 5.61(a)(3) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–10(a)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (F); and

(2) by striking subparagraph (A) and inserting the following:

''(A) LEAST-COST RESOLUTION.—Assistance may not be provided to an insured System bank under this subsection unless the means of providing the assistance is the least costly means of providing the assistance by the Farm Credit Insurance Fund of all possible alternatives available to the Corporation, including liquidation of the bank (including paying the insured obligations issued on behalf of the bank). Before making a least-cost determination under this subparagraph, the Corporation shall accord such other insured System banks as the Corporation determines to be appropriate the opportunity to submit information relating to the determination.

''(B) DETERMINING LEAST COSTLY APPROACH.—In determining the least costly alternative under subparagraph (A), the Corporation shall—

''(i) evaluate alternatives on a present-value basis, using a realistic discount rate;

''(ii) document the evaluation and the assumptions on which the evaluation is based, including any assumptions with regard to interest rates, asset recovery rates, asset holding costs, and payment of contingent liabilities; and

''(iii) retain the documentation for not less than 5 years.

''(C) TIME OF DETERMINATION.—

''(i) GENERAL RULE.—For purposes of this subsection, the determination of the costs of providing any assistance under any provision of this section with respect to any insured System bank shall be made as of the date on which the Corporation makes the determination to provide the assistance to the institution under this section.

''(ii) RULE FOR LIQUIDATIONS.—For purposes of this subsection, the determination of the costs of liquidation of any insured System bank shall be made as of the earliest of—

''(I) the date on which a conservator is appointed for the insured System bank;

''(II) the date on which a receiver is appointed for the insured System bank; or

''(III) the date on which the Corporation makes any determination to provide any assistance under this section with respect to the insured System bank.

''(D) RULE FOR STAND-ALONE ASSISTANCE.—Before providing any assistance under paragraph (1), the Corporation shall evaluate the adequacy of managerial resources of the insured System bank. The continued service of any director or senior ranking officer who serves in a policymaking role for the assisted insured System bank, as determined by the Corporation, shall be subject to approval by the Corporation as a condition of assistance.

''(E) DISCRETIONARY DETERMINATIONS.—Any determination that the Corporation makes under this paragraph shall be in the sole discretion of the Corporation.''.

(b) CONFORMING AMENDMENTS.—Section 5.61(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–10(a)) is amended—

(1) in paragraph (1) by striking ''IN GENERAL.—'' and inserting ''STAND-ALONE ASSISTANCE.—''; and

(2) in paragraph (2)—

(A) by striking ''ENUMERATED POWERS.—'' and inserting ''FACILITATION OF MERGERS OR CONSOLIDATION.—''; and

(B) in subparagraph (A) by striking ''FACILITATION OF MERGERS OR CONSOLIDATION.—'' and inserting ''IN GENERAL.—''.

SEC. 218. OVERSIGHT AND REGULATORY ACTIONS BY THE FARM CREDIT SYSTEM INSURANCE CORPORATION.

The Farm Credit Act of 1971 is amended by inserting after section 5.61 (12 U.S.C. 2279a–10) the following:

''SEC. 5.61A. OVERSIGHT ACTIONS BY THE CORPORATION.

''(a) DEFINITIONS.—In this section, the term 'institution' means—

''(1) an insured System bank; and

''(2) a production credit association or other association making loans under section 7.6 with a direct loan payable to the funding bank of the association that comprises 20 percent or more of the funding bank's total loan volume net of nonaccrual loans.

''(b) CONSULTATION REGARDING PARTICIPATION OF UNDERCAPITALIZED BANKS IN ISSUANCE OF INSURED OBLIGATIONS.—The Farm Credit Administration shall consult with the Corporation prior to approving an insured obligation that is to be issued by or on behalf of, or participated in by, any insured System bank that fails to meet the minimum level for any capital requirement established by the Farm Credit Administration for the bank.

''(c) CONSULTATION REGARDING APPLICATIONS FOR MERGERS AND RESTRUCTURINGS.—

''(1) CORPORATION TO RECEIVE COPY OF TRANSACTION APPLICATIONS.—On receiving an application for a merger or restructuring of an institution, the Farm Credit Administration shall forward a copy of the application to the Corporation.

''(2) CONSULTATION REQUIRED.—If the proposed merger or restructuring involves an institution that fails to meet the minimum level for any capital requirement established by the Farm Credit Administration applicable to the institution, the Farm Credit Administration shall allow 30 days within which the Corporation may submit the views and recommendations of the Corporation, including any conditions for approval. In determining whether to approve or disapprove any proposed merger or restructuring, the Farm Credit Administration shall give due consideration to the views and recommendations of the Corporation.

''SEC. 5.61B. AUTHORITY TO REGULATE GOLDEN PARACHUTE AND INDEMNIFICATION PAYMENTS.

''(a) DEFINITIONS.—In this section:

''(1) GOLDEN PARACHUTE PAYMENT.—The term 'golden parachute payment'—

''(A) means a payment (or any agreement to make a payment) in the nature of compensation by any Farm Credit System institution (including the Federal Agricultural Mortgage Corporation and any conservator or receiver for the Federal Agricultural Mortgage Corporation) for the benefit of any institution-related party under an obligation of the institution that—

''(i) is contingent on the termination of the party's relationship with the institution; and

''(ii) is received on or after the date on which—

''(I) the institution is insolvent;

''(II) a conservator or receiver is appointed for the institution;

''(III) the institution has been assigned by the Farm Credit Administration a composite CAMEL rating of 4 or 5 under the Farm Credit Administration Rating System, or an equivalent rating; or

''(IV) the Corporation otherwise determines that the institution is in a troubled condition (as defined in regulations issued by the Corporation); and

''(B) includes a payment that would be a golden parachute payment but for the fact that the payment was made before the date referred to in subparagraph (A)(ii) if the payment was made in contemplation of the occurrence of an event described in any subclause of subparagraph (A); but

''(C) does not include—

''(i) a payment made under a retirement plan that is qualified (or is intended to be qualified) under section 401 of the Internal Revenue Code of 1986 or other nondiscriminatory benefit plan;

''(ii) a payment made under a bona fide supplemental executive retirement plan, deferred compensation plan, or other arrangement that the Corporation determines, by regulation or order, to be permissible; or

''(iii) a payment made by reason of the death or disability of an institution-related party.

''(2) INDEMNIFICATION PAYMENT.—The term 'indemnification payment' means a payment (or any agreement to make a payment) by any Farm Credit System institution for the benefit of any person who is or was an institution-related party, to pay or reimburse the person for any liability or legal expense with regard to any administrative proceeding or civil action instituted by the Farm Credit Administration that results in a final order under which the person—

''(A) is assessed a civil money penalty; or

''(B) is removed or prohibited from participating in the conduct of the affairs of the institution.

''(3) INSTITUTION-RELATED PARTY.—The term 'institution-related party' means—

''(A) a director, officer, employee, or agent for a Farm Credit System institution;

''(B) a stockholder (other than another Farm Credit System institution), consultant, joint venture partner, or any other person determined by the Farm Credit Administration to be a participant in the conduct of the affairs of a Farm Credit System institution; and

''(C) an independent contractor (including any attorney, appraiser, or accountant) that knowingly or recklessly participates in any violation of any law or regulation, any breach of fiduciary duty, or any unsafe or unsound practice that caused or is likely to cause more than a minimal financial loss to, or a significant adverse effect on, the Farm Credit System institution.

''(4) LIABILITY OR LEGAL EXPENSE.—The term 'liability or legal expense' means—

''(A) a legal or other professional expense incurred in connection with any claim, proceeding, or action;

''(B) the amount of, and any cost incurred in connection with, any settlement of any claim, proceeding, or action; and

''(C) the amount of, and any cost incurred in connection with, any judgment or penalty imposed with respect to any claim, proceeding, or action.

''(5) PAYMENT.—The term 'payment' means—

''(A) a direct or indirect transfer of any funds or any asset; and

''(B) any segregation of any funds or assets for the purpose of making, or under an agreement to make, any payment after the date on which the funds or assets are segregated, without regard to whether the obligation to make the payment is contingent on—

''(i) the determination, after that date, of the liability for the payment of the amount; or

''(ii) the liquidation, after that date, of the amount of the payment.

''(b) PROHIBITION.—The Corporation may prohibit or limit, by regulation or order, any golden parachute payment or indemnification payment by a Farm Credit System institution (including the Federal Agricultural Mortgage Corporation) in troubled condition (as defined in regulations issued by the Corporation).

''(c) FACTORS TO BE TAKEN INTO ACCOUNT.—The Corporation shall prescribe, by regulation, the factors to be considered by the Corporation in taking any action under subsection (b). The factors may include—

''(1) whether there is a reasonable basis to believe that an institution-related party has committed any fraudulent act or omission, breach of trust or fiduciary duty, or insider abuse with regard to the Farm Credit System institution involved that has had a material effect on the financial condition of the institution;

''(2) whether there is a reasonable basis to believe that the institution-related party is substantially responsible for the insolvency of the Farm Credit System institution, the appointment of a conservator or receiver for the institution, or the institution's troubled condition (as defined in regulations prescribed by the Corporation);

''(3) whether there is a reasonable basis to believe that the institution-related party has materially violated any applicable law or regulation that has had a material effect on the financial condition of the institution;

''(4) whether there is a reasonable basis to believe that the institution-related party has violated or conspired to violate—

''(A) section 215, 657, 1006, 1014, or 1344 of title 18, United States Code; or

''(B) section 1341 or 1343 of title 18, United States Code, affecting a Farm Credit System institution;

''(5) whether the institution-related party was in a position of managerial or fiduciary responsibility; and

''(6) the length of time that the party was related to the Farm Credit System institution and the degree to which—

''(A) the payment reasonably reflects compensation earned over the period of employment; and

''(B) the compensation represents a reasonable payment for services rendered.

''(d) CERTAIN PAYMENTS PROHIBITED.—No Farm Credit System institution may prepay the salary or any liability or legal expense of any institution-related party if the payment is made—

''(1) in contemplation of the insolvency of the institution or after the commission of an act of insolvency; and

''(2) with a view to, or with the result of—

''(A) preventing the proper application of the assets of the institution to creditors; or

''(B) preferring 1 creditor over another creditor.

''(e) RULE OF CONSTRUCTION.—Nothing in this section—

''(1) prohibits any Farm Credit System institution from purchasing any commercial insurance policy or fidelity bond, so long as the insurance policy or bond does not cover any legal or liability expense of an institution described in subsection (a)(2); or

''(2) limits the powers, functions, or responsibilities of the Farm Credit Administration.''.

SEC. 219. FARM CREDIT SYSTEM INSURANCE CORPORATION BOARD OF DIRECTORS.

Section 201 of the Farm Credit Banks and Associations Safety and Soundness Act of 1992 (106 Stat. 4104) is repealed.

SEC. 220. INTEREST RATE REDUCTION PROGRAM.

Section 351(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended—

(A) by striking ''SEC. 351. (a) The'' and inserting the following:

''SEC. 351. INTEREST RATE REDUCTION PROGRAM.

''(a) ESTABLISHMENT OF PROGRAM.—

''(1) IN GENERAL.—The''; and

(B) by adding at the end the following:

''(2) TERMINATION OF AUTHORITY.—The authority provided by this subsection shall terminate on September 30, 2002.''.

SEC. 221. LIABILITY FOR MAKING CRIMINAL REFERRALS.

(a) IN GENERAL.—Any institution of the Farm Credit System, or any director, officer, employee, or agent of a Farm Credit System institution, that discloses to a Government authority information proffered in good faith that may be relevant to a possible violation of any law or regulation shall not be liable to any person under any law of the United States or any State—

(1) for the disclosure; or

(2) for any failure to notify the person involved in the possible violation.

(b) NO PROHIBITION ON DISCLOSURE.—Any institution of the Farm Credit System, or any director, officer, employee, or agent of a Farm Credit System institution, may disclose information to a Government authority that may be relevant to a possible violation of any law or regulation.

TITLE III—NATIONAL NATURAL RESOURCES

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SEC. 301. SHORT TITLE.

This title may be cited as the ''National Natural Resources Conservation Foundation Act''.

SEC. 302. DEFINITIONS.

In this title (unless the context otherwise requires):

(1) BOARD.—The term ''Board'' means the Board of Trustees established under section 304.

(2) DEPARTMENT.—The term ''Department'' means the United States Department of Agriculture.

(3) FOUNDATION.—The term ''Foundation'' means the National Natural Resources Conservation Foundation established by section 303(a).

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

SEC. 303. NATIONAL NATURAL RESOURCES CONSERVATION FOUNDATION.

(a) ESTABLISHMENT.—A National Natural Resources Conservation Foundation is established as a charitable and nonprofit corporation for charitable, scientific, and educational purposes specified in subsection (b). The Foundation is not an agency or instrumentality of the United States.

(b) PURPOSES.—The purposes of the Foundation are to—

(1) promote innovative solutions to the problems associated with the conservation of natural resources on private lands, particularly with respect to agriculture and soil and water conservation;

(2) promote voluntary partnerships between government and private interests in the conservation of natural resources;

(3) conduct research and undertake educational activities, conduct and support demonstration projects, and make grants to State and local agencies and nonprofit organizations;

(4) provide such other leadership and support as may be necessary to address conservation challenges, such as the prevention of excessive soil erosion, enhancement of soil and water quality, and the protection of wetlands, wildlife habitat, and strategically important farmland subject to urban conversion and fragmentation;

(5) encourage, accept, and administer private gifts of money and real and personal property for the benefit of, or in connection with, the conservation and related activities and services of the Department, particularly the Natural Resources Conservation Service;

(6) undertake, conduct, and encourage educational, technical, and other assistance, and other activities, that support the conservation and related programs administered by the Department (other than activities carried out on National Forest System lands), particularly the Natural Resources Conservation Service, except that the Foundation may not enforce or administer a regulation of the Department; and

(7) raise private funds to promote the purposes of the Foundation.

(c) LIMITATIONS AND CONFLICTS OF INTERESTS.—

(1) POLITICAL ACTIVITIES.—The Foundation shall not participate or intervene in a political campaign on behalf of any candidate for public office.

(2) CONFLICTS OF INTEREST.—No director, officer, or employee of the Foundation shall participate, directly or indirectly, in the consideration or determination of any question before the Foundation affecting—

(A) the financial interests of the director, officer, or employee; or

(B) the interests of any corporation, partnership, entity, organization, or other person in which the director, officer, or employee—

(i) is an officer, director, or trustee; or

(ii) has any direct or indirect financial interest.

(3) LEGISLATION OR GOVERNMENT ACTION OR POLICY.—No funds of the Foundation may be used in any manner for the purpose of influencing legislation or government action or policy.

(4) LITIGATION.—No funds of the Foundation may be used to bring or join an action against the United States.

(d) TAX EXEMPT STATUS.—

(1) 1996 TAXABLE YEAR.—In the case of the 1996 taxable year, the Foundation shall be treated as organized and operated exclusively for charitable purposes for purposes of section 501(c)(3) of the Internal Revenue Code of 1986.

(2) 1997 AND SUBSEQUENT TAXABLE YEARS.—In the case of the 1997 and subsequent taxable years, the Foundation shall be required to maintain the tax exempt status of the Foundation in the manner prescribed by the Secretary of the Treasury for similar tax exempt organizations.

SEC. 304. COMPOSITION AND OPERATION.

(a) COMPOSITION.—The Foundation shall be administered by a Board of Trustees that shall consist of 9 voting members, each of whom shall be a United States citizen and not a Federal officer. The Board shall be composed of—

(1) individuals with expertise in agricultural conservation policy matters;

(2) a representative of private sector organizations with a demonstrable interest in natural resources conservation;

(3) a representative of statewide conservation organizations;

(4) a representative of soil and water conservation districts;

(5) a representative of organizations outside the Federal Government that are dedicated to natural resources conservation education; and

(6) a farmer or rancher.

(b) NONGOVERNMENTAL EMPLOYEES.—Service as a member of the Board shall not constitute employment by, or the holding of, an office of the United States for the purposes of any Federal law.

(c) MEMBERSHIP.—

(1) INITIAL MEMBERS.—The Secretary shall appoint 9 persons who meet the criteria established under subsection (a) as the initial members of the Board and designate 1 of the members as the initial chairperson for a 2-year term.

(2) TERMS OF OFFICE.—

(A) IN GENERAL.—A member of the Board shall serve for a term of 3 years, except that the members appointed to the initial Board shall serve, proportionately, for terms of 1, 2, and 3 years, as determined by the Secretary.

(B) LIMITATION ON TERMS.—No individual may serve more than 2 consecutive 3-year terms as a member.

(3) SUBSEQUENT MEMBERS.—The initial members of the Board shall adopt procedures in the constitution of the Foundation for the nomination and selection of subsequent members of the Board. The procedures shall require that each member, at a minimum, meets the criteria established under subsection (a) and shall provide for the selection of an individual, who is not a Federal officer or a member of the Board, to be provided with the power to select subsequent members of the Board.

(d) CHAIRPERSON.—After the appointment of an initial chairperson under subsection (c)(1), each succeeding chairperson of the Board shall be elected by the members of the Board for a 2-year term.

(e) VACANCIES.—A vacancy on the Board shall be filled by the Board not later than 60 days after the occurrence of the vacancy.

(f) COMPENSATION.—A member of the Board shall receive no compensation from the Foundation for the service of the member on the Board.

(g) TRAVEL EXPENSES.—While away from the home or regular place of business of a member of the Board in the performance of services for the Board, the member shall be allowed travel expenses paid by the Foundation, including per diem in lieu of subsistence, at the same rate as a person employed intermittently in the Government service would be allowed under section 5703 of title 5, United States Code.

SEC. 305. OFFICERS AND EMPLOYEES.

(a) IN GENERAL.—The Board may—

(1) appoint, hire, and discharge the officers and employees of the Foundation, other than the appointment of the initial Executive Director of the Foundation;

(2) adopt a constitution and bylaws for the Foundation that are consistent with the purposes of the Foundation and this title; and

(3) undertake any other activities that may be necessary to carry out this title.

(b) OFFICERS AND EMPLOYEES.—

(1) APPOINTMENT AND HIRING.—An officer or employee of the Foundation—

(A) shall not, by virtue of the appointment or employment of the officer or employee, be considered a Federal employee for any purpose, including the provisions of title 5, United States Code, governing appointments in the competitive service, except that such an individual may participate in the Federal employee retirement system as if the individual were a Federal employee; and

(B) may not be paid by the Foundation a salary in excess of $125,000 per year.

(2) EXECUTIVE DIRECTOR.—

(A) INITIAL DIRECTOR.—The Secretary shall appoint an individual to serve as the initial Executive Director of the Foundation who shall serve, at the direction of the Board, as the chief operating officer of the Foundation.

(B) SUBSEQUENT DIRECTORS.—The Board shall appoint each subsequent Executive Director of the Foundation who shall serve, at the direction of the Board, as the chief operating officer of the Foundation.

(C) QUALIFICATIONS.—The Executive Director shall be knowledgeable and experienced in matters relating to natural resources conservation.

SEC. 306. CORPORATE POWERS AND OBLIGATIONS OF THE FOUNDATION.

(a) IN GENERAL.—The Foundation—

(1) may conduct business throughout the United States and the territories and possessions of the United States; and

(2) shall at all times maintain a designated agent who is authorized to accept service of process for the Foundation, so that the serving of notice to, or service of process on, the agent, or mailed to the business address of the agent, shall be considered as service on or notice to the Foundation.

(b) SEAL.—The Foundation shall have an official seal selected by the Board that shall be judicially noticed.

(c) POWERS.—To carry out the purposes of the Foundation under section 303(b), the Foundation shall have, in addition to the powers otherwise provided under this title, the usual powers of a corporation, including the power—

(1) to accept, receive, solicit, hold, administer, and use any gift, devise, or bequest, either absolutely or in trust, of real or personal property or any income from, or other interest in, the gift, devise, or bequest;

(2) to acquire by purchase or exchange any real or personal property or interest in property;

(3) unless otherwise required by instrument of transfer, to sell, donate, lease, invest, reinvest, retain, or otherwise dispose of any property or income from property;

(4) to borrow money from private sources and issue bonds, debentures, or other debt instruments, subject to section 309, except that the aggregate amount of the borrowing and debt instruments outstanding at any time may not exceed $1,000,000;

(5) to sue and be sued, and complain and defend itself, in any court of competent jurisdiction, except that a member of the Board shall not be personally liable for an action in the performance of services for the Board, except for gross negligence;

(6) to enter into a contract or other agreement with an agency of State or local government, educational institution, or other private organization or person and to make such payments as may be necessary to carry out the functions of the Foundation; and

(7) to do any and all acts that are necessary to carry out the purposes of the Foundation.

(d) INTEREST IN PROPERTY.—

(1) IN GENERAL.—The Foundation may acquire, hold, and dispose of lands, waters, or other interests in real property by donation, gift, devise, purchase, or exchange.

(2) INTERESTS IN REAL PROPERTY.—For purposes of this title, an interest in real property shall be treated, among other things, as including an easement or other right for the preservation, conservation, protection, or enhancement of agricultural, natural, scenic, historic, scientific, educational, inspirational, or recreational resources.

(3) GIFTS.—A gift, devise, or bequest may be accepted by the Foundation even though the gift, devise, or bequest is encumbered, restricted, or subject to a beneficial interest of a private person if any current or future interest in the gift, devise, or bequest is for the benefit of the Foundation.

SEC. 307. ADMINISTRATIVE SERVICES AND SUPPORT.

The Secretary may provide, without reimbursement, personnel, facilities, and other administrative services of the Department to the Foundation.

SEC. 308. AUDITS AND PETITION OF ATTORNEY GENERAL FOR EQUITABLE RELIEF.

(a) AUDITS.—

(1) IN GENERAL.—The accounts of the Foundation shall be audited in accordance with Public Law 88–504 (36 U.S.C. 1101 et seq.), including an audit of lobbying and litigation activities carried out by the Foundation.

(2) CONFORMING AMENDMENT.—The first section of Public Law 88–504 (36 U.S.C. 1101) is amended by adding at the end the following:

''(77) The National Natural Resources Conservation Foundation.''.

(b) RELIEF WITH RESPECT TO CERTAIN FOUNDATION ACTS OR FAILURE TO ACT.—The Attorney General may petition in the United States District Court for the District of Columbia for such equitable relief as may be necessary or appropriate, if the Foundation—

(1) engages in, or threatens to engage in, any act, practice, or policy that is inconsistent with this title; or

(2) refuses, fails, neglects, or threatens to refuse, fail, or neglect, to discharge the obligations of the Foundation under this title.

SEC. 309. RELEASE FROM LIABILITY.

(a) IN GENERAL.—The United States shall not be liable for any debt, default, act, or omission of the Foundation. The full faith and credit of the United States shall not extend to the Foundation.

(b) STATEMENT.—An obligation issued by the Foundation, and a document offering an obligation, shall include a prominent statement that the obligation is not directly or indirectly guaranteed, in whole or in part, by the United States (or an agency or instrumentality of the United States).

SEC. 310. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Department to be made available to the Foundation such sums as are necessary for each of fiscal years 1997 through 1999 to initially establish and carry out activities of the Foundation.

TITLE IV—IMPLEMENTATION AND EFFECTIVE DATE

SEC. 401. IMPLEMENTATION.

The Secretary of Agriculture and the Farm Credit Administration shall promulgate regulations and take other required actions to implement the provisions of this Act not later than 90 days after the effective date of this Act.

SEC. 402. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act shall become effective on the date of enactment.

Amend the title so as to read: ''An Act to amend the Farm Credit Act of 1971 to provide regulatory relief, and for other purposes.''.

House Amendment to Senate Amendments:

In lieu of the matter inserted by the Senate amendment to the text of the bill, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Farm Credit System Reform Act of 1996''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—AGRICULTURAL MORTGAGE SECONDARY MARKET

Sec. 101. Definition of real estate.
Sec. 102. Definition of certified facility.
Sec. 103. Duties of Federal Agricultural Mortgage Corporation.
Sec. 104. Powers of the Corporation.
Sec. 105. Federal reserve banks as depositaries and fiscal agents.
Sec. 106. Certification of agricultural mortgage marketing facilities.
Sec. 107. Guarantee of qualified loans.
Sec. 108. Mandatory reserves and subordinated participation interests eliminated.
Sec. 109. Standards requiring diversified pools.
Sec. 110. Small farms.
Sec. 111. Definition of an affiliate.
Sec. 112. State usury laws superseded.
Sec. 113. Extension of capital transition period.
Sec. 114. Minimum capital level.
Sec. 115. Critical capital level.
Sec. 116. Enforcement levels.
Sec. 117. Recapitalization of the Corporation.
Sec. 118. Liquidation of the Federal Agricultural Mortgage Corporation.

TITLE II—REGULATORY RELIEF

Sec. 201. Compensation of association personnel.
Sec. 202. Use of private mortgage insurance.
Sec. 203. Removal of certain borrower reporting requirement.
Sec. 204. Reform of regulatory limitations on dividend, member business, and voting practices of eligible farmer-owned cooperatives.
Sec. 205. Removal of Federal Government certification requirement for certain private sector financings.
Sec. 206. Borrower stock.
Sec. 207. Disclosure relating to adjustable rate loans.
Sec. 208. Borrowers' rights.
Sec. 209. Formation of administrative service entities.
Sec. 210. Joint management agreements.
Sec. 211. Dissemination of quarterly reports.
Sec. 212. Regulatory review.
Sec. 213. Examination of farm credit system institutions.
Sec. 214. Conservatorships and receiverships.
Sec. 215. Farm Credit Insurance Fund operations.
Sec. 216. Examinations by the Farm Credit System Insurance Corporation.
Sec. 217. Powers with respect to troubled insured System banks.
Sec. 218. Oversight and regulatory actions by the Farm Credit System Insurance Corporation.
Sec. 219. Farm Credit System Insurance Corporation board of directors.
Sec. 220. Interest rate reduction program.
Sec. 221. Liability for making criminal referrals.

TITLE III—IMPLEMENTATION AND EFFECTIVE DATE

Sec. 301. Implementation.
Sec. 302. Effective date.

TITLE I—AGRICULTURAL MORTGAGE SECONDARY MARKET

SEC. 101. DEFINITION OF REAL ESTATE.

Section 8.0(1)(B)(ii) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(1)(B)(ii)) is amended by striking ''with a purchase price'' and inserting '', excluding the land to which the dwelling is affixed, with a value''.

SEC. 102. DEFINITION OF CERTIFIED FACILITY.

Section 8.0(3) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(3)) is amended—

(1) in subparagraph (A), by striking ''a secondary marketing agricultural loan'' and inserting ''an agricultural mortgage marketing''; and

(2) in subparagraph (B), by striking '', but only'' and all that follows through ''(9)(B)''.

SEC. 103. DUTIES OF FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Section 8.1(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–1(b)) is amended—

(1) in paragraph (2), by striking ''and'' at the end;

(2) in paragraph (3), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(4) purchase qualified loans and issue securities representing interests in, or obligations backed by, the qualified loans, guaranteed for the timely repayment of principal and interest.''.

SEC. 104. POWERS OF THE CORPORATION.

Section 8.3(c) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–3(c)) is amended—

(1) by redesignating paragraphs (13) and (14) as paragraphs (14) and (15), respectively; and

(2) by inserting after paragraph (12) the following:

''(13) To purchase, hold, sell, or assign a qualified loan, to issue a guaranteed security, representing an interest in, or an obligation backed by, the qualified loan, and to perform all the functions and responsibilities of an agricultural mortgage marketing facility operating as a certified facility under this title.''.

SEC. 105. FEDERAL RESERVE BANKS AS DEPOSITARIES AND FISCAL AGENTS.

Section 8.3 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–3) is amended—

(1) in subsection (d), by striking ''may act as depositories for, or'' and inserting ''shall act as depositories for, and''; and

(2) in subsection (e), by striking ''Secretary of the Treasury may authorize the Corporation to use'' and inserting ''Corporation shall have access to''.

SEC. 106. CERTIFICATION OF AGRICULTURAL MORTGAGE MARKETING FACILITIES.

Section 8.5 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–5) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by inserting ''(other than the Corporation)'' after ''agricultural mortgage marketing facilities''; and

(B) in paragraph (2), by inserting ''(other than the Corporation)'' after ''agricultural mortgage marketing facility''; and

(2) in subsection (e)(1), by striking ''(other than the Corporation)''.

SEC. 107. GUARANTEE OF QUALIFIED LOANS.

Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6) is amended—

(1) in subsection (a)(1)—

(A) by striking ''Corporation shall guarantee'' and inserting the following: ''Corporation—

''(A) shall guarantee'';

(B) by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(B) may issue a security, guaranteed as to the timely payment of principal and interest, that represents an interest solely in, or an obligation fully backed by, a pool consisting of qualified loans that—

''(i) meet the standards established under section 8.8; and

''(ii) have been purchased and held by the Corporation.'';

(2) in subsection (d)—

(A) by striking paragraph (4); and

(B) by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively; and

(3) in subsection (g)(2), by striking ''section 8.0(9)(B))'' and inserting ''section 8.0(9))''.

SEC. 108. MANDATORY RESERVES AND SUBORDINATED PARTICIPATION INTERESTS ELIMINATED.

(a) GUARANTEE OF QUALIFIED LOANS.—Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6) is amended by striking subsection (b).

(b) RESERVES AND SUBORDINATED PARTICIPATION INTERESTS.—Section 8.7 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–7) is repealed.

(c) CONFORMING AMENDMENTS.—

(1) Section 8.0(9)(B)(i) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(9)(B)(i)) is amended by striking ''8.7, 8.8,'' and inserting ''8.8''.

(2) Section 8.6(a)(2) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6(a)(2)) is amended by striking ''subject to the provisions of subsection (b)''.

SEC. 109. STANDARDS REQUIRING DIVERSIFIED POOLS.

(a) IN GENERAL.—Section 8.6 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6) (as amended by section 108) is amended—

(1) by striking subsection (c); and

(2) by redesignating subsections (d) through (g) as subsections (b) through (e), respectively.

(b) CONFORMING AMENDMENTS.—

(1) Section 8.0(9)(B)(i) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa(9)(B)(i)) is amended by striking ''(f)'' and inserting ''(d)''.

(2) Section 8.13(a) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–13(a)) is amended by striking ''sections 8.6(b) and'' in each place it appears and inserting ''section''.

(3) Section 8.32(b)(1)(C) of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–1(b)(1)(C)) is amended—

(A) by striking ''shall'' and inserting ''may''; and

(B) by inserting ''(as in effect before the date of the enactment of the Farm Credit System Reform Act of 1996)'' before the semicolon.

(4) Section 8.6(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–6(b)) (as redesignated by subsection (a)(2)) is amended—

(A) by striking paragraph (4) (as redesignated by section 107(2)(B)); and

(B) by redesignating paragraphs (5) and (6) (as redesignated by section 107(2)(B)) as paragraphs (4) and (5), respectively.

SEC. 110. SMALL FARMS.

Section 8.8(e) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–8(e)) is amended by adding at the end the following: ''The Board shall promote and encourage the inclusion of qualified loans for small farms and family farmers in the agricultural mortgage secondary market.''.

SEC. 111. DEFINITION OF AN AFFILIATE.

Section 8.11(e) of the Farm Credit Act of 1971 (21 U.S.C. 2279aa–11(e)) is amended—

(1) by striking ''a certified facility or''; and

(2) by striking ''paragraphs (3) and (7), respectively, of section 8.0'' and inserting ''section 8.0(7)''.

SEC. 112. STATE USURY LAWS SUPERSEDED.

Section 8.12 of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–12) is amended by striking subsection (d) and inserting the following:

''(d) STATE USURY LAWS SUPERSEDED.—A provision of the Constitution or law of any State shall not apply to an agricultural loan made by an originator or a certified facility in accordance with this title for sale to the Corporation or to a certified facility for inclusion in a pool for which the Corporation has provided, or has committed to provide, a guarantee, if the loan, not later than 180 days after the date the loan was made, is sold to the Corporation or included in a pool for which the Corporation has provided a guarantee, if the provision—

''(1) limits the rate or amount of interest, discount points, finance charges, or other charges that may be charged, taken, received, or reserved by an agricultural lender or a certified facility; or

''(2) limits or prohibits a prepayment penalty (either fixed or declining), yield maintenance, or make-whole payment that may be charged, taken, or received by an agricultural lender or a certified facility in connection with the full or partial payment of the principal amount due on a loan by a borrower in advance of the scheduled date for the payment under the terms of the loan, otherwise known as a prepayment of the loan principal.''.

SEC. 113. EXTENSION OF CAPITAL TRANSITION PERIOD.

Section 8.32 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–1) is amended—

(1) in the first sentence of subsection (a), by striking ''Not later than the expiration of the 2-year period beginning on December 13, 1991,'' and inserting ''Not sooner than the expiration of the 3-year period beginning on the date of enactment of the Farm Credit System Reform Act of 1996,'';

(2) in the first sentence of subsection (b)(2), by striking ''5-year'' and inserting ''8-year''; and

(3) in subsection (d)—

(A) in the first sentence—

(i) by striking ''The regulations establishing'' and inserting the following:

''(1) IN GENERAL.—The regulations establishing''; and

(ii) by striking ''shall contain'' and inserting the following: ''shall—

''(A) be issued by the Director for public comment in the form of a notice of proposed rulemaking, to be first published after the expiration of the period referred to in subsection (a); and

''(B) contain''; and

(B) in the second sentence, by striking ''The regulations shall'' and inserting the following:

''(2) SPECIFICITY.—The regulations referred to in paragraph (1) shall''.

SEC. 114. MINIMUM CAPITAL LEVEL.

Section 8.33 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–2) is amended to read as follows:

''SEC. 8.33. MINIMUM CAPITAL LEVEL.

''(a) IN GENERAL.—Except as provided in subsection (b), for purposes of this subtitle, the minimum capital level for the Corporation shall be an amount of core capital equal to the sum of—

''(1) 2.75 percent of the aggregate on-balance sheet assets of the Corporation, as determined in accordance with generally accepted accounting principles; and

''(2) 0.75 percent of the aggregate off-balance sheet obligations of the Corporation, which, for the purposes of this subtitle, shall include—

''(A) the unpaid principal balance of outstanding securities that are guaranteed by the Corporation and backed by pools of qualified loans;

''(B) instruments that are issued or guaranteed by the Corporation and are substantially equivalent to instruments described in subparagraph (A); and

''(C) other off-balance sheet obligations of the Corporation.

''(b) TRANSITION PERIOD.—

''(1) IN GENERAL.—For purposes of this subtitle, the minimum capital level for the Corporation—

''(A) prior to January 1, 1997, shall be the amount of core capital equal to the sum of—

''(i) 0.45 percent of aggregate off-balance sheet obligations of the Corporation;

''(ii) 0.45 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

''(iii) 2.50 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2);

''(B) during the 1-year period ending December 31, 1997, shall be the amount of core capital equal to the sum of—

''(i) 0.55 percent of aggregate off-balance sheet obligations of the Corporation;

''(ii) 1.20 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

''(iii) 2.55 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2);

''(C) during the 1-year period ending December 31, 1998, shall be the amount of core capital equal to—

''(i) if the Corporation's core capital is not less than $25,000,000 on January 1, 1998, the sum of—

''(I) 0.65 percent of aggregate off-balance sheet obligations of the Corporation;

''(II) 1.95 percent of designated on-balance sheet assets of the Corporation, as determined under paragraph (2); and

''(III) 2.65 percent of on-balance sheet assets of the Corporation other than assets designated under paragraph (2); or

''(ii) if the Corporation's core capital is less than $25,000,000 on January 1, 1998, the amount determined under subsection (a); and

''(D) on and after January 1, 1999, shall be the amount determined under subsection (a).

''(2) DESIGNATED ON-BALANCE SHEET ASSETS.—For purposes of this subsection, the designated on-balance sheet assets of the Corporation shall be—

''(A) the aggregate on-balance sheet assets of the Corporation acquired under section 8.6(e); and

''(B) the aggregate amount of qualified loans purchased and held by the Corporation under section 8.3(c)(13).''.

SEC. 115. CRITICAL CAPITAL LEVEL.

Section 8.34 of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–3) is amended to read as follows:

''SEC. 8.34. CRITICAL CAPITAL LEVEL.

''For purposes of this subtitle, the critical capital level for the Corporation shall be an amount of core capital equal to 50 percent of the total minimum capital amount determined under section 8.33.''.

SEC. 116. ENFORCEMENT LEVELS.

Section 8.35(e) of the Farm Credit Act of 1971 (12 U.S.C. 2279bb–4(e)) is amended by striking ''during the 30-month period beginning on the date of the enactment of this section,'' and inserting ''during the period beginning on December 13, 1991, and ending on the effective date of the risk based capital regulation issued by the Director under section 8.32,''.

SEC. 117. RECAPITALIZATION OF THE CORPORATION.

Title VIII of the Farm Credit Act of 1971 (12 U.S.C. 2279aa et seq.) is amended by adding at the end the following:

''SEC. 8.38. RECAPITALIZATION OF THE CORPORATION.

''(a) MANDATORY RECAPITALIZATION.—The Corporation shall increase the core capital of the Corporation to an amount equal to or greater than $25,000,000, not later than the earlier of—

''(1) the date that is 2 years after the date of enactment of this section; or

''(2) the date that is 180 days after the end of the first calendar quarter that the aggregate on-balance sheet assets of the Corporation, plus the outstanding principal of the off-balance sheet obligations of the Corporation, equal or exceed $2,000,000,000.

''(b) RAISING CORE CAPITAL.—In carrying out this section, the Corporation may issue stock under section 8.4 and otherwise employ any recognized and legitimate means of raising core capital in the power of the Corporation under section 8.3.

''(c) LIMITATION ON GROWTH OF TOTAL ASSETS.—During the 2-year period beginning on the date of enactment of this section, the aggregate on-balance sheet assets of the Corporation plus the outstanding principal of the off-balance sheet obligations of the Corporation may not exceed $3,000,000,000 if the core capital of the Corporation is less than $25,000,000.

''(d) ENFORCEMENT.—If the Corporation fails to carry out subsection (a) by the date required under paragraph (1) or (2) of subsection (a), the Corporation may not purchase a new qualified loan or issue or guarantee a new loan-backed security until the core capital of the Corporation is increased to an amount equal to or greater than $25,000,000.''.

SEC. 118. LIQUIDATION OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Title VIII of the Farm Credit Act of 1971 (12 U.S.C. 2279aa et seq.) (as amended by section 117) is amended by adding at the end the following:

''Subtitle C—Receivership, Conservatorship, and Liquidation of the Federal Agricultural Mortgage Corporation

''SEC. 8.41. CONSERVATORSHIP; LIQUIDATION; RECEIVERSHIP.

''(a) VOLUNTARY LIQUIDATION.—The Corporation may voluntarily liquidate only with the consent of, and in accordance with a plan of liquidation approved by, the Farm Credit Administration Board.

''(b) INVOLUNTARY LIQUIDATION.—

''(1) IN GENERAL.—The Farm Credit Administration Board may appoint a conservator or receiver for the Corporation under the circumstances specified in section 4.12(b).

''(2) APPLICATION.—In applying section 4.12(b) to the Corporation under paragraph (1)—

''(A) the Corporation shall also be considered insolvent if the Corporation is unable to pay its debts as they fall due in the ordinary course of business;

''(B) a conservator may also be appointed for the Corporation if the authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended; and

''(C) a receiver may also be appointed for the Corporation if—

''(i)(I) the authority of the Corporation to purchase qualified loans or issue or guarantee loan-backed securities is suspended; or

''(II) the Corporation is classified under section 8.35 as within level III or IV and the alternative actions available under subtitle B are not satisfactory; and

''(ii) the Farm Credit Administration determines that the appointment of a conservator would not be appropriate.

''(3) NO EFFECT ON SUPERVISORY ACTIONS.—The grounds for appointment of a conservator for the Corporation under this subsection shall be in addition to those in section 8.37.

''(c) APPOINTMENT OF CONSERVATOR OR RECEIVER.—

''(1) QUALIFICATIONS.—Notwithstanding section 4.12(b), if a conservator or receiver is appointed for the Corporation, the conservator or receiver shall be—

''(A) the Farm Credit Administration or any other governmental entity or employee, including the Farm Credit System Insurance Corporation; or

''(B) any person that—

''(i) has no claim against, or financial interest in, the Corporation or other basis for a conflict of interest as the conservator or receiver; and

''(ii) has the financial and management expertise necessary to direct the operations and affairs of the Corporation and, if necessary, to liquidate the Corporation.

''(2) COMPENSATION.—

''(A) IN GENERAL.—A conservator or receiver for the Corporation and professional personnel (other than a Federal employee) employed to represent or assist the conservator or receiver may be compensated for activities conducted as, or for, a conservator or receiver.

''(B) LIMIT ON COMPENSATION.—Compensation may not be provided in amounts greater than the compensation paid to employees of the Federal Government for similar services, except that the Farm Credit Administration may provide for compensation at higher rates that are not in excess of rates prevailing in the private sector if the Farm Credit Administration determines that compensation at higher rates is necessary in order to recruit and retain competent personnel.

''(C) CONTRACTUAL ARRANGEMENTS.—The conservator or receiver may contract with any governmental entity, including the Farm Credit System Insurance Corporation, to make personnel, services, and facilities of the entity available to the conservator or receiver on such terms and compensation arrangements as shall be mutually agreed, and each entity may provide the same to the conservator or receiver.

''(3) EXPENSES.—A valid claim for expenses of the conservatorship or receivership (including compensation under paragraph (2)) and a valid claim with respect to a loan made under subsection (f) shall—

''(A) be paid by the conservator or receiver from funds of the Corporation before any other valid claim against the Corporation; and

''(B) may be secured by a lien, on such property of the Corporation as the conservator or receiver may determine, that shall have priority over any other lien.

''(4) LIABILITY.—If the conservator or receiver for the Corporation is not a Federal entity, or an officer or employee of the Federal Government, the conservator or receiver shall not be personally liable for damages in tort or otherwise for an act or omission performed pursuant to and in the course of the conservatorship or receivership, unless the act or omission constitutes gross negligence or any form of intentional tortious conduct or criminal conduct.

''(5) INDEMNIFICATION.—The Farm Credit Administration may allow indemnification of the conservator or receiver from the assets of the conservatorship or receivership on such terms as the Farm Credit Administration considers appropriate.

''(d) JUDICIAL REVIEW OF APPOINTMENT.—

''(1) IN GENERAL.—Notwithstanding subsection (i)(1), not later than 30 days after a conservator or receiver is appointed under subsection (b), the Corporation may bring an action in the United States District Court for the District of Columbia for an order requiring the Farm Credit Administration Board to remove the conservator or receiver. The court shall, on the merits, dismiss the action or direct the Farm Credit Administration Board to remove the conservator or receiver.

''(2) STAY OF OTHER ACTIONS.—On the commencement of an action under paragraph (1), any court having jurisdiction of any other action or enforcement proceeding authorized under this Act to which the Corporation is a party shall stay the action or proceeding during the pendency of the action for removal of the conservator or receiver.

''(e) GENERAL POWERS OF CONSERVATOR OR RECEIVER.—The conservator or receiver for the Corporation shall have such powers to conduct the conservatorship or receivership as shall be provided pursuant to regulations adopted by the Farm Credit Administration Board. Such powers shall be comparable to the powers available to a conservator or receiver appointed pursuant to section 4.12(b).

''(f) BORROWINGS FOR WORKING CAPITAL.—

''(1) IN GENERAL.—If the conservator or receiver of the Corporation determines that it is likely that there will be insufficient funds to pay the ongoing administrative expenses of the conservatorship or receivership or that there will be insufficient liquidity to fund maturing obligations of the conservatorship or receivership, the conservator or receiver may borrow funds in such amounts, from such sources, and at such rates of interest as the conservator or receiver considers necessary or appropriate to meet the administrative expenses or liquidity needs of the conservatorship or receivership.

''(2) WORKING CAPITAL FROM FARM CREDIT BANKS.—A Farm Credit bank may loan funds to the conservator or receiver for a loan authorized under paragraph (1) or, in the event of receivership, a Farm Credit bank may purchase assets of the Corporation.

''(g) AGREEMENTS AGAINST INTERESTS OF CONSERVATOR OR RECEIVER.—No agreement that tends to diminish or defeat the right, title, or interest of the conservator or receiver for the Corporation in any asset acquired by the conservator or receiver as conservator or receiver for the Corporation shall be valid against the conservator or receiver unless the agreement—

''(1) is in writing;

''(2) is executed by the Corporation and any person claiming an adverse interest under the agreement, including the obligor, contemporaneously with the acquisition of the asset by the Corporation;

''(3) is approved by the Board or an appropriate committee of the Board, which approval shall be reflected in the minutes of the Board or committee; and

''(4) has been, continuously, from the time of the agreement's execution, an official record of the Corporation.

''(h) REPORT TO THE CONGRESS.—On a determination by the receiver for the Corporation that there are insufficient assets of the receivership to pay all valid claims against the receivership, the receiver shall submit to the Secretary of the Treasury, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the financial condition of the receivership.

''(i) TERMINATION OF AUTHORITIES.—

''(1) CORPORATION.—The charter of the Corporation shall be canceled, and the authority provided to the Corporation by this title shall terminate, on such date as the Farm Credit Administration Board determines is appropriate following the placement of the Corporation in receivership, but not later than the conclusion of the receivership and discharge of the receiver.

''(2) OVERSIGHT.—The Office of Secondary Market Oversight established under section 8.11 shall be abolished, and section 8.11(a) and subtitle B shall have no force or effect, on such date as the Farm Credit Administration Board determines is appropriate following the placement of the Corporation in receivership, but not later than the conclusion of the receivership and discharge of the receiver.''.

TITLE II—REGULATORY RELIEF

SEC. 201. COMPENSATION OF ASSOCIATION PERSONNEL.

Section 1.5(13) of the Farm Credit Act of 1971 (12 U.S.C. 2013(13)) is amended by striking '', and the appointment and compensation of the chief executive officer thereof,''.

SEC. 202. USE OF PRIVATE MORTGAGE INSURANCE.

(a) IN GENERAL.—Section 1.10(a)(1) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)(1)) is amended by adding at the end the following:

''(D) PRIVATE MORTGAGE INSURANCE.—A loan on which private mortgage insurance is obtained may exceed 85 percent of the appraised value of the real estate security to the extent that the loan amount in excess of such 85 percent is covered by the insurance.''.

(b) CONFORMING AMENDMENT.—Section 1.10(a)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)(1)(A)) is amended by striking ''paragraphs (2) and (3)'' and inserting ''subparagraphs (C) and (D)''.

SEC. 203. REMOVAL OF CERTAIN BORROWER REPORTING REQUIREMENT.

Section 1.10(a) of the Farm Credit Act of 1971 (12 U.S.C. 2018(a)) is amended by striking paragraph (5).

SEC. 204. REFORM OF REGULATORY LIMITATIONS ON DIVIDEND, MEMBER BUSINESS, AND VOTING PRACTICES OF ELIGIBLE FARMER-OWNED COOPERATIVES.

(a) IN GENERAL.—Section 3.8(a) of the Farm Credit Act of 1971 (12 U.S.C. 2129(a)) is amended by adding at the end the following: ''Any such association that has received a loan from a bank for cooperatives shall, without regard to the requirements of paragraphs (1) through (4), continue to be eligible for so long as more than 50 percent (or such higher percentage as is established by the bank board) of the voting control of the association is held by farmers, producers or harvesters of aquatic products, or eligible cooperative associations.''.

(b) CONFORMING AMENDMENT.—Section 3.8(b)(1)(D) of the Farm Credit Act of 1971 (12 U.S.C. 2129(b)(1)(D)) is amended by striking ''and (4) of subsection (a)'' and inserting ''and (4), or under the last sentence, of subsection (a)''.

SEC. 205. REMOVAL OF FEDERAL GOVERNMENT CERTIFICATION REQUIREMENT FOR CERTAIN PRIVATE SECTOR FINANCINGS.

Section 3.8(b)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2129(b)(1)(A)) is amended—

(1) by striking ''have been certified by the Administrator of the Rural Electrification Administration to be eligible for such'' and inserting ''are eligible under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) for''; and

(2) by striking ''loan guarantee, and'' and inserting ''loan guarantee from the Administration or the Bank (or a successor of the Administration or the Bank), and''.

SEC. 206. BORROWER STOCK.

Section 4.3A of the Farm Credit Act of 1971 (12 U.S.C. 2154a) is amended—

(1) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively; and

(2) by inserting after subsection (e) the following:

''(f) LOANS DESIGNATED FOR SALE OR SOLD INTO THE SECONDARY MARKET.—

''(1) IN GENERAL.—Subject to paragraph (2) and notwithstanding any other provision of this section, the bylaws adopted by a bank or association under subsection (b) may provide—

''(A) in the case of a loan made on or after the date of enactment of this paragraph that is designated, at the time the loan is made, for sale into a secondary market, that no voting stock or participation certificate purchase requirement shall apply to the borrower for the loan; and

''(B) in the case of a loan made before the date of enactment of this paragraph that is sold into a secondary market, that all outstanding voting stock or participation certificates held by the borrower with respect to the loan shall, subject to subsection (d)(1), be retired.

''(2) APPLICABILITY.—Notwithstanding any other provision of this section, in the case of a loan sold to a secondary market under title VIII, paragraph (1) shall apply regardless of whether the bank or association retains a subordinated participation interest in a loan or pool of loans or contributes to a cash reserve.

''(3) EXCEPTION.—

''(A) IN GENERAL.—Subject to subparagraph (B) and notwithstanding any other provision of this section, if a loan designated for sale under paragraph (1)(A) is not sold into a secondary market during the 180-day period that begins on the date of the designation, the voting stock or participation certificate purchase requirement that would otherwise apply to the loan in the absence of a bylaw provision described in paragraph (1)(A) shall be effective.

''(B) RETIREMENT.—The bylaws adopted by a bank or association under subsection (b) may provide that if a loan described in subparagraph (A) is sold into a secondary market after the end of the 180-day period described in the subparagraph, all outstanding voting stock or participation certificates held by the borrower with respect to the loan shall, subject to subsection (d)(1), be retired.''.

SEC. 207. DISCLOSURE RELATING TO ADJUSTABLE RATE LOANS.

Section 4.13(a)(4) of the Farm Credit Act of 1971 (12 U.S.C. 2199(a)(4)) is amended by inserting before the semicolon at the end the following: '', and notice to the borrower of a change in the interest rate applicable to the loan of the borrower may be made within a reasonable time after the effective date of an increase or decrease in the interest rate''.

SEC. 208. BORROWERS' RIGHTS.

(a) DEFINITION OF LOAN.—Section 4.14A(a)(5) of the Farm Credit Act of 1971 (12 U.S.C. 2202a(a)(5)) is amended—

(1) by striking ''(5) LOAN.—The'' and inserting the following:

''(5) LOAN.—

''(A) IN GENERAL.—Subject to subparagraph (B), the''; and

(2) by adding at the end the following:

''(B) EXCLUSION FOR LOANS DESIGNATED FOR SALE INTO SECONDARY MARKET.—

''(i) IN GENERAL.—Except as provided in clause (ii), the term 'loan' does not include a loan made on or after the date of enactment of this subparagraph that is designated, at the time the loan is made, for sale into a secondary market.

''(ii) UNSOLD LOANS.—

''(I) IN GENERAL.—Except as provided in subclause (II), if a loan designated for sale under clause (i) is not sold into a secondary market during the 180-day period that begins on the date of the designation, the provisions of this section and sections 4.14, 4.14B, 4.14C, 4.14D, and 4.36 that would otherwise apply to the loan in the absence of the exclusion described in clause (i) shall become effective with respect to the loan.

''(II) LATER SALE.—If a loan described in subclause (I) is sold into a secondary market after the end of the 180-day period described in subclause (I), subclause (I) shall not apply with respect to the loan beginning on the date of the sale.''.

(b) BORROWERS' RIGHTS FOR POOLED LOANS.—The first sentence of section 8.9(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–9(b)) is amended by inserting ''(as defined in section 4.14A(a)(5))'' after ''application for a loan''.

SEC. 209. FORMATION OF ADMINISTRATIVE SERVICE ENTITIES.

Part E of title IV of the Farm Credit Act of 1971 is amended by inserting after section 4.28 (12 U.S.C. 2214) the following:

''SEC. 4.28A. DEFINITION OF BANK.

''In this part, the term 'bank' includes each association operating under title II.''.

SEC. 210. JOINT MANAGEMENT AGREEMENTS.

The first sentence of section 5.17(a)(2)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2252(a)(2)(A)) is amended by striking ''or management agreements''.

SEC. 211. DISSEMINATION OF QUARTERLY REPORTS.

Section 5.17(a)(8) of the Farm Credit Act of 1971 (12 U.S.C. 2252(a)(8)) is amended by inserting after ''except that'' the following: ''the requirements of the Farm Credit Administration governing the dissemination to stockholders of quarterly reports of System institutions may not be more burdensome or costly than the requirements applicable to national banks, and''.

SEC. 212. REGULATORY REVIEW.

(a) FINDINGS.—Congress finds that—

(1) the Farm Credit Administration, in the role of the Administration as an arms-length safety and soundness regulator, has made considerable progress in reducing the regulatory burden on Farm Credit System institutions;

(2) the efforts of the Farm Credit Administration described in paragraph (1) have resulted in cost savings for Farm Credit System institutions; and

(3) the cost savings described in paragraph (2) ultimately benefit the farmers, ranchers, agricultural cooperatives, and rural residents of the United States.

(b) CONTINUATION OF REGULATORY REVIEW.—The Farm Credit Administration shall continue the comprehensive review of regulations governing the Farm Credit System to identify and eliminate, consistent with law, safety, and soundness, all regulations that are unnecessary, unduly burdensome or costly, or not based on law.

SEC. 213. EXAMINATION OF FARM CREDIT SYSTEM INSTITUTIONS.

The first sentence of section 5.19(a) of the Farm Credit Act of 1971 (12 U.S.C. 2254(a)) is amended by striking ''each year'' and inserting ''during each 18-month period''.

SEC. 214. CONSERVATORSHIPS AND RECEIVERSHIPS.

(a) DEFINITIONS.—Section 5.51 of the Farm Credit Act of 1971 (12 U.S.C. 2277a) is amended—

(1) by striking paragraph (5); and

(2) by redesignating paragraph (6) as paragraph (5).

(b) GENERAL CORPORATE POWERS.—Section 5.58 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–7) is amended by striking paragraph (9) and inserting the following:

''(9) CONSERVATOR OR RECEIVER.—The Corporation may act as a conservator or receiver.''.

SEC. 215. FARM CREDIT INSURANCE FUND OPERATIONS.

(a) ADJUSTMENT OF PREMIUMS.—

(1) IN GENERAL.—Section 5.55(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4(a)) is amended—

(A) in paragraph (1), by striking ''Until the aggregate of amounts in the Farm Credit Insurance Fund exceeds the secure base amount, the annual premium due from any insured System bank for any calendar year'' and inserting the following: ''If at the end of any calendar year the aggregate of amounts in the Farm Credit Insurance Fund does not exceed the secure base amount, subject to paragraph (2), the annual premium due from any insured System bank for the calendar year'';

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following:

''(2) REDUCED PREMIUMS.—The Corporation, in the sole discretion of the Corporation, may reduce by a percentage uniformly applied to all insured System banks the annual premium due from each insured System bank during any calendar year, as determined under paragraph (1).''.

(2) CONFORMING AMENDMENTS.—

(A) Section 5.55(b) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4(b)) is amended—

(i) by striking ''Insurance Fund'' each place it appears and inserting ''Farm Credit Insurance Fund'';

(ii) by striking ''for the following calendar year''; and

(iii) by striking ''subsection (a)'' and inserting ''subsection (a)(1)''.

(B) Section 5.56(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–5(a)) is amended by striking ''section 5.55(a)(2)'' each place it appears in paragraphs (2) and (3) and inserting ''section 5.55(a)(3)''.

(C) Section 1.12(b) (12 U.S.C. 2020(b)) is amended—

(i) in paragraph (1), by inserting ''(as defined in section 5.55(a)(3))'' after ''government-guaranteed loans''; and

(ii) in paragraph (3), by inserting ''(as so defined)'' after ''government-guaranteed loans'' each place such term appears.

(b) ALLOCATION TO INSURED SYSTEM BANKS AND OTHER SYSTEM INSTITUTIONS OF EXCESS AMOUNTS IN THE FARM CREDIT INSURANCE FUND.—Section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4) is amended by adding at the end the following:

''(e) ALLOCATION TO SYSTEM INSTITUTIONS OF EXCESS RESERVES.—

''(1) ESTABLISHMENT OF ALLOCATED INSURANCE RESERVES ACCOUNTS.—There is hereby established in the Farm Credit Insurance Fund an Allocated Insurance Reserves Account—

''(A) for each insured System bank; and

''(B) subject to paragraph (6)(C), for all holders, in the aggregate, of Financial Assistance Corporation stock.

''(2) TREATMENT.—Amounts in any Allocated Insurance Reserves Account shall be considered to be part of the Farm Credit Insurance Fund.

''(3) ANNUAL ALLOCATIONS.—If, at the end of any calendar year, the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the average secure base amount for the calendar year (as calculated on an average daily balance basis), the Corporation shall allocate to the Allocated Insurance Reserves Accounts the excess amount less the amount that the Corporation, in its sole discretion, determines to be the sum of the estimated operating expenses and estimated insurance obligations of the Corporation for the immediately succeeding calendar year.

''(4) ALLOCATION FORMULA.—From the total amount required to be allocated at the end of a calendar year under paragraph (3)—

''(A) 10 percent of the total amount shall be credited to the Allocated Insurance Reserves Account established under paragraph (1)(B), subject to paragraph (6)(C); and

''(B) there shall be credited to the Allocated Insurance Reserves Account of each insured System bank an amount that bears the same ratio to the total amount (less any amount credited under subparagraph (A)) as the average principal outstanding for the 3-year period ending on the end of the calendar year on loans made by the bank that are in accrual status bears to the average principal outstanding for the 3-year period ending on the end of the calendar year on loans made by all insured System banks that are in accrual status (excluding, in each case, the guaranteed portions of government-guaranteed loans described in subsection (a)(1)(C)).

''(5) USE OF FUNDS IN ALLOCATED INSURANCE RESERVES ACCOUNTS.—To the extent that the sum of the operating expenses of the Corporation and the insurance obligations of the Corporation for a calendar year exceeds the sum of operating expenses and insurance obligations determined under paragraph (3) for the calendar year, the Corporation shall cover the expenses and obligations by—

''(A) reducing each Allocated Insurance Reserves Account by the same proportion; and

''(B) expending the amounts obtained under subparagraph (A) before expending other amounts in the Fund.

''(6) OTHER DISPOSITION OF ACCOUNT FUNDS.—

''(A) IN GENERAL.—As soon as practicable during each calendar year beginning more than 8 years after the date on which the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the secure base amount, but not earlier than January 1, 2005, the Corporation may—

''(i) subject to subparagraphs (D) and (F), pay to each insured System bank, in a manner determined by the Corporation, an amount equal to the lesser of—

''(I) 20 percent of the balance in the insured System bank's Allocated Insurance Reserves Account as of the preceding December 31; or

''(II) 20 percent of the balance in the bank's Allocated Insurance Reserves Account on the date of the payment; and

''(ii) subject to subparagraphs (C), (E), and (F), pay to each System bank and association holding Financial Assistance Corporation stock a proportionate share, determined by dividing the number of shares of Financial Assistance Corporation stock held by the institution by the total number of shares of Financial Assistance Corporation stock outstanding, of the lesser of—

''(I) 20 percent of the balance in the Allocated Insurance Reserves Account established under paragraph (1)(B) as of the preceding December 31; or

''(II) 20 percent of the balance in the Allocated Insurance Reserves Account established under paragraph (1)(B) on the date of the payment.

''(B) AUTHORITY TO ELIMINATE OR REDUCE PAYMENTS.—The Corporation may eliminate or reduce payments during a calendar year under subparagraph (A) if the Corporation determines, in its sole discretion, that the payments, or other circumstances that might require use of the Farm Credit Insurance Fund, could cause the amount in the Farm Credit Insurance Fund during the calendar year to be less than the secure base amount.

''(C) REIMBURSEMENT FOR FINANCIAL ASSISTANCE CORPORATION STOCK.—

''(i) SUFFICIENT FUNDING.—Notwithstanding paragraph (4)(A), on provision by the Corporation for the accumulation in the Account established under paragraph (1)(B) of funds in an amount equal to $56,000,000 (in addition to the amounts described in subparagraph (F)(ii)), the Corporation shall not allocate any further funds to the Account except to replenish the Account if funds are diminished below $56,000,000 by the Corporation under paragraph (5).

''(ii) WIND DOWN AND TERMINATION.—

''(I) FINAL DISBURSEMENTS.—On disbursement of $53,000,000 (in addition to the amounts described in subparagraph (F)(ii)) from the Allocated Insurance Reserves Account, the Corporation shall disburse the remaining amounts in the Account, as determined under subparagraph (A)(ii), without regard to the percentage limitations in subclauses (I) and (II) of subparagraph (A)(ii).

''(II) TERMINATION OF ACCOUNT.—On disbursement of $56,000,000 (in addition to the amounts described in subparagraph (F)(ii)) from the Allocated Insurance Reserves Account, the Corporation shall close the Account established under paragraph (1)(B) and transfer any remaining funds in the Account to the remaining Allocated Insurance Reserves Accounts in accordance with paragraph (4)(B) for the calendar year in which the transfer occurs.

''(D) DISTRIBUTION OF PAYMENTS RECEIVED.—Not later than 60 days after receipt of a payment made under subparagraph (A)(i), each insured System bank, in consultation with affiliated associations of the insured System bank, and taking into account the direct or indirect payment of insurance premiums by the associations, shall develop and implement an equitable plan to distribute payments received under subparagraph (A)(i) among the bank and associations of the bank.

''(E) EXCEPTION FOR PREVIOUSLY REIMBURSED ASSOCIATIONS.—For purposes of subparagraph (A)(ii), in any Farm Credit district in which the funding bank has reimbursed 1 or more affiliated associations of the bank for the previously unreimbursed portion of the Financial Assistance Corporation stock held by the associations, the funding bank shall be deemed to be the holder of the shares of Financial Assistance Corporation stock for which the funding bank has provided the reimbursement.

''(F) INITIAL PAYMENT.—Notwithstanding subparagraph (A), the initial payment made to each payee under subparagraph (A) shall be in such amount determined by the Corporation to be equal to the sum of—

''(i) the total of the amounts that would have been paid if payments under subparagraph (A) had been authorized to begin, under the same terms and conditions, in the first calendar year beginning more than 5 years after the date on which the aggregate of the amounts in the Farm Credit Insurance Fund exceeds the secure base amount, and to continue through the 2 immediately subsequent years;

''(ii) interest earned on any amounts that would have been paid as described in clause (i) from the date on which the payments would have been paid as described in clause (i); and

''(iii) the payment to be made in the initial year described in subparagraph (A), based on the amount in each Account after subtracting the amounts to be paid under clauses (i) and (ii).''

(c) TECHNICAL AMENDMENTS.—Section 5.55(d) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4(d)) is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking ''subsections (a) and (c)'' and inserting ''subsections (a), (c), and (e)''; and

(B) by striking ''a Farm Credit Bank'' and inserting ''an insured System bank''; and

(2) in paragraphs (1), (2), and (3), by striking ''Farm Credit Bank'' each place it appears and inserting ''insured System bank''.

SEC. 216. EXAMINATIONS BY THE FARM CREDIT SYSTEM INSURANCE CORPORATION.

Section 5.59(b)(1)(A) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–8(b)(1)(A)) is amended by adding at the end the following: ''Notwithstanding any other provision of this Act, on cancellation of the charter of a System institution, the Corporation shall have authority to examine the system institution in receivership. An examination shall be performed at such intervals as the Corporation shall determine.''.

SEC. 217. POWERS WITH RESPECT TO TROUBLED INSURED SYSTEM BANKS.

(a) LEAST-COST RESOLUTION.—Section 5.61(a)(3) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–10(a)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (F); and

(2) by striking subparagraph (A) and inserting the following:

''(A) LEAST-COST RESOLUTION.—Assistance may not be provided to an insured System bank under this subsection unless the means of providing the assistance is the least costly means of providing the assistance by the Farm Credit Insurance Fund of all possible alternatives available to the Corporation, including liquidation of the bank (including paying the insured obligations issued on behalf of the bank). Before making a least-cost determination under this subparagraph, the Corporation shall accord such other insured System banks as the Corporation determines to be appropriate the opportunity to submit information relating to the determination.

''(B) DETERMINING LEAST COSTLY APPROACH.—In determining the least costly alternative under subparagraph (A), the Corporation shall—

''(i) evaluate alternatives on a present-value basis, using a reasonable discount rate;

''(ii) document the evaluation and the assumptions on which the evaluation is based; and

''(iii) retain the documentation for not less than 5 years.

''(C) TIME OF DETERMINATION.—

''(i) GENERAL RULE.—For purposes of this subsection, the determination of the costs of providing any assistance under any provision of this section with respect to any insured System bank shall be made as of the date on which the Corporation makes the determination to provide the assistance to the institution under this section.

''(ii) RULE FOR LIQUIDATIONS.—For purposes of this subsection, the determination of the costs of liquidation of any insured System bank shall be made as of the earliest of—

''(I) the date on which a conservator is appointed for the insured System bank;

''(II) the date on which a receiver is appointed for the insured System bank; or

''(III) the date on which the Corporation makes any determination to provide any assistance under this section with respect to the insured System bank.

''(D) RULE FOR STAND-ALONE ASSISTANCE.—Before providing any assistance under paragraph (1), the Corporation shall evaluate the adequacy of managerial resources of the insured System bank. The continued service of any director or senior ranking officer who serves in a policymaking role for the assisted insured System bank, as determined by the Corporation, shall be subject to approval by the Corporation as a condition of assistance.

''(E) DISCRETIONARY DETERMINATIONS.—Any determination that the Corporation makes under this paragraph shall be in the sole discretion of the Corporation.''.

(b) CONFORMING AMENDMENTS.—Section 5.61(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–10(a)) is amended—

(1) in paragraph (1) by striking ''IN GENERAL.—'' and inserting ''STAND-ALONE ASSISTANCE.—''; and

(2) in paragraph (2)—

(A) by striking ''ENUMERATED POWERS.—'' and inserting ''FACILITATION OF MERGERS OR CONSOLIDATION.—''; and

(B) in subparagraph (A) by striking ''FACILITATION OF MERGERS OR CONSOLIDATION.—'' and inserting ''IN GENERAL.—''.

SEC. 218. OVERSIGHT AND REGULATORY ACTIONS BY THE FARM CREDIT SYSTEM INSURANCE CORPORATION.

The Farm Credit Act of 1971 is amended by inserting after section 5.61 (12 U.S.C. 2279a–10) the following:

''SEC. 5.61A. OVERSIGHT ACTIONS BY THE CORPORATION.

''(a) DEFINITIONS.—In this section, the term 'institution' means—

''(1) an insured System bank; and

''(2) a production credit association or other association making loans under section 7.6 with a direct loan payable to the funding bank of the association that comprises 20 percent or more of the funding bank's total loan volume net of nonaccrual loans.

''(b) CONSULTATION REGARDING PARTICIPATION OF UNDERCAPITALIZED BANKS IN ISSUANCE OF INSURED OBLIGATIONS.—The Farm Credit Administration shall consult with the Corporation prior to approving an insured obligation that is to be issued by or on behalf of, or participated in by, any insured System bank that fails to meet the minimum level for any capital requirement established by the Farm Credit Administration for the bank.

''(c) CONSULTATION REGARDING APPLICATIONS FOR MERGERS AND RESTRUCTURINGS.—

''(1) CORPORATION TO RECEIVE COPY OF TRANSACTION APPLICATIONS.—On receiving an application for a merger or restructuring of an institution, the Farm Credit Administration shall forward a copy of the application to the Corporation.

''(2) CONSULTATION REQUIRED.—If the proposed merger or restructuring involves an institution that fails to meet the minimum level for any capital requirement established by the Farm Credit Administration applicable to the institution, the Farm Credit Administration shall allow 30 days within which the Corporation may submit the views and recommendations of the Corporation, including any conditions for approval. In determining whether to approve or disapprove any proposed merger or restructuring, the Farm Credit Administration shall give due consideration to the views and recommendations of the Corporation.

''SEC. 5.61B. AUTHORITY TO REGULATE GOLDEN PARACHUTE AND INDEMNIFICATION PAYMENTS.

''(a) DEFINITIONS.—In this section:

''(1) GOLDEN PARACHUTE PAYMENT.—The term 'golden parachute payment'—

''(A) means a payment (or any agreement to make a payment) in the nature of compensation for the benefit of any institution-related party under an obligation of any Farm Credit System institution that—

''(i) is contingent on the termination of the party's relationship with the institution; and

''(ii) is received on or after the date on which—

''(I) the institution is insolvent;

''(II) a conservator or receiver is appointed for the institution;

''(III) the institution has been assigned by the Farm Credit Administration a composite CAMEL rating of 4 or 5 under the Farm Credit Administration Rating System, or an equivalent rating; or

''(IV) the Corporation otherwise determines that the institution is in a troubled condition (as defined in regulations issued by the Corporation); and

''(B) includes a payment that would be a golden parachute payment but for the fact that the payment was made before the date referred to in subparagraph (A)(ii) if the payment was made in contemplation of the occurrence of an event described in any subclause of subparagraph (A); but

''(C) does not include—

''(i) a payment made under a retirement plan that is qualified (or is intended to be qualified) under section 401 of the Internal Revenue Code of 1986 or other nondiscriminatory benefit plan;

''(ii) a payment made under a bona fide supplemental executive retirement plan, deferred compensation plan, or other arrangement that the Corporation determines, by regulation or order, to be permissible; or

''(iii) a payment made by reason of the death or disability of an institution-related party.

''(2) INDEMNIFICATION PAYMENT.—The term 'indemnification payment' means a payment (or any agreement to make a payment) by any Farm Credit System institution for the benefit of any person who is or was an institution-related party, to pay or reimburse the person for any liability or legal expense with regard to any administrative proceeding or civil action instituted by the Farm Credit Administration that results in a final order under which the person—

''(A) is assessed a civil money penalty; or

''(B) is removed or prohibited from participating in the conduct of the affairs of the institution.

''(3) INSTITUTION-RELATED PARTY.—The term 'institution-related party' means—

''(A) a director, officer, employee, or agent for a Farm Credit System institution or any conservator or receiver of such an institution;

''(B) a stockholder (other than another Farm Credit System institution), consultant, joint venture partner, or any other person determined by the Farm Credit Administration to be a participant in the conduct of the affairs of a Farm Credit System institution; and

''(C) an independent contractor (including any attorney, appraiser, or accountant) that knowingly or recklessly participates in any violation of any law or regulation, any breach of fiduciary duty, or any unsafe or unsound practice that caused or is likely to cause more than a minimal financial loss to, or a significant adverse effect on, the Farm Credit System institution.

''(4) LIABILITY OR LEGAL EXPENSE.—The term 'liability or legal expense' means—

''(A) a legal or other professional expense incurred in connection with any claim, proceeding, or action;

''(B) the amount of, and any cost incurred in connection with, any settlement of any claim, proceeding, or action; and

''(C) the amount of, and any cost incurred in connection with, any judgment or penalty imposed with respect to any claim, proceeding, or action.

''(5) PAYMENT.—The term 'payment' means—

''(A) a direct or indirect transfer of any funds or any asset; and

''(B) any segregation of any funds or assets for the purpose of making, or under an agreement to make, any payment after the date on which the funds or assets are segregated, without regard to whether the obligation to make the payment is contingent on—

''(i) the determination, after that date, of the liability for the payment of the amount; or

''(ii) the liquidation, after that date, of the amount of the payment.

''(b) PROHIBITION.—The Corporation may prohibit or limit, by regulation or order, any golden parachute payment or indemnification payment by a Farm Credit System institution (including any conservator or receiver of the Federal Agricultural Mortgage Corporation) in troubled condition (as defined in regulations issued by the Corporation).

''(c) FACTORS TO BE TAKEN INTO ACCOUNT.—The Corporation shall prescribe, by regulation, the factors to be considered by the Corporation in taking any action under subsection (b). The factors may include—

''(1) whether there is a reasonable basis to believe that an institution-related party has committed any fraudulent act or omission, breach of trust or fiduciary duty, or insider abuse with regard to the Farm Credit System institution involved that has had a material effect on the financial condition of the institution;

''(2) whether there is a reasonable basis to believe that the institution-related party is substantially responsible for the insolvency of the Farm Credit System institution, the appointment of a conservator or receiver for the institution, or the institution's troubled condition (as defined in regulations prescribed by the Corporation);

''(3) whether there is a reasonable basis to believe that the institution-related party has materially violated any applicable law or regulation that has had a material effect on the financial condition of the institution;

''(4) whether there is a reasonable basis to believe that the institution-related party has violated or conspired to violate—

''(A) section 215, 657, 1006, 1014, or 1344 of title 18, United States Code; or

''(B) section 1341 or 1343 of title 18, United States Code, affecting a Farm Credit System institution;

''(5) whether the institution-related party was in a position of managerial or fiduciary responsibility; and

''(6) the length of time that the party was related to the Farm Credit System institution and the degree to which—

''(A) the payment reasonably reflects compensation earned over the period of employment; and

''(B) the compensation represents a reasonable payment for services rendered.

''(d) CERTAIN PAYMENTS PROHIBITED.—No Farm Credit System institution may prepay the salary or any liability or legal expense of any institution-related party if the payment is made—

''(1) in contemplation of the insolvency of the institution or after the commission of an act of insolvency; and

''(2) with a view to, or with the result of—

''(A) preventing the proper application of the assets of the institution to creditors; or

''(B) preferring 1 creditor over another creditor.

''(e) RULE OF CONSTRUCTION.—Nothing in this section—

''(1) prohibits any Farm Credit System institution from purchasing any commercial insurance policy or fidelity bond, so long as the insurance policy or bond does not cover any legal or liability expense of an institution described in subsection (a)(2); or

''(2) limits the powers, functions, or responsibilities of the Farm Credit Administration.''.

SEC. 219. FARM CREDIT SYSTEM INSURANCE CORPORATION BOARD OF DIRECTORS.

(a) IN GENERAL.—Section 5.53 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–2) is amended to read as follows:

''SEC. 5.53. BOARD OF DIRECTORS.

''(a) ESTABLISHMENT.—The Corporation shall be managed by a Board of Directors that shall consist of the members of the Farm Credit Administration Board.

''(b) CHAIRMAN.—The Board of Directors shall be chaired by any Board member other

than the Chairman of the Farm Credit Administration Board.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 5314 of title 5, United States Code, is amended by striking ''Chairperson, Board of Directors of the Farm Credit System Insurance Corporation.''.

(2) Section 5315 of title 5, United States Code, is amended by striking ''Members, Board of Directors of the Farm Credit System Insurance Corporation.''.

SEC. 220. INTEREST RATE REDUCTION PROGRAM.

Section 351(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended—

(A) by striking ''SEC. 351. (a) The'' and inserting the following:

''SEC. 351. INTEREST RATE REDUCTION PROGRAM.

''(a) ESTABLISHMENT OF PROGRAM.—

''(1) IN GENERAL.—The''; and

(B) by adding at the end the following:

''(2) TERMINATION OF AUTHORITY.—The authority provided by this subsection shall terminate on September 30, 2002.''.

SEC. 221. LIABILITY FOR MAKING CRIMINAL REFERRALS.

(a) IN GENERAL.—Any institution of the Farm Credit System, or any director, officer, employee, or agent of a Farm Credit System institution, that discloses to a Government authority information proffered in good faith that may be relevant to a possible violation of any law or regulation shall not be liable to any person under any law of the United States or any State—

(1) for the disclosure; or

(2) for any failure to notify the person involved in the possible violation.

(b) NO PROHIBITION ON DISCLOSURE.—Any institution of the Farm Credit System, or any director, officer, employee, or agent of a Farm Credit System institution, may disclose information to a Government authority that may be relevant to a possible violation of any law or regulation.

TITLE III—IMPLEMENTATION AND EFFECTIVE DATE

SEC. 301. IMPLEMENTATION.

The Secretary of Agriculture and the Farm Credit Administration shall promulgate regulations and take other required actions to implement the provisions of this Act not later than 90 days after the effective date of this Act.

SEC. 302. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act shall become effective on the date of enactment.

□ 1730

Mr. EMERSON (during the reading). Mr. Speaker, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

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

Mr. WOLF. Reserving the right to object, Mr. Speaker, and I will not object, but I just wanted to have some clarification. I would ask the gentleman, does this resolution that we are bringing up tonight have anything to do with the resolution that was just passed in the Committee on Rules, which gives the Speaker or the Chair the ability to recess subject to the call until January 23? Because if it does, I want to make sure that my objection is heard loud and clear, and Members ought to know that this might have something to do with that.

Does this have anything to do with the resolution that was passed in the Committee on Rules today that deals with giving the Speaker the right to recess subject to the call of the Chair until January 23, which would be a very bad thing to do?

Mr. EMERSON. Mr. Speaker, will the gentleman yield under his reservation of objection?

Mr. WOLF. I yield to the gentleman from Missouri.

Mr. EMERSON. Mr. Speaker, I would like to give him absolute assurance that it has absolutely nothing to do with the subject raised by the gentleman from Virginia.

Mr. WOLF. I will not object, Mr. Speaker. I just wanted to be sure, because when the resolution comes up on the floor, if it ever comes up in this House to vote on the issue of whether or not we adjourn or recess, I not only will vote against it, I will speak against it, and I will work against it.

Since this does not deal with that, Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

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

Mr. DE LA GARZA. Reserving the right to object, Mr. Speaker, on the bill and amendments thereto, I yield to my distinguished colleague, the gentleman from Missouri [Mr. EMERSON], for an explanation.

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

Mr. EMERSON. Mr. Speaker, I thank the distinguished member of the Committee on Agriculture for yielding to me to explain the bill.

Mr. Speaker, today the House is considering legislation that will allow an important segment of the agricultural finance industry to continue providing low-cost, long-term real estate and rural housing loans to American farmers, ranchers and rural residents, as well as reduce the regulatory burden on the Farm Credit System [FCS].

As sent to us from the other body, H.R. 2029, the Farm Credit System Reform Act of 1996, contains two major legislative amendments to the Farm Credit Act of 1971. First, the bill provides major reforms to the Federal Agricultural Mortgage Corporation, better known as Farmer Mac, that will create an efficient and cost-effective secondary market for agricultural real estate and rural housing loans. Second, the legislation provides needed regulatory relief for FCS institutions, including amending an unnecessary provision of law that would establish an independent board of directors for the Farm Credit System Insurance Corporation [FCSIC].

The original H.R. 2029 was reported from the Committee on Agriculture December 13, 1995, and entitled the Farm Credit System Regulatory Relief Act of 1995. H.R. 2029 was adopted by the House under suspension of the rules December 19, 1995. The companion piece included as title I—Agricultural Mortgage Secondary Market, the Farmer Mac amendments, in the bill the House is considering today also was reported by the Agriculture committee December 13, 1995. The House has not acted on that legislation separately. In the meantime, the other body acted on H.R. 2029, placing both the FCS regulatory relief package and the Farmer Mac reforms in the bill, and returning it to the House.

Today, the House considers both pieces of legislation with some minor revisions. First, as adopted by the House Committee on Agriculture, the bill requires Farmer Mac to meet certain new minimum capital standards as Farmer Mac proceeds to recapitalize its core capital. Again, as contained in the House committee reported bill, this legislation provides the Farm Credit Administration's (CFA) Office of Secondary Market Oversight with authority to place Farmer Mac into receivership and wind down its operations should that become necessary.

Second, title II of H.R. 2029 before us today contains two amendments different from the bill the House passed December 19, 1995.

Mr. Speaker, it is necessary to clarify the intent of a time-sensitive provision of the legislation and pass a House amendment to the Senate amendment H.R. 2029. Section 219 is revised in the House amendment so as to amend section 5.53 of the Farm Credit Act of 1971 to provide that FCSIC shall be managed by a board of directors of the FCA board of directors, except that the chairman of the latter board may not serve as chairman of the FCSIC board.

As demonstrated by earlier passage of the repeal of section 201 of the Farm Credit Banks and Associations Safety and Soundness Act of 1992 (106 Stat. 4104) by both the House and Senate, there is no need to create a new bureaucratic structure to establish an independent board for FCSIC that section 261 would have created effective January 1, 1996.

Therefore, it should be noted that this provision is also intended to restore the former FCSIC Board, in existence before January 1,1996, which consists of members of the FCA Board of Directors. This should clarify the legislative history on this matter.

One other provision contained in this bill different from the legislation the House passed earlier deals with how payments are made under a system of new reserve accounts established within the insurance fund. Under the provisions of this bill, reserve accounts may be disbursed during each calendar year beginning more than 8 years after the date the insurance fund reaches its secure base amount but not later than January 1, 2005. FCSIC estimates the insurance fund should reach its statutorily-set secure base amount in early 1997.

This provision is designed to provide the FCSIC with the flexibility to adjust, at its sole discretion, the premiums charged to FCS institutions to capitalize the insurance fund. This discretionary authority would allow FCSIC to lower insurance premiums in advance of reaching the insurance fund's secure base amount, if, in FCSIC's opinion, events warrant

such a premium reduction. Within these provisions in an important legislative compromise that provides for the orderly redemption of Financial Assistance Corporation stock held by FCS institutions.

Mr. Speaker, this is sound legislation the House should adopt today and send back to the other body for consideration. I urge its immediate passage.

(Mr. DE LA GARZA asked and was given permission to revise and extend his remarks.)

Mr. DE LA GARZA. Mr. Speaker, continuing to reserve the right to object, I rise in support of the legislation.

Mr. Speaker, I urge my colleagues to support H.R. 2029 because it will provide mechanisms for ensuring affordable credit in rural America. Our farmers and ranchers have been and will continue to experience in the next several years, great uncertainty with roller coaster market prices and impending changes in Federal agricultural policy. It will be more important than ever that there be reliable credit sources available to them.

Passage into law of regulatory relief for the Farm Credit System will hopefully provide for a reduction in operating costs that can be passed on to System borrowers. The legislative changes that are being proposed to Farmer Mac will provide both commercial banks and Farm Credit System institutions with the means to lower the cost of borrowing money as well.

Previous reforms of Farmer Mac have not been as successful as we had hoped, which is why additional authority is currently needed. Lending is inherently risky, however, I am hopeful that these reforms will allow Farmer Mac to become a viable entity and to develop a secondary market for long-term agricultural real estate loans. It is as balanced an approach as could be achieved.

Again, I support this legislation and look forward to prompt action by the other body.

Mr. BARRETT of Nebraska. Mr. Speaker, I rise today in support of H.R. 2130, the Farmer Mac reform bill.

Farmer Mac was established to provide a reliable source of long-term agricultural loans. Its goal was greater competition in loan rates for farmers and ranchers. Unfortunately, Farmer Mac's enabling legislation was too restrictive and a secondary market for agriculture never fully developed.

H.R. 2130 seeks to address these impediments. I believe the reforms contained in H.R. 2130 would allow Farmer Mac to prove the viability of the agricultural secondary market. My constituents are encouraged by the opportunity that a reformed Farmer Mac could bring to rural borrowers.

I'm encouraged that the House is acting on Farmer Mac today. I urge my colleagues to support H.R. 2130.

Mr. Speaker, I withdraw my reservation of objection.

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

Mr. HOYER. Reserving the right to object, Mr. Speaker, as I understand this legislation, it is necessary. If we do not pass it, many in this House on both sides of the aisle will have many constituents who will be hurt. America, in my opinion, will be hurt if we do not allow this to pass at this time.

However, we have a selective sense of responsibility. We did not want to hurt veterans, we did not want to hurt those who go to national parks, we did not want to hurt those who got Social Security checks, and I did not want to hurt any of those, either. So what we continue to do is ask people to come to work, as a responsible employee, but guess what, we are not going to pay you, and we lock out others who cannot serve their constituencies. People are at risk because apparently some Members of this House are not feeling it.

The leadership is about to suggest that this House, like Pontius Pilate, wring its hands and say that we will go home until January 23; no responsibility for the pain that is being caused, no responsibility for the services that are being denied; like Pontius Pilate, it must be somebody else.

Mr. Speaker, as I said at the outset, I will not object to this particular piece of legislation, because unlike some in this House, I believe we ought to be responsible. People sent us here to ensure that their lives would be, to the extent we could affect them, be better. To object to this would not affect that end, but some in this body believe that if their end is appropriate, any means they utilize to attain it are justified. That is wrong.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. EMERSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the bill just considered.

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

There was no objection.

FURTHER CONTINUING APPROPRIATIONS FOR FISCAL YEAR 1996

Mr. WALSH. Mr. Speaker, I offer a joint resolution (H.J. Res. 153) making further continuing appropriations for fiscal year 1996, and for other purposes, and I ask unanimous consent that it be considered as passed, and that a motion to reconsider be laid on the table.

The Clerk read the title of the joint resolution.

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

Mr. OBEY. Reserving the right to object, Mr. Speaker, under my reservation of objection, I would first ask the gentleman to explain the motion before the House, before I ask a couple of questions about it.

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

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

Mr. WALSH. Mr. Speaker, this is a continuing resolution that affects only the District of Columbia and only their ability to spend local funds. It is a continuation of the bill that was passed last year that provided continuing funding for the District's own local funds through January 3. This is identical to the legislation we passed at the end of the last session but this would continue that funding authority until January 25.

Mr. OBEY. Mr. Speaker, if I could ask the gentleman, then, is it correct to say this allows only the use of District funds?

Mr. WALSH. That is correct.

Mr. OBEY. And that even if this passes, the District will not have received any Federal payment since, I believe, December 15?

Mr. WALSH. That is correct. The District has received about $370 million of the $660 million Federal formula funds and approximately $8 million of the $52 million that go toward the pension fund.

Mr. OBEY. Continuing my reservation of objection, let me simply say, Mr. Speaker, that I am troubled by this, because while I think we want the District government to remain open, that there would be no need for this specific resolution, as narrowly drawn as it is tonight, if the House leadership would simply allow us to bring up the Dole resolution which passed the Senate yesterday, which opens up all of the agencies of Government.

We have the ridiculous situation under which some Federal workers have been paid for work which they were not allowed to do, and other Federal workers are being required to perform work for which they are not getting paid. The District is not the only jurisdiction with problems. There are 10 States, I am told, that are about to run out of needed funds to administer unemployment compensation programs. There are 95 percent of workplace safety inspections which are not taking place. There are 2,500 mortgage applications a day under SBA that are not being attended to. Veterans' education benefits are in question for 170,000 veterans. Pension fraud cases are not being pursued. The Older Americans Act and Meals on Wheels are being put at risk, all because of the arrogance, it seems to me, of some Members of this body who put their political and economic ideology ahead of the right of taxpayers to receive the services for which they have already paid.

Therefore, I am extremely troubled by the narrow nature of this proposition, but I would simply suggest that I do not see any useful purpose that would be served for anyone on this side of the aisle to engage in the same kind of childish leverage games that we have seen go on on the part of the leadership of this House and the Speaker, so I very reluctantly will not object.

However, I would ask, in the process of not objecting, I would ask when the House Republican leadership would allow us to bring to the floor for a vote the resolution sent over by the Senate, sponsored by Mr. DOLE yesterday, which would open up the entire Government.

Mr. WALSH. If the gentleman will continue to yield, Mr. Speaker, surely my colleague, the gentleman from Wisconsin, understands that this is a very unique situation. It does not involve any Federal funds, unlike the other continuing resolution that he is discussing, and these are not frivolous matters. These are important and very serious and monumental, in fact, discussions about the direction of the Federal Government. It obviously has taken some time.

I am sure that when there is some agreement on the future direction of this country and its budget, that we will bring that forward.

Mr. OBEY. Continuing my reservation of objection, let me say that I recognize that the decision on that question is above the gentleman's pay grade and above mine, but I would nonetheless simply take this occasion to inform the Chair and the House that in the event that there is no objection made to this request, that after this is disposed of, I would ask unanimous consent to take from the Speaker's desk H.R. 1643, the Dole proposition, in order to permit immediate consideration in the House, because that would reopen all of Government and it would pay everybody for work that they are doing, which might seem a quaint idea, given the Alice-in-Wonderland atmosphere that this House has taken on, but nonetheless, I think would meet with considerable support on the part of the American taxpayer.

□ 1745

Mr. Speaker, I withdraw my reservation of objection.

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

Mr. DURBIN. Mr. Speaker, reserving the right to object, I would like to ask the chairman of the Committee on Appropriations of the District of Columbia several questions.

The appropriations bill for the District of Columbia was to be submitted to the President for signature by October 1 so that the ordinary operations of the D.C. Government could continue. Can the gentleman from New York tell me when that appropriations bill for fiscal year 1996 was submitted to the President?

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

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

Mr. WALSH. Mr. Speaker, this bill obviously has not been concluded; its work is still in conference. There are substantial differences between the Senate position and the House position. I spoke with Senator JEFFORDS as recently as today to try to get some resolution.

As the gentleman knows, this has been a very difficult year for the District of Columbia. We passed legislation that basically overhauled the Home Rule to provide for a control board, a financial control board. We never received a budget from the District until 2½ months after it was supposed to be submitted.

We received a number of budgets. We received the City Council budget, a mayoral budget, a control board budget, all of which, as the gentleman knows since he serves on the subcommittee, slowed us down substantially.

Mr. DURBIN. Mr. Speaker, if the gentleman would respond to the following question: Would it be necessary to pass any temporary spending bill if the subcommittee, which we both serve on, had done its job and submitted an appropriations bill to the President on time?

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

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

Mr. WALSH. Mr. Speaker, I think the subcommittee did yeoman work, and it definitely did do its job. Unfortunately, there are substantial differences between the Senate and the House positions. I think the House did its job; I think the conference has work to do yet.

Mr. DURBIN. Mr. Speaker, if I might, the fact is that we are over 3 months into this fiscal year. this subcommittee has failed to produce an appropriations bill for the District of Columbia. We are forced to lurch from spending bill to spending bill with gross uncertainly among the residents of the District of Columbia about their future. To blame anyone other than this committee and this Congress for this dereliction of duty would be improper.

I would like to ask the gentleman another question: The District of Columbia appropriations bill which came over from the Senate carried with it an amendment offered by Senator BOXER, Senator DOLE, and Senator DASCHLE entitled No Budget, No Pay. It said that so long as the Federal Government was shut down, Members of Congress would not receive their paychecks. That provision was included in the bill, the Senate version of this appropriations bill, and I am asking the gentleman from New York whether it is included in his temporary spending bill.

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

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

Mr. WALSH. First of all, let me just clarify, I do not really think the gentleman meant to say that we are derelict in our duty. I think we have worked very, very hard, all of us, both parties, both Houses, to try to get these issues resolved and they are substantive issues.

As far as the issue of pay, I heard the chairman of the Senate subcommittee and the chairman of the conference say that it was his feeling that it would not be the Senate's position in a final conference agreement.

It is not a part of the House's position. Many Members thought it was punitive and it treated the Members of Congress differently than all other Federal workers.

Mr. DURBIN. So if I understand the gentleman's remarks, he does not want to be punitive to the Members of Congress during this budget crisis? Is that his position?

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

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

Mr. WALSH. I think the gentleman is correct. I have no intention to be punitive to anyone, any member of the Federal Government.

Mr. DURBIN. Mr. Speaker, reclaiming my time, is the gentleman fielding any phone calls in his district about this Government shutdown?

For instance, in my district, Federal prison guards received 1 week's pay for the month of December. They are going to work every day and putting their lives on the line in prisons, guarding dangerous prisoners, and they are being paid for 1 week out of 4 in December.

Does the gentleman consider that punitive to Federal prison guards who are doing their job?

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

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

Mr. WALSH. I am sure the gentleman is aware, we passed those appropriations bills. The President, as a matter of fact, signed the appropriations bill that allowed the prisoners to get paid and vetoed the appropriations bill that paid for the guards. So that is a question of priorities, and I do not quite understand it.

The SPEAKER pro tempore. Does the gentleman continue to reserve the right to object?

Mr. DURBIN. Mr. Speaker, I continue to reserve the right to object.

It is also true that if the Dole resolution were passed by this body today, that prison guard and others would be full-time back at work.

Mr. Speaker, I yield to my colleague, the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Speaker, I would simply like to point out that despite all of the rhetoric that we have heard on this floor today, there are three appropriations bills which have still not even made it to the President, the first being the District of Columbia bill which we are discussing right now; the second being the Foreign Operations bill which is hung up because of differences between Republicans in the Senate and Republicans in the House on the issue of family planning and abortion; and third, the Labor, Health,

Education and Social Services appropriations bill, a huge share of the Federal Government.

All of those programs at this point are in limbo because we still have not had resolutions worked out between the House and the Senate. So it seems to me that there is a high degree of congressional culpability for the fact that this Government is not operating under regular appropriations bills; and it also seems to me that it comes with considerable ill grace to blame the President for the fact that he has not even been able to consider whether to veto bills, because three of them have not gotten to him yet.

Mr. DURBIN. Mr. Speaker, continuing to reserve my right to object, I think it is clear that one of the reasons this temporary spending bill is being brought to the floor is to avoid any debate over no budget, no pay, to make sure that this House does not go on record on the proposition as to whether or not Members of Congress will continue to take recesses and vacations, will continue to receive paychecks while this group of Republicans decides that 280,000 Federal employees will be furloughed and hundreds of thousands of innocent people will be penalized by the strategy. That is part of the strategy behind this temporary spending bill.

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

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

Mr. WALSH. I would just remind my colleague that the reason that those employees are not at work is because the President vetoed those appropriations bills——

Mr. DURBIN. Reclaiming my time, the gentleman——

Mr. WALSH. And we just had an opportunity to override that veto, and we did not get it done.

Mr. DURBIN. Mr. Speaker, regular order.

The SPEAKER pro tempore. The gentleman is correct. The gentleman from Illinois controls the time under his reservation.

Mr. KINGSTON. Mr. Speaker, regular order.

The SPEAKER pro tempore. The gentleman from Georgia demands the regular order. Is there objection?

Mr. DURBIN. Can I continue my reservation?

The SPEAKER pro tempore. The gentleman from Georgia has demanded the regular order. The gentleman will have to choose the regular order. The gentleman will have to choose whether or not to object at this time.

Mr. DURBIN. If the gentleman will withdraw his regular order request, I promise to conclude my remarks momentarily.

Mr. KINGSTON. I will withdraw, Mr. Speaker.

Mr. DURBIN. Mr. Speaker, I continue to reserve my right to object.

Mr. KINGSTON. Mr. Speaker, if the gentleman will yield, I would say to my friend and fellow committee member, we have all worked very hard on this committee to try to get the District of Columbia back to work and get the appropriations bill passed and so forth. Unfortunately, it is one of the bills that is getting caught in this massive debate over the size and scope of Government over the next 7 years.

I think, as the gentleman knows well and certainly the ranking Committee on Appropriations member knows well, that the chairman has worked very hard on that process and will continue to do so. What we are trying to do now is at the request of the District of Columbia folks to let them continue to work.

Mr. DURBIN. Mr. Speaker, continuing to reserve, I would like to ask the gentleman from New York one final question: Why are we passing this temporary spending bill for the District of Columbia?

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

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

Mr. WALSH. Mr. Speaker, the delegate from the District of Columbia has asked us to try to get the people back to work. This is their money, it is not ours, and that is the reason. It is a very narrow CR that affects only their money, no Federal money.

Mr. DURBIN. I would just say to the gentleman from New York, I hope he will remember those words when the next D.C. appropriations bill comes up, because the gentleman has taken a position in the past that this Congress has some responsibility even over the local funds of the District of Columbia, and now he is saying that we should let them have their own money with no strings attached. I think that may not be consistent with the gentleman's overall position.

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

Mr. DURBIN. I yield to the gentleman from Michigan.

Mr. CONYERS. Mr. Speaker, first of all, I want to commend the gentleman's dialog. I think the gentleman has made an important connection here between the point of suspending the pay of the Members while we are suspending the pay of other people.

Mr. KINGSTON. Mr. Speaker, regular order.

The SPEAKER pro tempore. The gentleman from Georgia has renewed his request for regular order. Does the gentleman from Illinois object?

Mr. DURBIN. I object, Mr. Speaker.

The SPEAKER pro tempore. Objection is heard.

REPORT ON RESOLUTION AUTHORIZING SPEAKER TO DECLARE RECESSES SUBJECT TO THE CALL OF THE CHAIR AND WAIVING REQUIREMENTS OF CLAUSE 4(b) OF RULE XI WITH RESPECT TO CONSIDERATION OF CERTAIN RESOLUTIONS REPORTED FROM COMMITTEE ON RULES

Ms. PRYCE, from the Committee on Rules, submitted a privilege report (Rept. No. 104–445) on the resolution (H. Res. 330) authorizing the Speaker to declare recesses subject to the call of the Chair from January 5, 1996, through January 23, 1996; waiving a requirement of clause 4(b) of rules XI with respect to consideration of certain resolutions reported from the Committee on Rules during that period, which was referred to the House Calendar and ordered to be printed.

PERSONAL EXPLANATION

Mr. FILNER. Mr. Speaker, I regret that I was unable to be present for a number of rollcall votes at the end of last session. I was paired for several of the votes, but on other votes I would have voted as follows: Rollcall 871, ''no.'' Rollcall 872, ''no.'' Rollcall 873, ''yes.'' Rollcall 874, ''yes.'' Rollcall 875, ''no.'' Rollcall 878, ''no.'' Rollcall 879, ''no.'' Rollcall 880, ''no.'' Rollcall 881, ''no.'' Rollcall 883, ''no.'' Rollcall 884, ''no.''

EXTENSION OF MOST-FAVORED-NATION TREATMENT TO PRODUCTS OF BULGARIA

Mr. OBEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1643) to authorize the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of Bulgaria in order to permit the immediate consideration in the House of the Senate amendment to the House amendment that is the Dole appropriation.

The SPEAKER pro tempore. Under the guidelines consistently issued by successive Speakers as recorded on page 534 of the House Rules Manual, the Chair is constrained not to entertain the gentleman's request until it has been cleared by the bipartisan floor and committee leaderships.

SUSPENDING PAY OF MEMBERS OF CONGRESS DURING GOVERNMENT SHUTDOWN

Mr. CONYERS. Mr. Speaker, I ask unanimous consent that the Committee on House Oversight be discharged from further consideration of the bill (H.R. 2658), a bill which would suspend pay of Members of Congress during this Government shutdown and thereby force us to play by the same rules as the rest of the Federal Government, and ask for its immediate consideration.

The SPEAKER pro tempore. Under the guidelines consistently issued by

successive Speakers as recorded on page 534 of the House Rules Manual, the Chair is constrained not to entertain the gentleman's request until it has been cleared by the bipartisan floor and committee leaderships.

□ 1800

PURE LUNACY

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

Mr. VOLKMER. Mr. Speaker, we have heard all day today about the Members on the other side trying to blame the President for the shutdown when we all know that only in the House can appropriation bills be instituted. All they have to do is bring a clean continuing resolution, we pass it, and everybody goes back to work.

It is really silly, I would say it is lunacy that today we tell Federal workers that they can work but not be paid, while at the same time here in this House we are getting paid and we are not working. We have not really done anything today.

Look at the legislation that was passed. Unanimous consent on a little agriculture bill which we needed, but that is all. What did we do? What are we going to do tomorrow? Nothing. What are we going to do the next day? We are going to recess, we are going to recess until the 23d, almost the whole month, not do anything, get paid, while the Federal workers out there, the Republican majority tells them, ''You go ahead and work but you won't get paid.''

It is pure lunacy. What is lunacy? It is insanity, great or wild foolishness.

You never saw anything foolish like this in the history of this Congress.

A SAD DAY

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

Mr. MICA. Mr. Speaker, this is an interesting turn of events today. We have had opportunity to put Federal employees back to work. This House met its constitutional responsibility and in fact did vote, and twice the other side of the aisle has now voted down measures that would put our Federal civil servants back to work.

Now we had another opportunity here to get some relief for the District and other Federal employees, and that was objected to by the other side. We have given the President of the United States a balanced budget, we gave him a CR and 30 days to come back with a plan, and we have met in good faith.

We need trust, we need working together. We do not need this obstructionism from the other side of the aisle. We need to come together, get these problems resolved. It is a sad day for the country and a sad day for the Congress that in fact we could not have taken care of the people's business and the Federal employees' business today with simple action by the House of Representatives and working together.

SHUTDOWN AFFECTS INNOCENT FEDERAL WORKERS

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

Mr. MORAN. Mr. Speaker, during 1987 when we had a Republican President and a Democratic Congress that could not agree, what we did was to respond to the President's request to have a continuing resolution throughout the year. Again in 1988 we had the same inability to agree, and we had a continuing resolution throughout the year.

This is the normal course of business. That is what the majority leader in the Senate has attempted to do. He said yesterday this does not make any sense. Whatever point there was, I do not know what the point was, but it has not been made.

The fact is that what we are doing is punishing Federal employees, and that is the point we want to make. The Congress is not punishing the President, it is not punishing ourselves. We are punishing innocent Federal employees, public civil servants. These people are innocent.

Politics is the art of compromise. It is not the tactics of terrorism. Terrorists take hostages, innocent hostages for purposes beyond anything to do with the hostages. This has got to stop.

FURTHER CONTINUING APPROPRIATIONS FOR FISCAL YEAR 1996

Mr. WALSH. Mr. Speaker, I again offer a joint resolution (H.J. Res. 153) making further continuing appropriations for the fiscal year 1996, and for other purposes, and ask unanimous consent that it be considered as passed and that a motion to reconsider be laid on the table.

The Clerk read the title of the joint resolution.

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

Mr. DURBIN. Mr. Speaker, reserving the right to object, and I will say to the gentleman from New York, I will not object, but I want to under my reservation say that my frustration over being held back from offering the no-budget/no-pay provision led me to object earlier.

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

Mr. DURBIN. Further reserving the right to object, I yield to the gentleman from New York.

Mr. WALSH. My good friend from Illinois objected to this, which would have stopped the District government from going back to work tomorrow. I hope he regrets that decision. Does the gentleman regret that decision?

Mr. DURBIN. Let me say this to the gentleman from New York. I will not object because I will not allow myself——

Mr. WALSH. Do the gentleman regret the decision that he made?

Mr. DURBIN. Regular order, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Illinois controls the time under his reservation.

Mr. DURBIN. I will not object because I will not descend to the level that you have inflicted on 280,000 other Federal workers across this country.

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. OBEY. Mr. Speaker, reserving the right to object, I trust that no one at this point will object, and I withdraw my reservation of objection.

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

There was no objection.

The text of the joint resolution is as follows:

H.J. RES 153

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are hereby appropriated, out of the general fund and enterprise funds of the District of Columbia for the District of Columbia for the fiscal year 1996, and for other purposes, namely:

SEC. 101. (a) Such amounts as may be necessary under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1995 for continuing projects or activities including the costs of direct loans and loan guarantees (not otherwise specifically provided for in this title of this joint resolution) which were conducted in the fiscal year 1995 and for which appropriations, funds, or other authority would be available in the following appropriations Act:

The District of Columbia Appropriations Act, 1996:

Provided, That whenever the amount which would be made available or the authority which would be granted in this Act is greater than that which would be available or granted under current operations, the pertinent project or activity shall be continued at a rate for operations not exceeding the current rate.

(b) Whenever the amount which would be made available or the authority which would be granted under the Act listed in this section as passed by the House as of the date of enactment of this joint resolution, is different from that which would be available or granted under such Act as passed by the Senate as of the date of enactment of this joint resolution, the pertinent project or activity shall be continued at a rate for operations not exceeding the current rate or the rate permitted by the action of the House or the Senate, whichever is lower, under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1995: *Provided,* That where an item is not included in either version or where an item is included in only one version of the Act as passed by both Houses as of the date of enactment of this joint resolution, the pertinent project or activity shall not be continued except as provided for in section 111 or

112 under the appropriation, fund, or authority granted by the applicable appropriations Act for the fiscal year 1995 and under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1995.

SEC. 102. Appropriations made by section 101 shall be available to the extent and in the manner which would be provided by the pertinent appropriations Act.

SEC. 103. No appropriation or funds made available or authority granted pursuant to section 101 shall be used to initiate or resume any project or activity for which appropriations, funds, or other authority were not available during the fiscal year 1995.

SEC. 104. No provision which is included in the appropriations Act enumerated in section 101 but which was not included in the applicable appropriations Act for fiscal year 1995 and which by its terms is applicable to more than one appropriation, fund, or authority shall be applicable to any appropriation, funds, or authority provided in this title of this joint resolution.

SEC. 105. Appropriations made and authority granted pursuant to this title of this joint resolution shall cover all obligations or expenditures incurred for any program, project, or activity during the period for which funds or authority for such project or activity are available under this title of this joint resolution.

SEC. 106. Unless otherwise provided for in this title of this joint resolution or in the applicable appropriations Act, appropriations and funds made available and authority granted pursuant to this title of this joint resolution shall be available until (a) enactment into law of an appropriation for any project or activity provided for in this title of this joint resolution, or (b) the enactment into law of the applicable appropriations Act by both Houses without any provision for such project or activity, or (c) January 25, 1996, whichever first occurs.

SEC. 107. Notwithstanding any other provision of this title of this joint resolution, except section 106, none of the funds appropriated under this title of this joint resolution shall be expended for any abortion except where the life of the mother would be endangered if the fetus were carried to term or where the pregnancy is the result of an act of rape or incest.

SEC. 108. Expenditures made pursuant to this title of this joint resolution shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

SEC. 109. No provision in the appropriations Act for the fiscal year 1996 referred to in section 101 of this title of this joint resolution that makes the availability of any appropriation provided therein dependent upon the enactment of additional authorizing or other legislation shall be effective before the date set forth in section 106(c) of this joint resolution.

SEC. 110. Appropriations and funds made available by or authority granted pursuant to this title of this joint resolution may be used without regard to the time limitations for submission and approval of apportionments set forth in section 1513 of title 31, United States Code, but nothing herein shall be construed to waive any other provision of law governing the apportionment of funds.

SEC. 111. Notwithstanding any other provision of this title of this joint resolution, except section 106, whenever the Act listed in section 101 as passed by both the House and Senate as of the date of enactment of this joint resolution, does not include funding for an ongoing project or activity for which there is a budget request, or whenever the rate for operations for an ongoing project or activity provided by section 101 for which there is a budget request would result in the project or activity being significantly reduced, the pertinent project or activity may be continued under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1995 by increasing the rate for operations provided by section 101 to a rate for operations not to exceed one that provides the minimal level that would enable existing activities to continue. No new contracts or grants shall be awarded in excess of an amount that bears the same ratio to the rate for operations provided by this section as the number of days covered by this resolution bears to 366. For the purposes of this title of this joint resolution the minimal level means a rate for operations that is reduced from the current rate by 25 percent.

SEC. 112. Notwithstanding any other provision of this title of this joint resolution, except section 106, whenever the rate for operations for any continuing project or activity provided by section 101 or section 111 for which there is budget request would result in a furlough of Government employees, that rate for operations may be increased to the minimum level that would enable the furlough to be avoided. No new contracts or grants shall be awarded in excess of an amount that bears the same ration to the rate for operations provided by this section as the number of days covered by this resolution bears to 366.

SEC. 113. Notwithstanding any other provision of this title of this joint resolution, except sections 106, 111, and 112, for those programs that had high initial rates of operation or complete distribution of funding at the beginning of the fiscal year in fiscal year 1995 because of distributions of funding to states, foreign countries, grantees, or others, similar distributions of funds for fiscal year 1996 shall not be made and no grants shall be awarded for such programs funded by this title of this resolution that would impinge on final funding prerogatives.

SEC. 114. This title of this joint resolution shall be implemented so that only the most limited funding action of that permitted in this title of this resolution shall be taken in order to provide for continuation of projects and activities.

SEC. 115. The provisions of section 132 of the District of Columbia Appropriations Act, 1988, Public Law 100–202, shall not apply for this title of this joint resolution.

SEC. 116. Notwithstanding any other provision of this title of this joint resolution, except section 106, none of the funds appropriated under this title of this joint resolution shall be used to implement or enforce any system or registration of unmarried, cohabiting couples whether they are homosexual, lesbian, heterosexual, including but not limited to registration for the purpose of extending employment, health, or governmental benefits to such couples on the same basis that such benefits are extended to legally married couples; nor shall any funds made available pursuant to any provision of this title of this joint resolution otherwise be used to implement or enforce D.C. Act 9–188, signed by the Mayor of the District of Columbia on April 15, 1992.

Mr. WALSH. Mr. Speaker, House Joint Resolution 153 extends title II of the current continuing resolution (H.J. Res. 136), which expires at midnight tonight, to January 25, 1996. It provides the District government with the authority necessary to continue providing municipal services using its locally raised revenues. This resolution does not provide any Federal funds.

The exact same terms and conditions that were included in title two of the previous joint resolution (H.J. Res. 136) are included in House Joint Resolution 153. The joint resolution that I have just introduced simply extends the terms, conditions, and spending authority for a 3-week period to January 25, 1996.

Mr. Speaker, the regular appropriations bill for the District of Columbia government for fiscal year 1996 was passed by the House on November 2, 1995, and is presently in conference. The conference committee has had several meetings and we have made considerable progress. However, there are some issues that are requiring more time to resolve than we had anticipated.

I have made this unanimous consent request and introduced this joint resolution because I believe it is essential that municipal services continue to be provided by the District government using their own local revenues. As I mentioned earlier, no Federal funds will be made available by this resolution.

So the joint resolution was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WALSH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Joint Resolution 153 and that I may include tabular and extraneous material.

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

There was no objection.

A GREAT TRAGEDY

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

Mr. FORBES. Mr. Speaker, there is a great tragedy going on here. Our friends on the other side have pontificated at great length today, but they have had several opportunities to put several hundred thousand Federal workers back to work and they have refused the opportunity.

It is unfortunate that these opportunities have gone by the wayside, while we stand here as Americans hoping that we can get to the 7-year balanced budget that on November 20 was promised to not just this Congress but to all of America. When the polling numbers dipped overnight, that is when we saw the 7-year balanced budget agreement on November 20.

Unfortunately it will not be until the polling numbers, the tracking numbers over at the executive branch drop overnight that we will see a balanced budget agreement. It is unfortunate, and I regret the turn of events, and I hope that sanity will be restored in Washington.

WANTED: 20 GOOD REPUBLICANS

(Mr. MILLER of California asked and was given permission to address the

House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, earlier today we had an opportunity to open the Government in its entirety and put people back to work and to make sure that the taxpayers were getting the services for which they are paying. That opportunity was denied us when the Chair failed to recognize the privileged resolution of the minority leader of the House of Representatives.

That opportunity continues to be denied us because 20 Republicans cannot find their way to come forward and vote to open the Government. One hundred ninety-eight Democrats are prepared to vote. What we need are 20 good Republicans who put the interests of this Nation ahead of the interests of partisan politics, just 20 good Republicans out of the entire Republican caucus to come forward and let us open up this Government, and the negotiations at the White House can continue.

Everybody who is a party to those negotiations seems to believe one another is negotiating in good faith. There is no reason to hold the Government of the United States hostage, to hold small business hostage, to hold veterans hostage, and to hold other segments of this Government and its population hostage.

IN OPPOSITION TO PROPOSED HOUSE RECESS TO JANUARY 23

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

Mr. DAVIS. Mr. Speaker, frankly we have had several opportunities to open up the Government. We had one just a few minutes ago in overriding the President's veto on State, Commerce and Justice that would have put hundreds of thousands back to work. Our side of the aisle supported it, yours did not. The President has had an opportunity to sign a number of appropriation bills, he has not.

But I support the resolution. I will be one of the Republicans that will vote to open up the Government. I will come and sign a discharge petition or anything else. I think this has gone on too long. I think we all look ridiculous at this point, and it is important that we open up the Government, get people back to work and start paying the people who have been doing the work over the Christmas holidays and are not getting their full paychecks. They are now having to borrow and go to credit unions to do it.

I would also add, I understand there may be a motion here tomorrow to recess this House until January 23 subject to the call of the Chair. That is something I am going to oppose. I think it is wrong for us to go home, take another vacation, with pay, and leave once again hundreds of thousands of Federal employees with their situations unresolved and that would mean another 2 or 3 weeks without pay. I will do everything I can to oppose that, Mr. Speaker.

ANOTHER VOTE AGAINST HOUSE RECESS

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

Mr. WYNN. Mr. Speaker, I too want to join the chorus of folks objecting to the idea that we might, and it is inconceivable, but that we might actually recess tomorrow to January 23. We have got the people's business to do.

Somehow folks on the other side of the aisle think that these are the President's employees or they think that they are the Democrats' employees, but the fact remains that they are the taxpayers' employees and they ought to be allowed to do the taxpayers' business. We have lost a lot throughout this process, a lot of services, a lot of productivity, a lot of employee loyalty, and we ought to try to recover that by putting these people back to work as soon as possible.

We do not have a deal right now. We should stay here and continue working toward a deal. There are folks on this side of the aisle that are willing to accept a 7-year balanced budget. All we are saying is let us keep working to get people back to work.

It is not just Federal employees. We have contract employees, thousands of contract employees, and at the end of the day they are not going to be paid unless we change the rules of the game. They are out of actual cash dollars to feed their families. We have imposed a lot of pain. It is time to sit down and address the problem.

BEGOSH BECOMES FIRST AMERICAN CASUALTY IN BOSNIA

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

Mrs. MORELLA. Mr. Speaker, on Saturday, one of my constituents, 23-year old Specialist Martin John Begosh of Rockville, a graduate of Wheaton High School, became the first American casualty of the President's deployment of United States troops to Bosnia.

Specialist Begosh and his patrol in the 709th military police battalion were reconnoitering roads in the Tuzla area when his Humvee ran over a land mine. He was lucky not to have been killed; as it is, he may be permanently disabled because the blast shattered much of the bone in his right foot.

I was pleased this weekend to speak with Specialist Begosh's parents, who expressed great relief that their son was out of harm's way, as well as great pride in their son's devotion to duty and country and in his being awarded the purple heart—let us hope it is the only one that need be presented in the Bosnia operation.

This weekend, Specialist Begosh's grandparents will be celebrating their fiftieth anniversary. I have written to the Secretary of the Army asking that, if he is fit to travel, Specialist Begosh be evacuated to the Washington area in time to join his family for this special event. I hope that this request will be approved.

□ 1815

THE HUMAN EFFECTS OF THE GOVERNMENT SHUTDOWN

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

Mr. EDWARDS. Mr. Speaker, there is nothing wrong with Congress having an honest debate on a 7-year budget. That is democracy. There is something terribly wrong when the Speaker of this House today prohibited democracy from working in preventing us from being able to vote cleanly, and clearly, and quickly to reopen the Government.

Let me tell you some of the victims of that decision by the Speaker and House Republicans. This letter from my district, a former welfare recipient, now a Federal employee, basically had to cancel his child's 9-year-old birthday because he could not get paid. This letter from my district is a Government employee who cannot buy insulin for his diabetes problem. This letter is from a woman in my district, a Federal employee whose husband lost his private-sector job recently and she cannot get paid as a VA employee. They are not sure if they will keep the mortgage on their home. This is a letter from a woman in my district, a hardworking Federal employee who had to borrow money from her mother in order to pay rent. Finally, this, along with many other letters, is a letter from someone who needed a bone marrow transplant operation, cannot get it done because of Speaker GINGRICH and the House Republicans' decision today. That is wrong.

TRAGIC EFFECTS OF THE GOVERNMENT SHUTDOWN

(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, I yield to the gentleman from Virginia [Mr. MORAN].

Mr. MORAN. I thank my friend, the gentleman from Illinois, for yielding.

Mr. Speaker, the Committee on Rules of this House reported out a resolution that will come to the floor tomorrow that would have this Congress go on recess until January 23 while the Government is shut down, Federal employees are locked out of their jobs, the American public is locked out of their Government. We have done this before.

I would urge this body not to do it again. This will haunt us for the rest of

our careers. We cannot go home without doing our jobs.

If we recess, it means that 760,000 Federal employees will not get paid at all for the next paycheck. They will not be able to make their rent. They will not make their mortgage. They will not be able to make their car payments. They will not even be able to put food, many of them, on the table for their children.

Do not do this to the career civil servants who support this Government. We are all in this together. All of the American people have an interest in the Government running efficiently and effectively and fairly.

IN MEMORIAM: ROBERT JOHNSON, EXECUTIVE EDITOR OF JET MAGAZINE

(Mr. JACKSON of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. JACKSON of Illinois. Mr. Speaker, let me first offer my condolences to the family of the gentleman from California [Mr. FAZIO].

Mr. Speaker, I would like to take this moment to honor the memory of a great and cherished man, pioneer, and leader, Mr. Robert Edward Johnson of Chicago, associate publisher and executive editor of Jet magazine.

A longtime family friend and mentor, Mr. Johnson bridged the gap between African-American journalists of the past and the media celebrities of today. His life traced that of the civil rights era—a Morehouse College classmate of Dr. Martin Luther King, Jr., he was the first reporter of a major publication on the scene of the Montgomery bus boycott. He critically linked social action with mass communication, thereby changing the complexion of American journalism and propelling our historic struggle to victory.

Through his example, he challenged and inspired his progeny to strive for excellence. For his immense contribution to our Nation and our world, we shall remember and honor him with eternal gratitude. Our deepest thoughts and prayers are with his wife Naomi—Nemi—their children, grandchildren, and numerous loved ones.

Mr. Speaker, I submit for the RECORD a biography of Mr. Johnson's lifetime achievements and contributions.

Robert Edward Johnson died Wednesday morning, December 27, 1995 at his Hyde Park, Chicago home after a long illness. He was laid to rest on Tuesday, January 2nd. He was a role model and mentor for thousands of journalists and a friend and confidant of many, including entertainment superstars like Bill Cosby and Michael Jackson and people of all walks of life. He loved everybody and got as much joy out of telling the stories of unheralded people in Jet as he got out of telling the stories of world leaders and celebrities. He was the author of the book, ''Bill Cosby: In Words and Pictures.'' Johnson covered some of the major stories of the time and was the first representative of a major national publication on the scene at the beginning of the Montgomery Bus boycott. A graduate of Morehouse College, where he was a classmate of Martin Luther King Jr., and a student of the great educator Benjamin E. Mays, Johnson played a major role in helping to publicize the King crusade in America and in Chicago.

John H. Johnson, chairman and CEO of Johnson Publishing Company, said, ''The company has lost a great editor, and I have lost a dear friend. Bob Johnson was a great journalist who inspired and taught tens of thousands of aspiring journalists, Black and White. During his 42-year career as Jet managing editor and executive editor, he helped change the color of American journalism.''

Born in Montgomery, Alabama on August 13, 1922, and reared in Birmingham, Alabama, he was an active journalist for most of his 73 years. He began his career as a child, throwing papers for local dailies, selling editions of Black weeklies on street corners, and founding his high school newspaper, the Westfield Trail Blazer. At Morehouse College, from which he graduated in 1948, he edited the Morehouse Maroon Tiger and was a stringer for national newspapers. In 1952, he received a master's degree in journalism from Syracuse University.

During World War II, he served in the U.S. Navy and was transferred to editorial duties at Treasure Island's Naval Base in Masthead, which published a racist joke that was offensive to African Americans. He later became the first African American managing editor of the weekly tabloid.

Johnson's professional career began in 1948 with the Atlanta Daily World, where he later became city editor. He joined the Jet staff in February 1953, two years after it was founded by Publisher John H. Johnson, and played a major role in the success of the weekly newsmagazine which is known around the world.

Johnson covered stories in Europe, Asian, and Africa. In 1972, he was among the journalist who accompanied President Nixon to Russia, Poland, Austria and Iran. In 1979, he accompanied U.S. Ambassador Andrew Young on a trade mission tour of Africa.

Johnson was cited repeatedly for his contributions to journalism. He was a member of Alpha Phi Alpha Fraternity and was associated with the Martin Luther King Jr. Center for Nonviolent Social Change, the World Federation of Scottish Societies, the DuSable Museum of African American History, Alpha Kappa Delta, National Black Journalist Association, the Chicago Headline Club, Operation Push, the NAACP and National Urban League. He was a member of the Board of Trustees of Dillard University and received honorary degrees from Dillard, Morehouse College, Miles College and Texas College. He was a member of University Church.

He is survived by his wife Naomi (Nemi) Cole Johnson, their three children, Bobbye Johnson, Attorney Janet Johnson-Vinion and Robert III; two grandchildren, Chloe and Cole Johnson-Vinion; three brothers, Percy Johnson of Dayton, Ohio; Washington Johnson and J.C. Johnson of Birmingham, Ala.; one sister, Lena Pace of Birmingham, Ala. and a host of nieces, nephews and friends.

SPECIAL ORDERS

The SPEAKER pro tempore (Mr. KINGSTON). 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.

UPDATE ON BOSNIA MISSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri [Mr. SKELTON] is recognized for 5 minutes.

Mr. SKELTON. Mr. Speaker, in all of this business about the budget, there are some dedicated Americans we should not overlook.

The votes in this Chamber on the issue of Bosnia do not end our interest or attention to the American forces now arriving in that troubled region.

Mr. Speaker, we should continue to show our attention to the mission and concern for the troops. It is our sincere wish that their mission be successful and safe. Our uniformed Americans, who will be in the Balkans on an unprecedented peace mission, are professional and well-trained. So far, our troops have been well-received by the people of Bosnia. As we begin the new year, our thoughts and prayers are with our service men and women in that sad corner of the world.

As our troops slowly occupy the Tuzla sector, I have four concerns—let me spell them out:

The first is that of accidents to our troops. Already, one of our soldiers, Specialist Martin Begosh from Maryland, has been injured by a land mine as he drove his Humvee vehicle along a back road.

Second is the threat of terrorists who oppose the peace process. We know there will be rogue elements on each side, who do not favor the Dayton peace agreement. The Bosnian Moslem Government has agreed to expel Iranians and other fundamentalist forces, but the terrorist threat is still one of concern.

Third, the American efforts to equip and train the Moslem-Croat Federation may well cause our forces problems as the Serbs might view Americans as enemies and federation forces may expect favors. In addition, we should be particularly concerned with the end-game associated with this effort. We should ask ourselves whether the equip and train mission will lead to a longterm security guarantee in the region.

Fourth is the possibility of mission creep. Already, two American counterfire radar system units are going to Sarajevo, which is in the French sector. Also, an article in this morning's Washington Post discusses the danger of United States Army involvement in both investigating Serb atrocities and participating in Bosnian political and judicial matters.

Let us closely follow the American military effort in Bosnia, and at the same time be mindful of the four concerns just mentioned. I know that all Members of this body wish only the best for our troops, wherever they may be, especially those who will attempt to bring stability to a war-torn region. The troops should know that this body will support them and assist them in this unique challenge.

So as we begin the year 1996, we wish these fine Americans all the best.

CALL AN END TO THE GOVERNMENT SHUTDOWN

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. MORELLA] is recognized for 5 minutes.

Mrs. MORELLA. Mr. Speaker, I say, as has been stated before, enough is enough. We have got to get this Government up and running again.

Federal employees, Federal contractors, and American citizens are needlessly suffering. It is a time to put an end to this.

Frankly, I applaud the Senate for passing a continuing resolution yesterday, and I do hope that this body and the House of Representatives will have an opportunity to vote on that continuing resolution for a limited period of time. I believe, as the other Members of this House do on both sides of the aisle, judging from the votes we have had, that we can have a balanced budget in 7 years scored by CBO, and let us let the President present his budget to the negotiators so we can move ahead with a continuing resolution.

But, you know, I want to point out that this shutdown has a human side. It has a human side. We have got 280,000 Federal employees who are furloughed. There is pain out there, there is suffering out there, there is anguish and anger out there.

Some 760,000 Federal employees received partial paychecks. They are anxious about their next paycheck they fear may be empty.

Countless Federal contractors, many who are in this region, have been forced to lay off employees due to stop-work orders on contracts that are current and the uncertainty of future contracts. This work and these wages will never be recouped.

I received countless calls from Federal employees and contractors who are concerned about paying this month's mortgage and even buying food. I have heard from a man in my district who works for an agency that is shut down, as does his wife. Not only are they having trouble paying this month's mortgage, their daughter's $13,000 college tuition bill just arrived.

I heard from a railroad retiree who received notice his retirement benefits will be cut 67 percent in January due to a lack of appropriations from the U.S. Treasury.

I have heard from a woman who works for Computer Data Systems, a Federal contractor. They furloughed employees, forcing them to take leave in order to pay them.

Not only are employees' summer vacations now being used up, soon their leave will run out, and they may be furloughed without reimbursement.

I heard from another Federal contractor, who has begun laying off employees, not just furloughing them. If he is able to rehire them, they will have to wait 9 months to 1 year before being covered by the company's health insurance, again due to a preexisting condition clause.

I have heard from a constituent whose niece is in the Peace Corps in Kenya. Due to the shutdown, she did not receive her allotment of money to buy a plane ticket home.

The local economy has suffered tremendously. Restaurants have been forced to lay off employees. Travel agencies are losing business by doing that which they usually get at this peak time. And the local tourist industry has been crippled.

Just some statistics: Each day of the shutdown, over 260 small businesses are not receiving SBA guaranteed financing, totaling over $40 million of loans. Each day of the shutdown, 95 percent of workplace safety complaints are going unanswered. Each day of the shutdown, an average of 383,000 people cannot visit National Park Service facilities. Campgrounds, monuments, visitor center are closed in 155 national forests.

Each day the State Department cannot process 23,000 applications for passports it would receive. Each day the State Department cannot issue 20,000 visas to visitors who normally spend an average of $3,000 on their trips.

All EPA non-Superfund civil environmental enforcement actions have stopped, costing $3 million a day in fines or injunctive relief against polluters.

We heard that just this week toxic cleanup in Superfund sites has run out of money and that will not be happening.

We could go on and on with the fact that 20,000 people have not been able to get Federal college loans because of the shutdown, 2,500 home purchase loans with FHA have not been awarded because of the shutdown.

All of this, and NIH, as a matter of fact, which is in my district, 2,000 grants have not gone out, leaving grantees with a break in their funding system, uncertain whether or not they can continue research. That is research to isolate the colon cancer gene, the breast cancer gene, working on Alzheimer's, Parkinson's, all of the various diseases and ailments where they can and are working and trying to come up with cures.

I further feel that it is so unfair to these Federal employees to not let them receive a check for work they have done or work that they want to do that they cannot do; therefore, finally, Mr. Speaker, I have said that my salary that would be comparable to the period of time when Federal employees are not being paid will be withheld, because I am a Federal employee and I should be treated the same way.

It is time to call an end to this shutdown and go on with the balanced budget.

ORDER OF BUSINESS

Mr. DURBIN. Mr. Speaker, I ask unanimous consent that I may be recognized in the place of the gentleman from West Virginia [Mr. WISE] for 5 minutes.

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

There was no objection.

THIS IS PERSONAL RESPONSIBILITY?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. DURBIN] is recognized for 5 minutes.

Mr. DURBIN. Mr. Speaker, I thank the gentlewoman from Maryland for her comments. I hope that she can rally 19 of her Republican colleagues. That is all we need to reopen this Government, and I hope that we can vote on that before there is any suggestion that this Congress leave for another 3 weeks.

Another Republican, the gentleman from Virginia, said earlier Congress is about to set out on another paid vacation, another 3 weeks away from Washington, while this Government is shut down. If it happens, and I sincerely hope it does not, I hope that my colleagues, particularly my Republican colleagues, who have endorsed this strategy, the Gingrich strategy of Government shutdown, will go home and listen to what the people on the street have to say about what we are doing.

This morning I stood at the Jefferson Park CTA stop in the city of Chicago for about an hour and a half, and as a thousand people came by, I took my poll, and I can tell you people across this country are damn disgusted with what is happening here in Washington. They cannot countenance how we can allow 280,000 Federal workers to be furloughed and three-quarters of a million workers to have their pay in jeopardy.

You see, they listened to the Gingrich rhetoric about personal responsibility, personal responsibility, and yet they see the same leaders who are sending Federal workers home unpaid and underpaid, taking their full congressional paychecks every single day. They hear these pious pronouncements about personal responsibility while Members of Congress with full pay go home for a Christmas vacation content in the knowledge they will be able to make next month's mortgage payment while hundreds of thousands of Federal workers do not have that certainty and have a bleak Christmas and holidays as a result of it.

The gentlewoman from Maryland referred to the National Institutes of Health. My brother, who is a retired Federal employee, swims every morning with some doctors from the National Institutes of Health. They were hopping mad this week because Members of Congress are still referring hardship cases to the National Institutes of Health while they fail to fund that agency adequately. In other words, we want them to continue performing their services, and yet will not make their paychecks whole. We will not treat them as an agency of great importance, which they are.

Personal responsibility, Mr. GINGRICH? It is not even close. It is arrogance.

And we also heard this talk about a family-friendly Congress. That is a hoot. That is a real hoot for Members here.

□ 1830

You see Members dropping out in droves because of this schedule and the madness that we have gone through for the past year.

But forget us for a moment. Think about the innocent families that are being disadvantaged by this shutdown. Think about those families and the impact that they feel. A young woman calls me, a college student, had a chance to go on a mission for a church to Haiti over Christmas. That was going to be her gift to poor people, and she could not get a passport. Another family called, having tried to sell a home in their family estate for month after month, had to cancel the closing because the Veterans' Administration cannot process papers because of the Gingrich shutdown.

Now the Gingrich folks say this is a matter of personal responsibility. It is a matter of principles. Let me tell you, it is not a matter of principle if it is somebody else's paycheck on the line. It is a matter of principle to put your own paycheck on the line.

The reason I became so angry and objected a minute ago to the District of Columbia appropriation is because the bill that should have been brought to the floor would include a bill from the Senate that has my bill in it, ''no budget, no pay.'' A bill that says when the budget shuts down, we stop issuing congressional paychecks.

You know what would happen if Members of Congress did not get their paychecks? This crisis would be over in a heartbeat. Over in a heartbeat. You would start counting the case for these paid vacations and recesses and realize you are not going to get paid. I have given up my congressional salary during the shutdown. It is painful for me and my family.

I guarantee you if every Member of Congress did it, if Speaker GINGRICH did it, if Mr. DELAY, who considers him some constitutional officer of some kind, or Mr. ARMEY did it, they would think twice about another recess while this Government is shut down. They would think twice about congressional junkets and trips. They would think about doing the business of this country.

Why in the world are we taking it out on all of these innocent people, hundreds of thousands of people? If you have a problem, show your statement of principle, show your character, put your own paycheck on the line. Do not take it out on the innocent people across this country.

Let me close by saying this: We are seeing the face of modern Republicanism, the face of Gingrich Republicanism, and it is a mean face. It is a face that looks for innocent victims. Is it any wonder that the Democrats and President Clinton have second thoughts about the Gingrich budget plan? We see what they will do with the Government shutdown. Imagine what they will do if they get to write this budget for the next 7 years.

FUNDAMENTAL ISSUE OF SEPARATION OF POWERS

The SPEAKER pro tempore (Mr. KINGSTON). Under a previous order of the House, the gentleman from Georgia [Mr. BARR] is recognized for 5 minutes.

Mr. BARR. Mr. Speaker, in all of the debate and the rancor over the current budget problems that we are facing, some other more fundamental problems seem to be being lost. One of those I was reflecting on today and would like to bring to the attention of this body, and that is a pattern of conduct on the part of this administration, an attitude, if you will, on the part of this administration, to disregard constitutional powers involving the separation of powers between the different branches of government, namely the Congress of the United States and the presidency.

Mr. Speaker, since assuming my seat in this Congress last year, I have witnessed a series of constitutionally suspect acts and pronouncements by the current administration, beginning with the administration's unilateral and unauthorized bailout of the Mexican peso, through the White House's cavalier approach to Congressional authorization for approval of U.S. troop deployment in Bosnia, to the recent pattern of circumventing Congressional authority over the government's power to borrow.

I have seen, Mr. Speaker, a deeply disturbing and troubling trend, raising the specter of an administration overstepping the proper and constitutional bounds of executive power.

It is no secret, Mr. Speaker, that from the beginning many of us in this Congress viewed the administration's Mexican peso bailout as unwise monetary policy. The practical legacy of that ill-advised decision will reverberate to the national detriment through the financial community, and indeed our local communities, for many years to come. These problems will occupy me and me colleagues on the Committee on Banking and Financial Services in the coming months.

What troubles me, Mr. Speaker, from a constitutional perspective, is the way in which the administration finessed the underlying legal issue of whether the President and the Treasury Secretary had the authority to jeopardize our national treasury in the first instance.

When I wrote to Treasury Secretary Rubin questioning the legality of using U.S. resources to guarantee the government securities of another country, I received assurances from his general counsel that ''This is a consideration of monetary and foreign policy,'' and that it is ''an area that is properly left to the discretion of the President and, acting with the President's approval, the Secretary of the Treasury.''

Mr. Speaker, such a response does worse than insult the intelligence, it ignores the Constitution. The administration's attitude on executive prerogative was demonstrated again during the debate over the deployment of troops to Bosnia. In the November 23, 1995, edition of the Tampa Tribune, for example, Clinton spokesman McCurry was asked about the funding for this mission. He said ''The importance of the mission that we must undertake here will not be circumscribed by funding.'' He then assured, Mr. Speaker, reporters that the President ''Will figure out how to pay for it, one way or another.''

Mr. Speaker, I worry greatly that ''One way or another'' is a thinly veiled reference to move in a way that is constitutionally impermissible. Mr. Speaker, it is black letter constitutional law that with the Congressional power of appropriation in Article I goes right to specify how appropriated monies shall be spent, a congressional and parliamentary understanding more than 300 years old.

This cavalier attitude by the President and his staff on Congressional approval represents an entirely unaccountable shift in the constitutional understanding that has governed the relationship between the several branches of the Federal Government for over 250 years. This problem with the abuse of executive power has most recently been demonstrated by the administration's approach to the debt limit and the misuse of government trust funds in violation of Congressional power to set borrowing limits, power vested in the Congress by the Constitution. The use of government funds by the Thrift Savings Board clearly demonstrates, Mr. Speaker, that this Executive Branch is issuing new debt instruments and thwarting Congress' exclusive power to control the national debt.

In light of this pattern of conduct, Mr. Speaker, I strongly urge that this body, this Congress, and its appropriate oversight responsibility, initiate hearings and begin to take strong measures that will restore the proper balance between these two branches of the government. This looming notion of ''Government by Executive'' has plainly gotten out of the control, and the people of the United States, in Congress assembled, should not tolerate these such usurpations of their authority vested in them by the Constitution.

CONGRESS SHOULD TAKE THE RESPONSIBILITY TO KEEP GOVERNMENT RUNNING

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri [Mr. VOLKMER] is recognized for 5 minutes.

Mr. VOLKMER. Mr. Speaker, earlier today during a one-minute I mentioned that what I see going on in this Congress and this House is just pure lunacy. You know, under Webster's Dictionary, lunacy is intermittent derangement. I recognize that here. It is insanity. That has been mentioned here. Great or wild foolishness, a lot of that, and a widely foolish act.

There is no question in my mind that what has been going on in this House of Representatives since the December 15 is lunacy. You know, I can remember back when I was a young person we had a name for people with lunacy. They called them lunatics. There is no question in my mind that in this House today we have got a whole bunch of lunatics. They do not understand really how this government is supposed to operate.

They do not understand that under the forefathers, this government, under our Constitution, was developed as a tripartite, three-body, system. We had the Congress, the Supreme Court, and the President. They are coequal. One is not better than the other. One is not supposed to be more powerful than the other.

Then in a range of appropriations, they gave the House the power; taxation the same; the power to initiate legislation, only the House. But then they gave the President the power of veto, and they said if you want to override that veto, it takes two-thirds of each house to do it.

That is the way this Congress had operated for over 200 years, until 1995. In 1995, our imperialistic Speaker, Speaker GINGRICH, and the radical Republicans decided that is not the way that this government should operate any longer. Oh, no. We are not going to do that anymore. If we do not get our way, on our so-called, and I say so-called, seven-year balanced budget, if the President does not sign it, which he did not, he vetoed it, then we are not going to appropriate funds for various agencies of the government, which they have not, Labor, HHS, D.C., foreign aid, or if the President vetoes it, then we are not going to pass a continuing resolution to fund the government while we negotiate with the President. We are just going to shut the government down.

That is what has happened. And, lo and behold though, these people that suffer from this disease of lunacy now also suffer from a disease of irresponsibility, because they say it is not our fault. We did not do it. They are not man enough to accept the responsibility of what they decided, to run the government by shutdown. Oh, no, it is the President. I heard the majority leader just this morning on TV; it is the President's fault. The President is shutting the government down.

The President does not appropriate one penny. Folks, he has no power under our Constitution to appropriate one penny. He can only sign a bill. If he decides to veto it, then the House has the right to try and override; if not, then pass legislation continuing it. Like I say, that is what we did under Reagan, while I was here, under Reagan, Bush, Carter before him, everybody.

That is the way it happened. But no, not under this group. No. Shut the government down, but do not accept responsibility. Place the responsibility somewhere else.

I even had some of these freshmen tell me earlier, before we broke for Christmas, that this is just the start, too, folks, because next year they say whey we do the appropriation bills, if the President does not sign it and he vetoes it, there will not be a CR, there will not be another bill, we will just shut it down. And guess what? When I said, you know, this one we have here, this is back in December, it may last for several months, they said good. Good, we save that much money. We will not be spending the money.

What kind of government is it where people say it is good to tell people you have got to work, but you are not going to get paid? That is what happened. That is happening today. Or those of you who do not work, you are going to get paid?

Not only that, at the same time, they keep getting paid all the time. And they do not do anything. We have not done anything in this House for a month.

HOW MUCH GOVERNMENT CAN WORKING PEOPLE AFFORD?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. COLLINS] is recognized for 5 minutes.

Mr. COLLINS of Georgia. Mr. Speaker, as Congress and the Clinton administration continue negotiations to balance the Federal budget, I am reminded of the question I heard from residents in Georgia's Third District last week: How much government can working people afford?

I want to repeat that question: How much government can working people afford?

Today the combined Federal, State, and local taxes consume nearly 40 percent of the disposable income of working Americans. Federal taxes place the harshest burdens on taxpayers. In 1994, the average American family turned over 25 percent of its income to the Federal Government. That compared to just 2 percent in 1954.

During the 1950's and the early 1960's, the Federal Government managed to pay for the national defense, build a nationwide Interstate Highway System, deliver our mail, and provide other vital government functions while living within its means. Today the Federal Government spends $500 million per day more than it collects in taxes and revenues. We are $4.9 trillion in debt. Interest on our national debt is the third largest single item in the Federal budget, topped only by Social Security and the national defense outlays.

Federal entitlement programs are responsible in large part for our national financial predicament. Today working Americans are paying the bills to provide health care to the elderly, the poor, and the disabled. Today working Americans are paying the bills to fund numerous Federal welfare programs that create a lifestyle of government dependence. Today working Americans are paying the bills to subsidize various Federal programs for farmers, students, cities, counties, States, businesses, and the list goes on and on, which brings me back to the question I heard from my constituents: How much government can working people afford?

We Americans are a fair and compassionate people. We believe in providing the benefits of Federal programs, such as Social Security and Medicare, for which people have paid for and earned. We also believe in helping those who want to help themselves. We are providing the programs that will help those citizens in our society who have encountered difficulties. But we must reform those programs that encourage government dependence as a way of life for millions of Americans.

□ 1845

Mr. Speaker, working people pay the bills. They provide the funds to pay for all Federal programs and they must pay for the Federal debt an the interest that accrues because of irresponsible deficit spending.

While Democrats criticize tax breaks for fat-cat corporations and businesses, who do they really think pays the corporate taxes? The working people of this country, Mr. Speaker. That is who pays corporate taxes. Corporate taxes are built into the cost of products and services purchased by consumers.

When a consumer goes to the store and buys a product or purchases a service, he or she does not get two receipts for that product or service. They get one receipt for the item and within that one receipt are all the taxes that have been paid on that product. Instead, this consumer has only one receipt rather than two. No receipt for just the tax portion of the profits earned on the sale of that item.

American workers pay the bills for all government programs and for all services. How much more government can they afford?

Mr. Speaker, I urge President Clinton to join Congress in our effort to preserve Medicare, to change welfare, and to provide tax relief for working Americans and pass a 7-year balanced budget. This is the only way we can provide a Federal Government that working people can afford.

WE ARE OUR BROTHERS' AND SISTERS' KEEPERS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I think the question that we all are facing is a simple proposition; that we all are brothers' and sisters' keepers. We have heard from those who want to follow the current pulse of America that most Americans are not concerned about this business here. In fact, we find that maybe about 80 percent of the Federal employees are, in fact, working. So all that we are doing here is creating noise and disturbance.

But I know America better, and I know what the fabric and the heart of Americans are all about. Americans are caring people, and we are wise people as well, and we recognize that a government defaulted and undermined and demoralized is not a functioning government, and that is what we have today.

We have it because the Speaker of this House has refused to accept the responsibility of governance. It is all right to campaign and to share with those who would listen to your political philosophy and tag it as a contract on America, or a new day for America, or a new deal, but it is the next thing to translate those activities into governance, into making America work, into making this country function and to be responsible for this country's future.

Mr. Speaker, there are faces to this tragedy, this Government shutdown, and so today I am filing a continuing resolution that will allow this Government to open today and to fund most Government operations at 90 percent funding, and to pay those furloughed Federal employees. Because I know what the responsibility is of legislators and this House that has the power of the purse strings of this Nation.

First, it was to pass appropriations bills before November. This was not done by this Republican majority. But then it was to have a sense of humanity and dignity and believing in the integrity of this Congress, which is to not allow the least of our brothers and sisters to be able to go without food, like those in my community working at the Veterans' Administration Hospital. Employees that, in fact, are not able to pay their rent. They are being evicted and their child, a disabled individual, is not able to go to that particular day care.

Or another person who calls and says, and she happens to be in a Republican Member's district, but calling and pleading with me, she needs food to eat now and her child is in need of constant medical attention. She still has medical coverage, but she will not be able to pay the premiums.

Or another NASA employee that says help us get back to work. And then a senior citizen, likewise in a surrounding area, but calling me out of pain, saying the cuts the Republicans are proposing to make in Congress are terrible and a grave injustice to the disabled and the elderly.

What about those small businesses which have become the backbone of America, particularly as corporate America is downsizing, AT&T eliminating 40,000 jobs. Well, let me tell my colleagues, we are losing some $40 million a day in being unable to help our small businesses under the Small Business Administration; 225 small businesses are not being able to receive loan moneys so that they can keep their doors open, and so they can hire people and create jobs for America.

I think it is important today to ask that this continuing resolution be passed. I am also going to make an inquiry into the Department of the Agriculture because many of our citizens need food stamps, and we need to have a waiver of requirements to help people stay away from the brink of disaster.

And last, we have a situation where our States do not know what to do. Many who are not able to get unemployment insurance, the doors are closed because the moneys coming from the Federal Government are no longer here. We are in a constitutional crisis. This Nation is frankly being brought to its knees and we are bleeding.

And now, as we have said in times past about stop the bleeding when there has been violence among our youth, we are doing violence to Americans, and I simply cannot believe that we live in a nation where someone would say, ''I have got mine, you get yours.''

I ask the Republicans to join me in my continuing resolution to open the doors of this Government until January 19 so that we can discuss the philosophical differences, but we can stop the bleeding. And we can ensure that we have the kind of humanity that would allow this citizen to get food to eat, and disabled children to go to the day care that they need.

Mr. Speaker, it is time now for the politics to be put aside. We have to govern, and we have to govern for all of America.

SPEAKER GINGRICH MAY RECESS HOUSE SUBJECT TO THE CALL OF THE CHAIR

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. KINGSTON] is recognized for 5 minutes.

Mr. KINGSTON. Mr. Speaker, first, I want to go over a resolution which has raised the eyebrows of a number of our colleagues here that the House leadership filed with the Committee on Rules today. It has been described as a resolution which will allow the House to go on vacation or recess until the 23d of January, and I wanted to make the point to my colleagues, because I think there is genuine concern about this, that that is not what the resolution does.

It says that the Speaker may declare a recess subject to the call of the Chair on January 5 through Tuesday, January 9; and then the Speaker may declare a recess subject to the call of the Chair from January 9 to January 12, and it goes on from January 12 to January 16, and from the 16th through the 19th, but it does not call for a recess. It gives the Speaker the power to make the call on that, and I wanted to assure my colleagues——

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

Mr. KINGSTON. I yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Speaker, I would ask the gentleman, if this passes until when, until January 23d?

Mr. KINGSTON. Mr. Speaker, I would tell the gentleman, no, this is the 5th.

Mr. HEFNER. But it would be a continuing. He can only do it for 3 days, and then he has to have the authority to do it for 3 more days. Is that the understanding?

What I want to get at is how many legislative days would from now, until when, the 23d or whatever, how many legislative days would that entail? I say that for this reason; for people that would be filing discharge petitions or what have you.

Would the gentleman explain to me exactly what it does one more time.

Mr. KINGSTON. Reclaiming my time, Mr. Speaker, I will show the gentleman the wording on this, because as it was described at the Chair to me, I was confused about it also.

As I see it, it goes on a week-to-weekend, week-to-weekend time period, and it would give the Chair some discretion, yet, at the same time, we would not be going on vacation or recess unless the Chair had that——

Mr. HEFNER. What I want to get at is, we would have what, in essence, would be a recess for 2 or 3 weeks, but there would only be 2 or 3 legislative days that would be counted, if somebody wanted to file a discharge petition or what have you here in the House. Am I correct?

Mr. KINGSTON. Reclaiming my time once again, I would say to my learned colleague, who has more experience at this than I do, that I am not certain how this impacts discharge petitions, and I assume the discharge petitions he is referring to are ones that affect the continuing resolution. Am I correct on that?

Mr. HEFNER. Mr. Speaker, I understand the discharge petition has to lay for, say, so many days, but they have to be legislative days. Under this we could be in recess for 3 or 4 days but we would only have 1 legislative day.

Mr. KINGSTON. Is the gentleman saying discharge petitions specifically?

Mr. HEFNER. I want to know how many legislative days it would entail if this authority was granted and the Speaker exercised it, as is his authority to do that.

Mr. KINGSTON. As I read this, it allows the Speaker to declare a recess subject to the call of the Chair through the 9th, and then goes on from the 9th to the 12th and the 12th to the 16th.

Mr. HEFNER. And he would have to do it again on the 9th through the following week.

Mr. KINGSTON. Let me say this, I will give this to the gentleman so that he can read it, because I had not read it earlier today when it was being made.

Mr. HEFNER. When will this take place? Will this be tomorrow?

Mr. KINGSTON. Should the House vote on it? It has been filed with the Committee on Rules. And, as the gentleman knows, I am not on the Committee on Rules and I do not choose to represent them. I just wanted to make sure that my colleagues and friends on that side of the aisle knew that there was more to it than that we were going home until the 23d. Because I, like many of my colleagues, have a lot of concerns about the situation right now and would like to engage with them, if they care to dialog on the budget.

What I am concerned about right now is that the interest on the national debt is the third largest expenditure in our entire budget right now. And that interest will exceed military spending in the next 2 years if we do not get it under control.

I will be happy to yield in a minute or two on the subject of the budget, because, as I said earlier, I do not want to represent the Committee on Rules on all the fine print of this.

Mr. HEFNER. Mr. Speaker, if the gentleman would again yield for 30 seconds for me to ask this question.

Mr. KINGSTON. Mr. Speaker, I yield to my friend for 30 seconds, with the abundance of recognition from that side of the aisle that, ordinarily, it is hard for them to yield to us in special hour, so I am doing this in the camaraderie that I think this House needs more than ever.

Mr. HEFNER. What I am getting at is this is the same procedure, if this passes, the same procedure we have been using for the past 12 days; am I correct?

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 hereinafter in the Extensions of Remarks.]

REQUEST FOR SPECIAL ORDER

Ms. KAPTUR. Mr. Speaker, I ask unanimous consent to be recognized in place of the gentleman from Louisiana [Mr. FIELDS] for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

U.S. GOVERNMENT IN A STATE OF POLITICAL DISORDER

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio [Ms. KAPTUR] is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, I looked at my dictionary, Webster's dictionary, before I came down here this evening and saw that it defines anarchy as the absence of government; a state of political disorder.

Well, folks, that is where we are tonight, and I was reminded of that even more when someone from the other body, from Texas, who aspires to the highest office in this land, appeared on the David Brinkley show last Sunday. For those of my colleagues who may have missed it, that individual taunted the audience with this question about the Government shutdown. He said, ''Have you missed the Government? I mean, doesn't it strike you as funny that 280,000 Government employees are furloughed and large segments of the Government of the United States are shut down?''

Well, let me give that fellow from Texas a heavy dose of reality.

□ 1900

I hate to burst his bubble, but I have a list here of residents of the Ninth Congressional District of Ohio who would respectfully beg to differ with him. As a matter of fact, no, it does not strike them as funny that much of our Government is shut down.

For example, Jan, a student from Toledo, was supposed to start school this week, but now will not be able to because of this budget impasse. Jan called me and said, and I quote her directly, ''My financial aid papers can't be processed until the Department of Education gets up and running, and I can't start school without having the paperwork processed.'' She said there are ''millions of students like me.'' Well, she does not think it is very funny.

Two disabled veterans from our community, Gary and Tom, called our office to say that they were very upset that their compensation checks are late. They asked me, ''How are we supposed to pay our bills?'' They represent millions of disabled veterans.

Another veteran in my district, Charles, of Oregon, OH, is 76 years old and receives railroad retirement, which he earned. He asked me, ''How come they cut my check by $124?'' The veterans of my district, and all veterans all over our Nation, know what some elected officials clearly do not know. They do not get it. They do not know that in response to this shutdown, railroad retirement reduced its benefit payments by 64 percent; that the December 22 continuing resolution which provided continuing funding for certain veterans benefits and payments expires today; that contractors providing services and supplies to hospitals will not be paid and benefits for January will not be paid on February 1.

Approximately 170,000 veterans did not receive their December Montgomery GI bill education benefits and will not receive benefits this month.

These are the same men and women who have served our country in times of crisis, the soldiers and families who have given above and beyond the call of duty in defense of this Nation, yet some would dishonor their honorable service by saying it is funny that we are leaving them high and dry.

Deborah, of Waterville, OH, called my office to say that she and her family departed last week for a long-awaited holiday hiking vacation at the Grand Canyon, but the canyon was closed due to the shutdown. She said, ''Please find a way to end this political nonsense now. These tactics affect the American citizens and many hard-working Government employees that now have no means to generate income for their families.''

She is right. On an average day, 383,000 people visit our National Parks System. Losses for businesses in those communities adjacent to our national parks could reach $14 million a day due to reduced tourism. It is not funny to those people. They understand what governance is all about.

Loryn, of Toledo, called my office to say that she was supposed to begin to study in Spain and was scheduled to leave January 5, but will not be able to because she cannot get her passport back from the passport office. She has lost $1,000 already in nonrefundable airfare and may lose the $5,000 paid for this semester of schooling.

She is not alone. On an average day the State Department receives over 23,000 applications for passports and 20,000 visas for visitors to this country. To those citizens and to those visitors it is not funny at all.

Jan, of Toledo, called my office to say that her son and daughter are serving in the Peace Corps in the Ukraine, and guess what. Their stipends for service were cut off. It is not funny to them.

Let us bring up the Dole bill, pass it, and put America on the right track again, and tell the gentleman from the other body that his irresponsible comments border on anarchy.

25TH ANNIVERSARY OF THE CREATION OF THE FEDERAL LAW ENFORCEMENT TRAINING CENTER

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). Under a previous order of the House, the gentleman from California [Mr. HORN] is recognized for 5 minutes.

Mr. HORN. Mr. Speaker, recently I came across an excellent address which had been given by a long-time friend of mine, Mr. Eugene T. Rossides, a very distinguished lawyer, formerly of New York, now of Washington, DC. It was upon the occasion of the 25th anniversary commemoration of the creation of the Federal Law Enforcement Training Center in Glynco, GA.

Mr. Rossides and I served together in the Eisenhower administration, where we were both Cabinet assistants, and in the Nixon administration he was Assistant Secretary of the Treasury for Enforcement, Tariff and Trade Affairs, and Operations for 4 years.

He is very knowledgeable on the relationship between the Federal and State governments in terms of law enforcement, particularly drug enforcement for which he had responsibility. He is also very knowledgeable on the subject of terrorism, a matter about which this Chamber will be debating in the next few months.

I would like to note a few of the comments that he has made that I think are significant and very important, and will put the full text of the remarks, Mr. Speaker, in the RECORD, if I may.

The remarks that he made, which I think add another enlightenment on history for us, is that the Secret Service at the time of the Nixon administration had no women in it. After a luncheon for the First Lady, Pat Nixon, where there were 200 women in the room and 4 male Secret Service agents who stood out like a sore thumb, the question was raised by a friend of Mrs. Nixon's and taken in hand by then Assistant Secretary Rossides, who checked with the head of the Secret Service and said, ''Is there any problem with having women in the Secret Service?'' And Chief James Rowley said, ''Absolutely not,'' and Mr. Rossides said, ''I am delighted, because there are women in the New York City Police Department and certainly we should have more in Federal law enforcement.''

The problem was, apparently, that the Director of the FBI, J. Edgar Hoover at that time, would not allow women in Federal law enforcement, and we know that over the last quarter of a century there has been a significant change.

During this period the highly successful Sky Marshal and Pre-Departure Inspection Programs were set up to prevent the highjacking of American aircraft.

A major program aimed at the financial resources of organized crime was also undertaken. That effort was immensely successful, and much of Mr. Rossides' experience was with applying that approach to the various drug kingpins, who have substantial resources, as we all know.

He has great concerns, however, as to what has happened regarding Federal drug enforcement. Some of that happened later in the Nixon administration after the Drug Enforcement Administration [DEA] was created in the Department of Justice. He thinks that was a very ''serious mistake from which we are still suffering.'' He believes that aim to put all Federal law enforcement in the Department of Justice ought to be with the Drug Enforcement Administration in Justice, added to it were the Bureau of Narcotics and Dangerous Drugs in Justice, the Office of Drug Abuse Law Enforcement in Justice, and the drug smuggling authority of the Customs Service which was in the Treasury.

Mr. Rossides believes that plan crippled proper drug smuggling enforcement by removing the experts from it. They remained in Customs. He has some very sensible suggestions about what we should do in this area, and I think it is worthy of Congress and the Committee on Government Reform and Oversight to examine some of these matters.

He noted that the DEA and Justice Department policy diverts attention, manpower, time, and money from what he considers the primary function for our overseas personnel regarding drugs, which is ''the gathering of intelligence on drug shipments and potential drug shipments to the United States.'' He would put the stress on going after the drug traffickers' finances through income tax evasion and money laundering cases.

He believes that the Federal law enforcement role regarding drugs is threefold: Antidrug smuggling; major domestic drug trafficking cases; and, income tax evasion and money laundering cases. He recommends that we phase out the DEA by first, transferring domestic drug enforcement authority from the DEA to the FBI and second, by returning the drug smuggling authority to the Treasury's Customs Service. Rossides believes that the result would be increased efficiency in drug enforcement at a saving of perhaps half a billion dollars annually. A program to place DEA agents in State and local police departments would certainly be a part of that transition to phase out DEA. During his service at Treasury, then-Assistant Secretary Rossides saw success with a joint Federal-State-local law enforcement program. It lasted 17 months after Secretary John Connally obtained a $7.5 million supplemental appropriation. The result was that 1,175 major drug dealers were under a full net worth tax audit.

That is a fascinating discussion. Ask yourself if we would be further ahead had the two-pronged criminal and civil approaches been steadily pursued.

Mr. Rossides has great concern about the tendency to make the FBI a national police force. Most of us would agree that should not happen. He gives very good reasons as to why that should not happen.

Mr. Speaker, I am delighted that we have had an opportunity to look at some of his remarks, and I hope my colleagues will look at the full address, which I will include for the RECORD.

REMARKS OF EUGENE T. ROSSIDES ON THE 25TH ANNIVERSARY COMMEMORATION OF THE CREATION OF THE FEDERAL LAW ENFORCEMENT TRAINING CENTER, GLYNCO, GA—JULY 19, 1995

Director Charles F. Rinkevich, the staff of the Federal Law Enforcement Training Center and the men and women attending the Center.

I am very pleased to be here and to be part of this 25th year celebration. I salute the men and women in law enforcement.

Today I will discuss the following matters:

1. my concerns regarding federal drug law enforcement;

2. my concerns regarding the Department of Justice, the Federal Bureau of Investigation (FBI) and a national police force in the Department of Justice;

3. my views regarding state and local law enforcement and their interaction with federal law enforcement; and

4. some comments regarding the National Rifle Association.

First let me reminisce regarding several law enforcement initiatives undertaken during my four years as Assistant Secretary of the Treasury for Enforcement, Tariff and Trade Affairs and Operations (1969-January 20, 1973), a number of which have had a lasting impact on federal law enforcement.

TREASURY'S FEDERAL LAW ENFORCEMENT TRAINING CENTER (FLETC)

Chief James Rowley, then Director of the U.S. Secret Service, had stressed to me the importance of training and the need for increased training facilities for the Secret Service in view of their new responsibilities for presidential candidates protection. He had proposed an enlargement of the Treasury Law Enforcement Training School then located at 13th and L Streets, N.W., Washington. I accepted the proposal. The Office of Management and Budget asked that the name be changed to reflect the participation of several other federal agencies at the Treasury School. Treasury's Appropriations Subcommittee, chaired by Congressman Tom Steed of Oklahoma, approved the necessary appropriations. Tex Gunnels was the Clerk of the Subcommittee.

Thus, the Treasury Law Enforcement Training School was expanded with additional facilities and became the Federal Law Enforcement Training Center (FLETC) housed in Treasury and under the supervision of the Assistant Secretary for Enforcement—now Under Secretary. It has a board of directors, chaired by Treasury and composed of the representatives from the various departments whose personnel train at the Center.

The original plans called for this facility to be built in Beltsville, Maryland. A site had already been selected. However, the then country executive objected and mounted a campaign against it. After the while I decided it was not worth the effort for Beltsville, and Glynco, Georgia, suggested by Tex Gunnels, was the beneficiary. FLETC has grown substantially and now also trains state, local and foreign law enforcement personnel.

THE FIRST WOMEN IN FEDERAL LAW ENFORCEMENT

In 1969 or 1970, Pat Hitt, Assistant Secretary of the Department of Health, Education and Welfare, wrote to Secretary David Kennedy and said she had been at a Republican women's luncheon for the First Lady, Pat Nixon, and in a room with 200 women the four Secret Service agents stood out like a sore thumb. She inquired whether women could be stituted instead.

The Secretary sent the letter to me for response without comment. I showed Mrs. Hitt's letter to Chief Rowley and said that I knew there were women in the New York City Police Department and asked him why there were none in federal law enforcement.

Chief Rowley told me that J. Edgar Hoover would not allow women in federal law enforcement. I asked him if he had any objections to women in the Secret Service. When he said he had no objection, I told him to proceed and get women into the Secret Service. That decision took less than 15 minutes and changed the face of federal law enforcement.

THE SKY MARSHAL AND PRE-DEPARTURE INSPECTION PROGRAMS

In 1970, following multiple hijackings of four U.S. planes which were sitting on the

ground in the Middle East, President Nixon decided to put armed guards on U.S. commercial airliners. The President accepted Treasury's sky marshall program, including a training program, a pre-departure inspection system which is still in use today and which has been highly successful.

PROGRAM AIMED AT THE FINANCIAL RESOURCES OF ORGANIZED CRIME

I initiated the effort to go after the finances and illegal profits of the organized drug traffickers. This took three avenues initially: (1) an effort started in the summer of 1969 which led to the Bank Secrecy Act of 1970; (2) the Treasury/IRS Narcotics Trafficker Tax Program; and (3) the effort to break Swiss bank secrecy in organized crime cases (which was successful through negotiations with the Swiss banking authorities). The Assistant Secretary of the Treasury for Tax Policy, Ed Cohen, assisted in the effort with the Swiss authorities. These three efforts were followed later by money laundering legislation and enforcement, principally by IRS and Customs.

I am proud of the accomplishments of Treasury enforcement during my four years with Secretaries David Kennedy, John Connally and George Shultz and Under Secretary Charls E. Walker, a great deal of which has had a lasting and highly favorable impact on federal law enforcement.

A few comments about WACO since congressional hearings are starting today. I echo the comment of Ronald Noble, Under Secretary of the Treasury for Enforcement, who stated the David Koresh was ''a cold-blooded killer.'' David Koresh was responsible for ambushing and killing four Treasury agents of ATF and wounding twenty others. Koresh was also responsible for the deaths of about 80 persons in the compound.

Steve Higgins, former director of ATF, in an article in the Washington Post (July 2, 1995 C3, col. 1) sets forth the background and legality of ATF's actions and involvement in WACO.

I congratulate Secretary Lloyd Bentsen, Under Secretary Noble and the investigating team for the comprehensive and objective report on WACO, which report has been highly praised. That investigating team included three outstanding independent experts.

I also congratulate Treasury for the selection of John Magaw, former director of the U.S. Secret Service and one of the most experienced and distinguished men in law enforcement, as director of ATF and for the full support given to him and ATF. I especially commend Mr. Magaw for his willingness to assume the responsibilities of Director and for the outstanding job he is doing, particularly in correcting the seventeen mistakes made at WACO as set forth in the Treasury ''Blue Book'' report. Former President Bush wrote the following about him: ''John Magaw, who used to head the USSS and now heads ATF, is one of the most principled, decent men I have ever known.''

One area that Director Magaw has given special attention to is training and to the program at FLETC.

Treasury is very fortunate to have the leadership of Secretary Robert Rubin, who has spoken and written vigorously in support of Treasury enforcement and in particular ATF. I endorse the contents of his recent letter regarding the WACO hearings.

POLICY ISSUES CONCERNING FEDERAL, STATE AND LOCAL ENFORCEMENT

1. My Concerns Regarding Federal Drug Enforcement

Fundamental to an understanding of how to reduce drug trafficking is to recognize that there are three distinct crimes involved: (1) drug trafficking, (2) smuggling and (3) financial-income tax evasion and money laundering.

To summarize my views:

(1) The Reorganization Plan #2 of 1973, which created the Drug Enforcement Administration (DEA) in the Department of Justice, was a serious mistake from which we are still suffering. It was pushed through the Congress by the White House and the Justice Department at the very time Watergate was breaking loose. They wanted eventually to put all federal enforcement in the Justice Department.

A high level White House staff assistant, who later became a key Watergate witness, told me in the fall of 1972, after the Nixon Administration's re-election victory in November, that the aim was to put all law enforcement in Justice and that I had not seen anything yet. ''Just wait until the second term begins,'' he said.

Reorganization Plan #2 created the Drug Enforcement Administration (DEA) in the Justice Department and transferred to the DEA the Bureau of Narcotics and Dangerous Drugs (BNDD) in Justice, the Office of Drug Abuse Law Enforcement (ODALE) in Justice, and the drug smuggling authority of the Customs Service. For 21 years, since 1974, we have had a second rate team handling drug smuggling in the ''war on drugs.''

Reorganization Plan #2 crippled proper drug smuggling enforcement by removing the experts. It will remain crippled as long as DEA controls it. There is no way that DEA can be as effective in anti-drug smuggling activities as the experts in Customs. Nor can DEA get the full cooperation of the customs services around the world as can the U.S. Customs Service. Returning anti-drug smuggling authority to Customs will result in a better and more cost effective performance.

(2) The enforcement policy and priority of DEA in attacking the problem of drugs at the source, i.e. to eradicate the poppy and coca plant growing areas by force or payments for crop substitution, has been and continues to be a failure. (See Washington Post, ''U.S. Falling Far Short In Drug War,'' July 10, 1995, A1, col. 1.) The goal is unattainable and we are wasting scarce resources. How many people realize that it only takes a small number of square miles of poppy and coca plant production to feed the entire U.S. heroin and cocaine addict population? The monies spent on eradication are counterproductive and are better spent elsewhere.

(3) The federal role against drug trafficking should be limited to major domestic U.S. cases. American agents should not run cases on foreign soil. The DEA policy of running cases in foreign jurisdictions is not sound drug enforcement policy. Liaison assistance overseas is proper. Running cases overseas is not as a general rule, with limited exceptions.

The Americanization of the world drug problem by the DEA and the Justice Department has been a debacle and has lessened the responsibility of the host government for handling drug trafficking in their own countries and has weakened the United Nations efforts.

The DEA and Justice Department policy diverts attention, manpower, time, and money from what I consider the primary function of our overseas personnel regarding drugs, the gathering of intelligence on drug shipments and potential drug shipments to the U.S.

(4) Income Tax Evasion and Money Laundering: An attack on the drug traffickers' finances through tax evasion and money laundering cases should be the cornerstone of any multi-faceted enforcement program.

The Achilles heal of the drug trafficker is income tax evasion. Tax evasion, unlike drug trafficking, leaves a paper trail and there are proven methods, based on numerous precedents, for developing evidence. The Treasury successfully ran such a program for two years from July 1, 1971 to July 1973.

Money laundering cases have added another dimension and have been quite helpful. IRS and Customs are playing leading roles in this effort.

To summarize, the federal enforcement role regarding drugs is three-fold: (1) anti-drug smuggling; (2) major domestic drug trafficking cases; and (3) income tax evasion and money laundering cases.

I recommend that we phase out the DEA by (1) transferring domestic drug enforcement authority from the DEA to the FBI and, (2) returning the drug smuggling authority to Treasury's Customs Service. The result would be increased efficiency in drug enforcement at a savings of over $500 million. A program to place DEA agents in state and local police departments would be part of a transition in phasing out DEA. Overseas personnel would be Treasury agents of the Customs Service. Their mission would be to work with local customs and police officials to gather intelligence on smuggling cases and potential smuggling operations pertaining to the U.S.

I further recommend that we revive the Treasury/IRS Narcotics Trafficker Tax program, one of the most successful, if not the most successful, joint federal-state-local law enforcement program in our history. Initiated in the spring of 1971 with a supplemental appropriation of $7.5 million obtained by Secretary John Connally, it started on July 1, 1971 and lasted two years.

The last report on the program was issued on December 1, 1972. That 17-month report listed the number of major drug dealers under full net worth tax examination, the number of civil tax actions, the number of criminal cases in progress and the amount of money collected.

How many major drug dealers do you estimate we had under full net worth audit? Take a guess. The number should surprise you. We had 1175 major dealers under full net-worth tax audit in just 17 months!

That program did more to disrupt the drug traffickers operations and finances than all of the other drug enforcement programs combined and it disrupted practically all of the major drug networks in the country. Unfortunately, after mid-1973 the program was discontinued—a victim of Watergate, and a new IRS commissioner who was not enforcement minded and opposed the program. On January 20, 1973, I had completed four years as Assistant Secretary and had returned to private practice.

The use of the tax code on organized crime is not new. The example of Al Capone is well-known. What distinguished our tax program were four innovations:

First. The establishment of a national Target Selection Committee with representatives from several federal enforcement agencies.

Second. The establishment of regional Target Selection Committees with the added representation of state and local police. Central to my concept of the tax program was the full involvement of the state and local police.

Guidelines were developed for these committees to distinguish major from minor dealers and a monthly report system was developed. It was the first time that a list of major drug traffickers in the U.S. was put together systematically, utilizing federal, state and local agencies.

Third. A key part of the program was to attack the financial structure of the drug networks. IRS was instructed to try to develop a criminal case first. If within a few months they did not feel that they could develop a criminal case expeditiously, they

were instructed to move the investigation promptly to a civil audit.

This was an important innovation in the overall objective of attacking the financial structure of the drug networks. You can punish a person in two ways: put him in jail or take his money.

Fourth. For minor drug dealers who had been arrested with cash on them, we initiated a tax action against them and tied up the cash.

2. My concerns Regarding the Department of Justice, the FBI and a National Police Force in the Department of Justice.

There has been a steady increase of power and enforcement personnel in the Department of Justice which I do not believe is in the national interest. When a crisis occurs, the immediate reaction of the Department of Justice is to ask for more money, manpower and authority. It is a standard technique to imply that lack of money, manpower and authority in the Justice Department are the cause of the problem.

This crisis stemming from the Oklahoma City bombing is an example. While the rest of government is downsizing, the Administration's anti-terrorism bill calls for more enforcement personnel primarily for the FBI, even though it has been stated that more personnel would not have prevented the bombing nor can anyone demonstrate they would be able to prevent future acts of terrorism.

I object to the request for additional personnel and that portion of the $2.1 billion price tag that is for FBI and Justice Department personnel. They are not needed and Congress should not allow it. Federal enforcement must not be exempt from downsizing.

I question the need for and oppose the provisions in the bill giving increased wire tap authority to the FBI and Justice Department. They are not needed.

According to newspaper reports, the increased wiretap authority includes the authority to wiretap in alleged terrorism cases for 48 hours without a court order. To continue a tap thereafter would require a court order. Such a provision gives the FBI carte blanche to tap for 48 hours anybody it wants to on the allegation that it could involve terrorism. It means there could be hundreds and thousands of 48-hour taps which could then be discontinued and nobody outside of the FBI would know about it.

I was pleased to see that the Republican-controlled Senate voted 52–28 to table the White House proposal to expand emergency wiretap authority. Majority Leader Dole argued it could erode constitutional protections on privacy. (N.Y. Times, June 6, 1995).

I am concerned about the FBI becoming a national police force. The tradition of our nation is against a national police force.

An important tradition of federal enforcement is to couple the enforcement function with the regulatory function. Wherever possible that tradition should be enhanced—not weakened. Stronger enforcement is the result and it lessens the possibility of a national police force.

One principle that the Congress should follow in considering any new enforcement authority is to house it outside of the Department of Justice. The Republican Congress has an opportunity to correct some grievous errors of the past. It should not become a captive of the Justice Department and FBI.

There is no department or agency of government in the democratic world that has the amount of accumulated law enforcement power as the U.S. Department of Justice. There has been a steady accretion of such power over the past decades by the Justice Department.

First of all you have under one roof, under one person, all the prosecutorial functions of the federal government and a substantial part of the investigatory function. State and local governments, in general, do not allow such combination of power under one agency. State and local police investigate and make arrests. Thereafter, the prosecutor gives the matter an independent objective review to determine if sufficient evidence is available to prosecute.

The attorney general of New York does not supervise the state police. The district attorney of New York County does not supervise and control the New York City police department.

The attorney general of the United States is the chief legal officer of the government. He or she should not also be the chief of police.

There have been newspaper and magazine articles concerning the problem of prosecutors' discretion. I do not believe there is adequate oversight and review within the Department of prosecutors' discretion.

These and other problems have not received the attention they deserve in the learned journals, in books, or in our law schools.

What is needed is a thorough review of the functions and authority of the Department of Justice by a blue-ribbon commission. Such a commission should be charged with reviewing all enforcement functions and authority in the Justice Department to determine which ones are necessary and which are not, which enforcement functions and agencies should be transferred to other departments, and which functions and authority could be handled just as easily or better by the states and localities.

My remarks regarding the Justice Department are not aimed at the rank and file in the FBI or DEA. They are dedicated people, many of whom risk their lives daily for the public good. I am concerned about the misguided efforts of those career persons and appointees in the Department of Justice, and White House staff, who want to centralize law enforcement in the Department of Justice.

3. My Views Regarding State and Local Law Enforcement and Their Interaction With Federal Law Enforcement

Inside the Beltway too much attention is devoted to federal law enforcement and not enough to state and local enforcement.

We tend to forget that state and local law enforcement is the front-line against unlawful conduct. State and local enforcement officers are the ones closest to the people. The achievement in our nation of ''Life, Liberty and the pursuit of Happiness'' depends primarily on the over 650,000 state and local police, not on the approximately 90,000 Federal law enforcement personnel.

State and local enforcement personnel face the media daily, many of which feel compelled to cast them in a poor light, to highlight miscues and to overlook or play down successes.

I believe that there has been a gradual erosion these past two decades in the public's respect for and confidence in law enforcement, on both the federal, state and local enforcement levels.

Forgotten, under the barrage of adverse publicity, is the outstanding day-to-day work of our state and local enforcement community which is essential to the rule of law and to our well being.

There must be a concerted effort to reverse the situation. There must be an upgrading of state and local enforcement. Fundamental to improvement is training, training and more training. The Persian Gulf War proved what the military's obsession with training can produce. We must increase and elevate training for state and local enforcement. Increased professionalism will only come with increased emphasis on training. I note that there are an increasing number of state and local officers receiving advanced training at FLETC.

I will make a few general comments regarding federal-state enforcement relations.

First, I was proud of the attitude and practices followed by the two Treasury bureaus, the Secret Service and the Bureau of Alcohol, Tobacco and Firearms, who dealt with state and local enforcement personnel on a daily basis. They had a policy of treating their counterparts in state and local enforcement as equal professionals. That should be the rule with all federal enforcement agencies.

Secondly, just as there is ongoing effort to return to the states the civil functions being performed by the federal government, I propose a review of federal criminal jurisdiction with a view to return to or transfer to the states criminal jurisdiction wherever possible and appropriate. As mentioned, downsizing of federal enforcement should not be exempt from the present effort to downsize the federal government and return functions to the states.

I further propose that federal enforcement defer to state enforcement wherever possible and appropriate.

For example, if there is to be an anti-terrorism center, as set forth in the proposed anti-terrorism legislation, why not have it as part of an intergovernmental organization controlled by the states with federal participation? Terrorist acts are not solely federal matters. They are also, if not primarily, state and local matters.

An anti-terrorism center under the supervision of the states, with federal participation, would energize the state and local enforcement community. Such energizing will not occur if the anti-terrorism center is in the FBI. Putting it under the states would also be a check against a national police force. Such a center under state supervision would be a substantial boost to and recognition of the central importance of state and local enforcement.

4. A Few Comments Regarding the National Rifle Association (NRA).

I applaud President Bush's action in resigning from the NRA over the April 13, 1995 fundraising letter of Wayne R. La Pierre, executive vice president and chief operating officer of NRA. We owe President Bush a great deal for his decades of public service culminating in his presidency. He deserves our praise for his letter of May 3, 1995 to Thomas L. Washington, President of NRA, resigning from NRA. His letter says it all. In his opening paragraph he writes:

''Dear Mr. Washington, I was outraged when, even in the wake of the Oklahoma City tragedy, Mr. Wayne La Pierre, Executive Vice President of NRA, defended his attack on federal agents as 'jack-booted thugs.' To attack Secret Service Agents or ATF people or any government law enforcement people as 'wearing Nazi bucket helmets and black storm trooper uniforms' wanting to 'attack law abiding citizens' is a vicious slander on good people.''

President Bush also states:

''I am a gun owner and an avid hunter. Over the years I have agreed with most of NRA's objectives, particularly your educational and training efforts, and your fundamental stance in favor of owning guns.

''However, your broadside against Federal agents deeply offends my own sense of decency and honor, and it offends my concept of service to country. It indirectly slanders a wide array of government law enforcement officials, who are out there, day and night, laying their lives on the line for all of us.

''You have not repudiated Mr. La Pierre's unwarranted attack. Therefore, I resign as a

Life Member of NRA, said resignation to be effective upon your receipt of this letter. Please remove my name from your membership list.''

And President Bush, in a commencement address on May 11, 1995 at the College of William & Mary in Williamsburg, Virginia, retierated his defense of federal enforcement agents as follows:

''`I miss dealing with the law enforcement people who lay their lives on the line for us every day,' Bush said, `and I think we all ought to speak up against the excesses of these crazy people who put them in a bad light and refer to them as `Nazis' and refer to them as `jack-booted thugs.'''' (Los Angeles Times, May 12, 1995)

Let me state where I stand on the NRA and gun control. I echo President Bush's support of the NRA's educational and training efforts and the ''fundamental stance in favor of owning guns.'' In my judgment the right to own a gun is not and has not been in danger, and will not be in danger in the future under our constitutional system of government. I also supported the Brady bill and the ban on certain assault weapons. They are reasonable and responsible legislation.

President Bush's letter brought national headlines. It also resulted in other key Republicans denouncing or criticizing Wayne La Pierre's and NRA's rhetoric. The Los Angeles Times (May 23, 1995) reported the following criticism of NRA by California's top two Republicans. Governor Pete Wilson, in an address to an annual memorial ceremony for slain peace officers, called the NRA hyperbole:

''`An inexcusable slander' that was `not only a grotesque smear, but gives comfort to the real things—the brutal animals who take innocent lives. . . . It's an insult to every officer who daily puts on a badge.'''

Attorney General Dan Lungren stated:

''Character isn't just saying you're in love with your guns. Character is admitting you're wrong—not issuing, after three weeks, that mealy-mouth apology.''

Lungren denounced the fund-raising letter as ''obnoxious, abhorrent and totally irresponsible.'' For law officers, he said:

''It's worse than a slap in the face, it's a spit in the face. If this kind of language were being spewed by leaders of inner-city gangs, there would be wholesale condemnation of it without batting an eyelash. I'm not going to accept this kind of conduct whether it comes from the NRA or street gangs like Crips and Bloods. . . .

''At some point, people should call them on this stuff.

''Most people don't think every gun conceived by man ought to be readily available on the street. You don't need to have bazookas, flamethrowers and semiautomatic weapons with 50-round magazines.''

Governor Wilson, who strongly opposes assault guns, said:

''The name `assault weapon' tells you what they're for. They're for combat. Yes, there is a right to keep and bear arms. But an assault weapon has no legitimate justification in a civilized society.''

Senate Majority Leader Robert Dole (R–KA) appearing on ABC's This Week With David Brinkley (April 30, 1995), criticized the NRA stating they needed ''an image repair job.'' Dole specifically criticized an NRA computer bulletin board on which bomb-making instructions have appeared stating that there are already ''enough people out there who know how to make bombs.'' (Washington Post, May 1, 1995, A10, col.6).

Former House Speaker Thomas S. Foley (D–WA). a long-time member of the NRA, announced he is resigning: Foley said on CNN's Late Edition:

''To present that you're for law enforcement, in support of law enforcement, while attacking law enforcement officials is I think hypocritical.'' Washington Times, May 22, 1995).

Phoenix Mayor Skip Rimza, who let his membership lapse two years ago after the NRA opposed a city ordinance banning minors from carrying guns in public without parental consent, said: ''They've let a fringe group take over the organization.'' (Christian Science Monitor, May 22, 1995).

The Associated Press reported that three Texas cities, Houston, Laredo and McAllen, have barred the NRA from sporting-goods shows this summer because of its criticism of federal enforcement agents. Jerry W. Curl, show director of the Texas-Mexico Hunting and Fishing Expos said: ''After . . . talking to our exhibitors and the sportsmen across the state, everyone is in agreement that the NRA is heading in the wrong direction.''

The board of directors of the 14,000-member International Association of Chiefs of Police (IACP) ''cut all ties with the NRA and banned the NRA from advertising in the police chiefs magazine.'' (USA Today, May 18, 1995, A1, Col. 3.)

I applaud the Secret Service in disinviting the NRA to its annual pistol competition. I applaud the U.S. Olympic Committee in forming U.S.A. Shooting to replace the NRA as the U.S. government body for the Olympics.

The board of directors of the NRA is responsible for the NRA's programs and the actions of its officers and staff which report to the board. According to newspaper and magazine articles, its ''philosophical guru and powerbroker'' is Neal Knox who engineered the takeover of the board of directors by the extremists.

The NRA's organized program of attack on the federal enforcement activities of the ATF and FBI, and efforts to discredit federal enforcement personnel in the performance of their duties to carry out congressional legislation—the law of the land—is harmful to the very foundation of our democracy: the rule of law.

Make no mistake about it, the NRA's actions are basically an assault on the rule of law, the essential ingredient of a civilized and democratic society.

To highlight a handful of mistakes, grievous as some are, and deliberately try to create the false image that these errors are the norm, is not the work of a responsible organization. As Director Magaw has stated, in the last 10 years the statistics demonstrate that there were 50,000 cases written for prosecution; 80,000 persons arrested and 10,000 search warrants executed. With all that activity, there were only 230 complaints against ATF and not one of those has been upheld against ATF.

We have today in the NRA a handful of extremists who have turned a responsible organization into a radical one. The program of attack on the ATF is based on the ''Big Lie'' technique. Repeat the Big Lie often enough and the people will believe it.

The NRA's program and actions have been a significant factor in the growth in disrespect for the law and the agencies responsible for carrying out the laws on both the federal and state level.

You would think that the NRA would spend its time and money assisting law enforcement instead of fighting law enforcement officials.

The NRA has been the main organization with an action program to discredit federal law enforcement. The board of directors of NRA and its acknowledged leader Neal Knox must bear a major responsibility for the anti-law enforcement attitudes that have developed this past decade in this country.

There is a clear connection between NRA rhetoric and actions and the rhetoric of Timothy McVeigh and his alleged actions in Oklahoma City on April 19, 1995, the second anniversary of WACO. And remember that the slanderous LaPierre NRA fundraising letter was dated April 13, 1995.

Yes, government officials will make mistakes, but that is no reason for a policy by NRA's board of directors to devote a substantial part of the effort and resources of NRA to attack the crime fighters instead of attacking crime and criminals.

The NRA has been clamoring for hearings on WACO despite the fact that hearings were held a year-and-a-half ago and extensive reports by Treasury and Justice released. The NRA has tried to turn David Koresh, a killer and child molester, into a victim.

I suggest Congress should consider hearings on the NRA's program of attack on federal law enforcement to determine the impact of the NRA's rhetoric and program on the rule of law, on the general public's growing disrespect for law enforcement agencies and on persons who have attacked and killed federal agents, including the impact on Timothy McVeigh and the Oklahoma City bombing.

I do not believe that the rank and file of NRA condone the actions of its present extremist leadership. I believe that if the members of NRA were presented with all the facts regarding the NRA's program of lies, of intimidation and disrespect for the rule of law, that they would reject that program.

A recent Wall Street Journal article (May 24, 1995, A12, col. 1) discusses the growing concern of NRA members with the organization's rhetoric and actions. The non-extremists in NRA are, I estimate, over 90%.

Will the NRA leadership change its policies and program and become a responsible organization again?

Based on the NRA's full page ad in response to President Bush, subsequent NRA fundraising letters, and actions taken at its annual gathering on May 19–21, 1995, held in Phoenix, the answer is ''No.'' The extremist leadership of the NRA led by board member Neal Knox, have laid down the gauntlet to President Bush and to the American people.

What can be done to counter the extremist leadership of NRA and to return NRA to its former respected position? I suggest three things:

First, encourage the over 90% non-extremist rank and file of NRA to press for new leaders;

Secondly, ostracize the present leadership, as a number of persons and organizations are doing; and

Thirdly, respond to NRA by utilizing the nationwide federal, state and local law enforcement community in a program of information and political action on the federal, state and local level. As President Bush said: ''I think we all ought to speak up against the excesses of these crazy people.''

An organization should be established with the following charter: (1) to counter NRA's extremism by getting the facts and arguments to supporters in every congressional district; and (2) to stress the affirmative, namely, support for the rule of law and support for the men and women in federal, state and local law enforcement.

In my judgment it would not be that difficult nor expensive to mount a major effort because the organizations and structure are in place. In every congressional district there are state and local police departments and associations of retired state and local police officers. There is the National Association of Police Organizations, Inc. (NAPO), with a membership of 180,000, and the International Association of Chiefs of Police (IACP).

On the federal level, every federal agency has a retired agents association. There are

also the non-agent organizations such as the Treasury Employees Association. There is also in place the Federal Law Enforcement Officers Association (FLEOA), the lobbying group for federal law enforcement.

Most states, if not all, have law enforcement lobbying groups. New York City has the Patrolmen's Benevolent Association.

All these are effective groups and can readily be mobilized. And of course active duty enforcement personnel can write and contact their elected officials in support of the rule of law and law enforcement agencies.

What is needed is a small organization to disseminate to each of these groups the information and program to counter NRA's Big Lie rhetoric and program. I stress that the group would not be an umbrella organization. Its purpose would be to galvanize opposition to NRA's extreme positions and to counter NRA's lies and misleading statements.

The name of such a group could be the ''Law Enforcement Information Association.'' Its staff would be small. It could probably do the job with about ten staff members.

The organizations mentioned and their individual members can be mobilized to contact their congressmen/women and senators and state and local elected officials by telephone and in writing and to meet with them and convey one simple message:

''Support the rule of law and the law enforcement agencies responsible for carrying out the laws of the land and reject NRA extremism.''

It can be done. It should be done.

Thank you.

CONGRESS CAN DO BETTER IN 1996

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mrs. CLAYTON] is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, this is a new year and a new year of the 104th session, a brand-new opportunity for those of us in the House to begin to look backward and reflect and look forward hopefully to do a better job.

One has been told that the month of January is represented by the mystical god that has two heads; one that looks backwards and one that looks forward. You and I know if we look backward too long we live in the past and no progress is made.

If we look back at 1995, we see Democrats and Republicans yelling at each other. We see people who are willing to take their views to the extreme at the expense of America, yet they say they do it in the name of saving America. If we look back, we see people saying we made commitments to the American people that we would do these things.

Hopefully, Mr. Speaker, we do not look back too long. If we look back long enough, we know that what we did in 1995 was not always honorable; was not always those actions that are worthy of those who represent the people and who say that we represent ''We the people.''

Hopefully, we look back just long enough to say we will try to do better and try to be more responsible. And I ask, Mr. Speaker, is it responsible as we look at 1996, and this is the third day, is it responsible to families and communities to know what we are doing in this shutdown? Is it responsible for those who would have home loans to find that they are unable to execute those loans because they cannot get anyone to provide the insurance? Is that responsible?

Is it responsible, Mr. Speaker, to deny the students and their parents the opportunity for student loans when they did not cause this impasse? So why are we making them hostage to this?

Is it fair to the taxpayers to deny them their services, which they no longer have that opportunity, not only to consider, Mr. Speaker, the more than 280,000 workers who are now being shut out of the opportunity of providing services that we say we are going to pay them later. Is that fiscally responsible? It certainly is not civilly responsible and it is not humanly responsible. We are not being responsible as human beings, much less as leaders of this great body of this great Nation.

Mr. Speaker, in 1996 we can do better than that. We certainly can honor our veterans, Mr. Speaker, our veterans who have served this country well. I am told as we call our veterans hospitals, particularly ones in Salisbury, that people are threatened to lose their jobs. Nurses are not being paid fully for the work that they are doing. Some of the people are not able to work at all and those who are working are not being paid fully. And so what? Veterans are being denied even the health care that they should have.

This is unfair, Mr. Speaker. Further, when we call our regional office in Winston-Salem that provides the claims, there is no one to answer the telephone. Only a skeletal crew. So if a veteran wants to process a new application, wants to find out what the status of his claim, there is no one, not even to answer the telephone. Is that being responsible?

Yes, Mr. Speaker, we have an opportunity in 1996 to go forward with honor. And we also have an opportunity in 1996 to look at reflectively our action, our activities, our commitment and our involvement in serving the people in this body and to act if we have been responsible. I submit, Mr. Speaker, we have not.

Finally, I called my State EPA or environmental secretary just to find out what are the implications for health and water and safety and what would be North Carolina's vulnerability as the shutdown proceeds. I was told there are 287 Federal workers who receive some Federal funds who are providing water and air protection. In fact, 135 of them are paid in part or fully by EPA.

Through the execution of a letter, they were able to forestall the sending home of 135 employees who had responsibilities for inspection of the air, the water in our rivers; 135 people could have possibly been sent home today if they could not have gotten that extension, and they do not know how long that will last. They are sorry they were not able to get 125 of the coastal management because they are part of the Commerce budget.

Then there are eight persons in marine fisheries and, in talking about the safety of marine fisheries, those persons will be denied an opportunity to provide that the waters are safe for the fish that people have to eat.

Mr. Speaker, finally, I think that 1996 is an opportunity where we can make a lot of resolutions, but we ought to resolve ourselves that we will be both fiscally responsible, humanly responsible, but we also will be legally responsible in providing for the welfare of this government, for the people deserve no less.

□ 1915

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). Under a previous order of the House, the gentleman from California [Mr. CAMPBELL] is recognized for 5 minutes.

[Mr. CAMPBELL 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. GOSS] is recognized for 5 minutes.

[Mr. GOSS 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 Virginia [Mr. DAVIS] is recognized for 5 minutes.

[Mr. DAVIS 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 Connecticut [Mr. GEJDENSON] is recognized for 5 minutes.

[Mr. GEJDENSON addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

VICTIMS OF GOVERNMENT SHUTDOWN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. EDWARDS] is recognized for 5 minutes.

Mr. EDWARDS. Mr. Speaker, hostage-taking should have no place in a democracy. There is nothing wrong with this Congress or any Congress having an open, honest debate about a budget plan. If this year's budget debate takes 2 more days, 2 more weeks, or even 2 more months, there is nothing wrong with that. Open democracy and debate is what this institution is all about.

But it is terribly wrong, and it is totally wrong, for Speaker GINGRICH and Gingrich Republicans of this House to

use Federal employees and their families as hostages during this budget debate. To harm innocent families is morally wrong. Even Ebenezer Scrooge showed some compassion at Christmastime, but Christmas has come and gone. Yet speaker GINGRICH and his band of extremists in this House have continued to furlough hundreds of thousands of Federal employees. No telling how many Tiny Tims across America have been harmed as innocent victims in this ploy.

Tonight let the American people be very clear about facts. Fact No. 1: Yesterday Senator DOLE in the other body voted unanimously to pass a resolution to put Federal workers back to work immediately. As Mr. DOLE said, and I quote, ''Enough is enough.''

Fact No. 2: If this House would simply take the Dole resolution, passed unanimously in the Senate, and pass it in the House, it would take 15 minutes to do so. After that 15-minute vote, the President would sign it, and within hours hundreds of thousands of Federal employees would be back to work and be earning a paycheck and servicing our Nation's senior citizens and veterans and students who need loans in order to better themselves.

Fact No. 3, and this is a sad fact but a true one: Today in this House Speaker GINGRICH and a band of his supporters chose not to even let this House have a vote on the Dole resolution to put the Federal Government back into operation and to put Federal workers back to work.

Speaker GINGRICH basically denied the democratic process today. In doing so, he harmed hundreds of thousands of Federal employees and the many millions of people that they serve, including our Nation's veterans who put their lives on the line for this Nation.

There has been a lot of talk about statistics during this budget debate. In the next few moments, I just simply want to put a human face on the victims of the Gingrich plan to shut down the Federal Government.

One letter from my district said this. I had a phone call today from a woman veteran who is being set up for a bone marrow transplant for breast cancer. She wondered if she would soon hear about her VA claim. I tried to explain to her about the furloughs at the regional office.

Another letter from my district:

Dear Congressman Edwards:

I am a medical administration specialist at the Waco VA medical center. I'm also a single parent with a teenager at home and a child in college. I just received a $78 paycheck. I've had to borrow money from my mother to pay my rent. I don't know how I'm going to pay my daughter's college tuition payment that is due now.

She goes on to say,

It is obvious to me that the honorable Speaker and his staff have lost sight of the human face of their actions. We're not faceless. We are someone's wife, husband, brother, sister, son, daughter. When we are held hostage by the whims of Washington legislators, our hardship radiates out into the community.

Another letter from a Government employee in my district:

Dear Congressman Chet Edwards:

I am a government employee with the Veterans Administration. This government shutdown has caused me great hardship. I am unable to purchase my insulin medication for diabetes.

Let me repeat that, my colleagues:

I am unable to purchase my insulin medication for diabetes. I have had to borrow money for food and medicine. My rent has to be paid by the first of the month. My landlord, who ironically is owned by the government, is the housing authority, and they are gong to charge me $25 for the first day and $5 every extra day that I do not have money to pay my rent.

Mr. Speaker, that is the face of the victims of this needless, absolutely unproductive Federal shutdown, and there are many more faces throughout the country. In the days ahead I have every intention of letting this House know of the victims from these games that are being played.

GETTING OUR FINANCIAL HOUSE IN ORDER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut [Mr. SHAYS] is recognized for 5 minutes.

Mr. SHAYS. Mr. Speaker, I was elected to the statehouse in 1974 and began service in 1975 and I could never understand how Congress would be able to spend more than it raised in revenues and deficit-spend. I knew that on the State level we had to balance our State budgets.

I vowed when I was elected in 1987 that my first priority would be to get our financial house in order and be part of that effort. There was a small group of us, only 30 at the time, who voted for a budget that the gentleman from Ohio [Mr. KASICH] introduced which began to do that, and each year we saw that number increase. Finally this year we saw a Congress that over 300 Members voted for a balanced budget amendment.

But it would be kind of silly to vote for a balanced budget amendment and not be willing to vote to balance the budget, and we set out to balance the budget. It was a long and an arduous task in which we spent the last 11 months to in fact balance the budget in 7 years. We submitted that budget and it was vetoed by the President.

We are asking the President of the United States to do the same kind of heavy lifting that we have done and tell us where his priorities are and where he would spend and where he would cut. I do not disagree that the President might have a problem with where we spend on Medicare, Medicaid, school lunch, student loans. He may have differences. He may not agree with the tax cuts that we have suggested in the next 7 years, all of those are issues that are open for dialog and debate and need to be debated.

The issue is, when? When is he going to submit his balanced budget, a budget balanced in 7 years, scored by real numbers of the Congressional Budget Office, which is not a partisan office, it is not a bipartisan office, it is a nonpartisan office.

And so we are now in a position where the President has, which is his privilege, the ability to take the 13 different budget items and agree to the ones that we have passed, and the 13 budget items, any of those that he does not agree with, he can veto. He has vetoed the Interior bill, the Commerce, Justice and State and the VA–HUD bill.

My colleague was right in pointing out that the Veterans Administration is not functioning. It is not functioning because we provided a budget and the President decided to veto it. We have not yet presented him the Labor-HHS bill. That is in the Senate and is now filibustered by my colleagues on the other side of the aisle who are in the Senate. We have not given him the District of Columbia bill and the Foreign Operations. But all the other bills we have given him.

So we have a shutdown. I contend that this is not an issue of Federal employees or even the reduction and disruption of some services. It is an issue of whether finally after 30 years of deficit spending we are going to get our financial house in order.

When I was first elected to the statehouse, our debt was $350 billion. Our debt has grown now to $4.9 trillion. It is about whether we finally, after so many years, are going to get our financial house in order and balance the Federal budget and in the process save our trust funds, particularly Medicare, from insolvency starting this year and bankruptcy in the seventh year.

We have heard criticism of our budget, that the earned income tax credit, a credit that goes to people who pay no taxes, is being cut and yet we know it is going from $19.9 billion to $25 billion in the next 7 years, the school lunch program, which under our plan goes from $5.1 billion to $6.1 billion, or our student loan which goes from $24 billion to $36 billion. Only in this place when you spend 50 percent more like on the student loan program, going from $24 billion to $36 billion, do people call it a cut. Or Medicaid that is going from $89 billion to $127 billion. Or Medicare which is going from $178 billion to $289 billion.

We have put in tremendous new money under our Medicare program. For instance, it goes from $4,800 to $7,100 per beneficiary in the 7th year, a significant increase. Ultimately we have a disagreement with the President on Medicare and Medicaid. He may have other priorities. The simple fact is this Government would get started in 6 hours, those parts that need to be funded that are not would be funded in easily 6 hours if the President did one thing that he promised to do at Thanksgiving, and I thought when the President gave his word, he meant to keep it, and he gave his word

that we would balance the budget in 7 years using real numbers. We are still waiting for his balanced budget proposal.

I know the Government is shut down, but I know ultimately that we are going to have to get our financial house in order, and I am willing to stay as long as it takes to do that.

REPUBLICANS HOLD GOVERNMENT HOSTAGE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Connecticut [Ms. DELAURO] is recognized for 5 minutes.

Ms. DELAURO. Mr. Speaker, I just want to make a quick comment on the comments of my colleague, the last speaker, who knows very well that there have been unbalanced budgets in this country under Republican Presidents, but never has there been a shutdown of the Government of the magnitude that we see today.

What we see here is a political ploy. It has very little to do with balancing the budget but it has to do with trying to hold hostage this Democratic President. It quite frankly is politics of the very worst kind, and I believe that the American public has some understanding of what is going on here.

Mr. Speaker, last months Speaker GINGRICH shut down the Government because he did not like his seat on Air Force One. Now the Gingrich Republicans in the House of Representatives are at it again. This time they are holding the American people hostage in order to blackmail the President into agreeing to their massive cuts in Medicare, Medicaid, education, and the environment, all to pay for a tax break for the wealthiest Americans.

Make no mistake about it, this has been the Speaker's plan all along. As long ago as April of last year, the Speaker threatened to shut down the Government in order to get his way on the budget, and I quote him: ''I don't care what the price is,'' the Speaker said in April. ''I don't care what the price is.''

It is this kind of childish philosophy that has isolated the Gingrich Republicans from responsible Republicans in the United States Senate who have joined Democrats in calling to open up the Government and put the employees back to work again.

''Enough is enough.'' That is the quote from the majority leader of the other body in announcing that he has had it with this legislative blackmail scheme. Enough is enough. That is how the American people feel. Enough is enough for the 600,000 senior citizens who are losing their Meals on Wheels because of the Republican Government shutdown.

□ 1930

Enough is enough for the small businesses that are facing layoffs because they have not received the small business loans that they were promised, and enough is enough for the Federal employees who serve the public every day and who now have been betrayed,

Think of the Federal employees, of the Social Security office once located in the Murragh Federal Building in Oklahoma City. In April they survived the worst terrorist attack in our Nation's history, and today they are the target of political terrorists and are being forced to work without pay.

The Republican Party claims to be the party of fiscal responsibility, but this Government shutdown is costing taxpayers $50 million a day, $50 million a day. Thus far, the shutdown has cost hard-working taxpayers $550 million. That is right, taxpayers are paying hundreds of millions of dollars, and they are receiving no services in return. That is not fiscally responsible. That is not responsible at all under any set of circumstances.

Thus far, the House of Representatives has had 12 votes to reopen the Government, and only two Republicans have had the courage to join Democrats to end the irresponsible politics of the Gingrich Republicans and in order to reopen this Government.

Enough is enough. That is what the public wants is for this Government to open and not to be having a gun pointed at the heads of Federal employees or at the President of the United States.

Let us get serious here. We are sent here to do the work of the people, and that is to carry on the Government of this country every single day, and if the Gingrich Republicans who are, for political reasons, only keeping this Government shut down, at great cost to the American taxpayer, at great cost to the American public in terms of the services that we are bound to provide to people in this country, and they put their faith and trust in all of us who serve in this body, and we dare not turn our backs on the American public in the way that the Speaker of this House has, and the Republican leadership.

Woe to those who do this, for the public will turn its back on you.

THE GOVERNMENT SHUTDOWN

The SPEAKER pro tempore (Mr. TAYLOR of North Carolina). Under a previous order of the House, the gentleman from Michigan [Mr. BONIOR] is recognized for 5 minutes.

Mr. BONIOR. Mr. Speaker, over a year ago the House Republicans promised us a revolution, but what they did not tell us is that they were going to take hostages.

But here we are. We are into day 19 of this Government shutdown. Federal workers and their families all across America and beyond are being held hostage. Meals on Wheels, a program for our seniors, that is being threatened. Small businesses are losing income because of SBA problems with the Small Business Administration, and private-sector employees are being laid off because of the Government shutdown, from cleaning up Superfund sites, and other environmental catastrophes, and the people who have got the contract to do those cleanups are being laid off.

Half a million people are working today not knowing if they are going to get paid. And we have got about 260,000 Federal workers who are not on the job.

Medicare and unemployment claims are not even being processed. So if you worked hard and you were laid off, how do you think those people from AT&T feel when they picked up the paper and read that 40,000, 13 percent of their work force, are going to be laid off? And then you turn the paper and you go to page 2, and there is the Federal Government not even going to process your unemployment claims.

Environmental waste cleanups, nursing home inspections are being interrupted, and in one case a foreign government is threatening literally to shut off the lights at the U.S. Embassy because we have not been paying our bills. Forty million dollars a day down the drain, all because a small band of extremist Republicans in this House cannot get their way, so they are going to close it all down, all because a small band of extremist Republicans who do not represent the majority of America, in fact, they do not represent the majority in Congress, they do not even represent the majority in this House, are trying to force their will on the American people. These are people who do not like the Government, and they do not like the people who work for the Government. That is who we are talking about here.

You know, who are the people who work for the Government? They are our men and women in uniforms, our troops overseas who are guarding our embassies all over the world, they are the police that are protecting the men and the women and the children of this country, protecting them in their neighborhoods. They are the teachers who are teaching our young people. They are the people at the Department of Education who are processing Pell grants so your kids can get a higher education, so they have an opportunity to live in this great country and make a living for themselves. They are people who work in our national parks, who provide this wondrous enjoyment of one of the great gifts not only in this country but in the world. These are the people that are being affected.

The Senate Majority Leader, the Republican, Mr. DOLE, was right, ''Enough is enough.'' He is fed up with the antics of what is happening on this side of the aisle.

People have been gone from their jobs long enough. It is time that the House Republicans stop messing around with other people's lives. End this shutdown and open this Government.

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

Mr. BONIOR. I yield to the gentleman from North Carolina.

Mr. HEFNER. Mr. Speaker, shutting down the Government, harming innocent people, it is just not Government workers that are being inconvenienced, it is the elderly, it is children, it is our veterans, it is our veterans' hospitals.

If we opened this Government tomorrow, it would have absolutely no effect on negotiations that are going on on the budget. They could still trash the President. They could still have their negotiations, and you could go ahead with the business. There are a lot of people that are being inconvenienced and a lot of people are being devastated because of the shutdown of the Government. It is not just Government employees that are being inconvenienced, it is elderly, children, students, small business.

Mr. BONIOR. You are absolutely right.

Mr. HEFNER. Enough is enough. We need to open this Government and put people back to work and do the business of America that people sent us here to do and that the Federal employees were hired to do to go about doing the business of America.

Mr. BONIOR. The gentleman is absolutely right.

You know, when we had these impasses before, we would move forward. We would move forward, and we would do our negotiations, and we did not lay off and close the Government down and cause the inconveniences and the heartaches that are happening all across America.

I thank my colleagues for their attention this evening.

DEVASTATION OF GOVERNMENT SHUTDOWN

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I wanted to basically express shock, if you will, tonight over the fact that the Republican majority here in the House continue this process of leaving a significant part of the Government shut down. I guess I was pretty much amazed before the Christmas recess, if you will, when we voted here on the House floor to give Speaker GINGRICH the power to recess the Congress over the holiday between Christmas and New Year's, and I suddenly realized that that meant that Government workers and the services that they provided would essentially cease to exist. The workers would be furloughed, and the services would not be provided between Christmas and New Year's.

When I heard yesterday that the Senate, after repeated requests by the President, that the Senate had finally gone along and decided that they were going to pass a continuing resolution to keep the Government going, at least for the next week or so, I fully expected that when we reconvened that I would be coming back today to vote in the House on that Senate resolution and the Government would be up and running by tomorrow and even though the budget negotiations would continue, that at least we would not have the continuation of this Government shutdown. I guess I was very naive in assuming that.

When we came here today and we had a vote on the motion that the minority leader, the gentleman from Missouri [Mr. GEPHARDT], made to try to bring that Senate resolution up that would reopen the Government, the Republicans on the other side, almost all of them, voted to table that motion, and now we face the real possibility, based on this motion or resolution that has come up before the Committee on Rules again at the request of the Republican majority, that tomorrow we may go into recess again and possibly until January 23, which I guess is the day when the State of the Union address is given by the President, that the Government would continue to be shut down and the Congress would not be in session.

I wonder who the Members on the other side are listening to when they go home to their respective States or their respective districts. When I went home over the last week or 10 days, in my district office we repeatedly got calls from individuals, some of whom are Government employees who were not getting paid for the Christmas holiday or for the part of the time that they had already worked; others, people who were missing services, whether it was passports or Social Security applications or student loans or small business loans or whatever it was, and my phones never stopped ringing for the whole period of the recess from people who were paying their taxes but were not able to receive Government services and from Government employees, many of whom were asking how they were going to pay their rent, how they were going to pay their mortgage, how they were going to get through the next day.

So I think it is incredible and it really is shameful, the fact that we are now facing the real possibility that for the next 3 weeks this Government continues to be shut down because Speaker Gingrich, and particularly the freshman Republicans, want to hold the Government hostage to their own particular ideology on the budget, and the blame is squarely with the House Republicans, with Speaker GINGRICH and the Gingrich Republicans because as we know, the Senate, the other body, has already acted on its continuing resolution.

I am joined here tonight by several Democratic colleagues from various parts of the country, and we wanted to highlight, if we could, in the time that we have, the fact that the shutdown is affecting the quality of life for many Americans, particularly with regard to the environment, the EPA, which is one of the Government agencies that is shut down, particularly with regard to the Superfund program, which we were told today is about to shut down completely for all practical purposes over the next 5 days, and also highlight some other areas where the Government, through its inspection, through its enforcement, provides for the health and safety of Americans but cannot do so because of the Government shutdown that has been put upon us, if you will, by the Republicans.

So I would like to now yield, if I could, to the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Mr. Speaker, I thank the gentleman for yielding.

We heard in the last election, the campaign, the Contract With America, but I doubt very seriously if, during this campaign, if the people, who were campaigning as Republicans had said what we plan to do is to cut inspection in the workplace where people work, on the safety, and we are going to cut some of that and we are going to cut back on the inspectors for our safe water, we are going to cut back on the EPA, we are going to cut back on the funding for the FDA and all the other institutions and agencies that protect the food and water and air that we breathe, that we are so dependent on, I doubt very seriously if there had been the outpouring of support for the Contract With America.

But there are a couple of points that I would like to make, and as I said earlier, this is not just inconveniencing Government workers. One of the Presidential candidates made, I thought, a very crass remark when he said, ''Have you missed the Government since they have been furloughed?'' I mean, you are talking families, people that have children, people that have maybe their aging parents that are living with them, maybe people that are trying to support a foster child or whatever.

But there is one other area that is being very devastated to the American people, and you have thousands, thousands of people that would like to make applications for their Social Security, for Social Security disability, veterans' benefits, our VA hospitals. I have one in my district. They are shorthanded.

□ 1945

They are short-handed. Some of the people that are deemed to be essential, they are either getting half pay or not getting any pay. So you are hitting individuals, there are real faces on these furloughs. There are thousands of people that are being affected by these furloughs.

I just would like to give maybe some of the people who have not been here as long as some of us have, we did not use to do business such as this. Nobody wants to do business as usual, and that is the standard cry around here, we do not need to do business as usual. We certainly need to make some changes.

But in the past, we have never gone to these extremes. I have been on the

Committee on Appropriations for a lot of years. We would have disagreements with Presidents, President Reagan, President Bush, and my dear departed friend, God rest his soul, Silvio Conte on the Republican side, would always get up on appropriations when these bills that would come before the Committee on Appropriations, and he would say ''OMB has some real problems with this,'' or ''The President has problems with this, and if there are not modifications made, he is doing to veto the bill.'' In most instances, the committees would get together and they would make some modifications and we would work it out among the Appropriations Committee.

Now, this is absolutely mind-boggling to me, and it just tells me that there are egos that are involved, there is a philosophy here that is involved, that says if we do not get our way, we are going to close the Government.

I have had people that talked to me here on the floor and said ''All the President has got to do is to sign the budget. If he will sign the budget, you can put these people back to work.'' Or ''You can get a continuing resolution if the President will capitulate and do it our way.''

The gentleman, the last Republican that spoke here, said ''We can put this Government back to work in 6 hours. All the President has to do is to offer a 7-year balanced budget our way.'' He has got to make the massive cuts in Medicare, he has got to accept the giant tax cut paid for with Medicare and Medicaid cuts for the wealthiest citizens in this country.

If you just look at the numbers, the numbers that you cut from Medicare and Medicaid almost match identically the tax cuts that are going to be made for those that are the most privileged in this country. To use an old colloquialism in North Carolina, ''that just ain't right.''

So the Republicans have an agenda here, and what they plan to do will keep this Government shut down until the President knuckles under, and he does it our way.

But I would like to just remind my Republican friends, they talk about a big revolution that took place in 1994. I would like to remind them that 60 percent of the eligible voters in this country did not vote for anybody. They did not vote for the Republican revolution, they did not vote for the Democrats, they did not vote for anybody. And to say that there is a mandate out there, there are people that want to balance the budget, and I am one of them. But I think when you tell the American citizens ''We want to balance the budget, but here is how we want to do it: We want to do it on the backs of the senior citizens, the veterans, the children, and the students that want to get a loan to go to college,'' I do not believe that the percentage would be 85 percent of the people that wanted to balance the budget on the backs of the people that are the most vulnerable people in this country.

I would like to make one other point. I remember Ronald Reagan, who was a very amicable President of the United States. People have said here for the past so many years, ''It is the Democrats that have run up these giant deficits.''

I would like to remind the Republicans and the American public that during the Reagan and Bush administrations, we accumulated more debt than we had since the founding of this Republic. The Republicans say it was Democrats that helped run up these deficits.

Let me just make a little explanation here. I will take you back and just try to bring in history. A lot of folks have tried to rewrite history. When Ronald Reagan became President, I would remind my Republican colleagues and the American people, the Republicans had a majority in the other body, and in this House for the first 4 years of the Reagan administration, he had a working majority in this House. He passed more of his legislation than any President since George Washington. They did bad tax policy. We ran up deficits. Jimmy Carter's last deficit was in the $50-billion range, and from there they skyrocketed up to the $300 billion range, and we accumulated $3 trillion in just one administration.

So I would say to you, sure, it was some Democrats that voted with Republicans to pass bad tax policy. But when Ronald Reagan became President, he said ''I am going to balance the budget in 3 years.'' He did not say ''I am going to do it with CBO or OMB numbers.'' He said ''I am going to balance the budget in 3 years,'' no qualifications. And in 4 years, we had well over $200 billion more in debt in this country.

So to say that the 40 years that the Democrats have been running this body and passing legislation is responsible for the debt is absolutely rewriting history.

But that brings us to where we are today, which has really nothing to do with history, but we want to set the record straight. There is absolutely no reason and no justification for shutting down the Government to keep the budget talks going between the President and the leadership of this Congress. It is absolutely harassment. It is putting a gun to the head of the President of the United States and holding hostage the American people and those that are most vulnerable in our society.

So I would say to the Republicans, there are faces to those people out there that are being furloughed, and it is not just Government workers; it is people, our senior citizens, our children, our veterans, our small business community. They are all beginning to feel the pain from this shutdown of Government. I would urge the Republicans to take another look and do a clean CR, get the Government back to work, and continue the negotiations with the administration. Working together, we can do some good things for the American people. But this is not the responsible way to do it, it is so painful, and it is just plain wrong.

Mr. PALLONE. I appreciate what the gentleman said. I think it is particularly important that we zero in today on the fact that this is now strictly the House Republicans that are holding up this process. Because the Senate, the Senate majority leader specifically said, he has been quoted over and over again, enough is enough, it is time to put the Government back together, to send the employees back to work, to provide the services.

They sent over a resolution today which we were going to vote on, and we are being thwarted. We cannot even bring the resolution to the floor that was passed in the Senate because Speaker GINGRICH and the Republican House leadership here refuses to bring it up. I think the reason they refuse to bring it up is because they think it will pass if it comes up. So they just do not bring it to the floor.

I would like to yield now to the gentleman from Minnesota.

Mr. VENTO. I thank the gentleman from New Jersey [Mr. PALLONE] for his outstanding work in terms of trying to develop a discussion and debate I think really important, salient points to the American people with regard to budget and various programs.

I have a great deal of admiration really for my colleague from North Carolina, Mr. BILL HEFNER, and the work he has done in the Committee on Appropriations. The thing he did not say during the 1980's, when we both served, was that the Committee on Appropriations and the appropriations and the spending committees in Congress consistently provided less spending than the Presidents in the 1980's sought. They actually provided less spending. They did not always do it the same way, but they tried to do their job. As I recall, I do not recall President Reagan or Bush vetoing any appropriation bills. If they were dissatisfied with that level of spending, of course, at that time, of course, the political litany we heard from our colleagues of the loyal opposition, the Republicans, was, of course, that it was the Congress that was responsible, it was the Congress that was doing all the spending.

I would be happy to yield to my colleague and friend.

Mr. HEFLEY. In the last 30 years under Democrats and Republicans, the Committee on Appropriations and the Congress has always appropriated less money, less money, than all of these administrations had requested. Probably over 30 years, but I know for the past 30 years, we have always appropriated less money than the administrations requested. That includes Reagan and Bush and all the administrations in the past 30 years.

Mr. VENTO. I thank my colleague and appreciate his work in achieving those types of savings and making certain. We obviously have funding that

does not go through the entitlement process, the appropriations process. We want to recognize that as being a growing problem. Social Security and Medicare as we know today, at least the Part A portion of Medicare and Social Security, are not responsible for any of our deficit. In other words, Part B Medicare surely could be attributed to that, and, or course, Medicaid and the other entitlement programs, which are really an indication of trying to respond to those that are the deepest in need in this Nation.

I would just like to say the reason we are where we are at today with the shutdown of these essential programs is because the Republican program, the congressional program that has been put forth as a budget, cannot make it on their merits.

If these programs were in fact meritorious and would win the support of the public, obviously somebody else would be doing it. But these issues are not. I would just point out that it is up to the President. The President could say the same thing, ''I will not sign a continuing resolution until you give me the type of budget I want.'' In other words, this could be done.

But this is not the case. This is being done by the Republicans in the House at this particular point, and earlier joined by their colleagues in the Senate, that we are saying ''we are not passing a continuing resolution. We are going to stop the Government months after, months after the regular spending bills should have been in place to keep the normal operation of government in place.''

I would say that no one, in the fact that these appropriations bills had not been passed was seeking 100-percent funding. It was not the Clinton program. We were funding these at 60 and 70 percent of what they could have or should have been funded at. So there was no predisposition as to what the decisions would be with regard to the spending bills.

But, in other words, this program, these Republican programs, whatever you might believe, my colleagues, cannot be sold on their merits. That is why we are here today with a shutdown of the Government, because we are in essence going to say we are going to force the public to be punished, be punished, in the short-term.

What is that punishment? What is the nature of the punishment? We have heard here. The person that wants an FHA loan cannot get it. That loan is frozen. Today there is $3 to $4 billion worth of paper that people, the American dream, they saved, they made their down payment, they made their contract, they cannot get it. You want a VA student loan, you cannot get it. You want your Social Security card, 60,000 Social Security cards and reissuance of Social Security cards are not being issued today.

So it is not just public employees who are being treated and mocked, mocked by the Members of this Congress, and saying we do not need them. What is the difference.

I would be happy to yield to my colleague from California.

Mr. TORRES. Mr. VENTO, I thank the gentleman for yielding, but is this not really a question of a sort of cantankerous attitude on the part of our colleagues on the other side saying ''We want it our way or no way at all?'' Have I not understood, have you not understood, that this body is a body of compromise? We come here to compromise. None of us, none of us, get whatever we want. The President does not get what he wants. Republicans do not get what they want. Democrats do not. Somehow we work a middle ground, a compromise. That is what the gentleman from North Carolina [Mr. HEFNER] was talking about.

Mr. VENTO. The gentleman makes a very good point. It is called a consensus. It is called building a consensus. The issue that my colleague Mr. PALLONE raised and Mr. HEFNER, that Senator DONE, I think he was wrong not to act on a CR earlier, he has acted on it now. I think he has recognized enough is enough.

But we do not set the agenda here. I am certain that today if that were to come up, that measure for a CR with Senator DOLE's support, it would pass in this House of Representatives.

But the leadership, the Republican leadership, not just the freshmen, not just the freshmen Republicans, but the Republican leadership, they set the agenda. They say what can come up and what cannot. When the unanimous consents have been made repeatedly on this floor today to ask to ring that up, they were denied, because the Republican leadership in this Congress that is running this House, that cannot sell their programs on the merits, are trying to obviously do this on the basis of trying to shut down and shut out Government.

The President has not even had a chance on 3 of the 13 bills; the very important Labor, Health and Human Services bill, has not even been presented to the President for a variety of reasons. You can blame whoever you want for it. The fact is the President has no option. There is no fund that has been brought before him. Nor for the District of Columbia, nor for foreign operations which are so important in terms of the passport programs.

Today in my district, as an example, a great tragedy a dear friend of mine lost his son in Rome. So we are struggling with a limited staff. Can you imagine the tragedy if that was your son or if that was your daughter. Where is the empathy? Where is the understanding of the people in this House that are proudly proclaiming ''we represent the people?''

Who are you representing when you are acting in this particular manner in terms of the people? You are not representing this man that is having this problem in my district. An this experience can go on and on and on.

People getting half pay for their work. What if you are a research scientist at NIH? You think you can suspend those living models? Somebody has to feed them and keep them in place.

Here on the Wall Street Journal, not necessarily a pillar of liberal Democratic policy, they are reporting to us on the fact that we are contributing to a downturn in the economy.

You got the weather, you cannot control that; you have other factors I cannot control. In spite of whatever one thinks, the Members of Congress do not control necessarily what AT&T does or other manufacturers across this country laying off people.

But for heaven's sake, let us do what we are supposed to do in terms of just providing the regular continuing resolution, the normal operations of Government which people have a right to rely upon in terms of what is happening in this Nation.

We are contributing to the downturn of the economy in 1996 as we go forward. It is a precarious situation our economy is in today, and it is not one that can sustain this type of indifferent mocking attitude with regards ''I am going to get my way and make my political points.''

You failed on the merits, my colleagues. You failed on the merits.

□ 2000

Now they are trying to try, in a cloud of political spin control, trying to come out. They have painted themselves in a corner. I do not know how to get them out. I would like to help them. We should send out an SOS: The House of Representatives is in trouble. It is out of control. It is out of control.

Now we see our Republican Speaker wants a resolution so he can have a suspension and a recess. He wants to send home this House of Representatives. Why? Because he cannot sustain for 2 or 3 weeks. He cannot sustain for 2 or 3 weeks the type of pressure that would develop right here on this floor if he kept this House in session. He could not sustain it from the Republican or the Democratic side of this aisle. So he is saying send them home, we will recess it, but I will not have to deal with all these individuals.

I have news for the Speaker. I am sent here and the other Members are sent here to represent people and to prevent this type of problem from happening, not to sweep it under the rug, not to recess this House, but to address the very serious problems that are coming to grip in this Nation because of the political shenanigans, the political shenanigans of the Republicans leading this House in the wrong direction.

This is not why we were elected, to hand the power over and the responsibility over to a few that have just a political agenda. We cannot stand that. We cannot do that. It is time to forget about the politics and get on with the normal operation and act responsibly

in this case, to deal with those serious problems of the environment, not to close down the EPA.

And, of course, what is the choice of some of these issues? There is no choice. There is no choice. They are saying we can either fund the EPA, defund the EPA through an appropriations bill, or defund it through a continuing resolution or through lack of passing any measure. No option there.

I thank the gentleman from New Jersey for yielding, and my colleagues that are joining in this special order. This is very serious moment in terms of the credibility of this Government and the health of our economy. It goes well beyond the normal politics that should play. They have failed on the merits. They have failed on the merits, and now they are trying to do it in terms of wedging this through and pressuring it through.

The fact is, many of us have and hold convictions very deeply. I have got news for the new Republicans in this House. They are not the first group to come down here with a plan for a balanced budget. The 7-year scheme that they have, which is an effort to get elected 3 or 4 times, I guess, before they achieve their balanced budget, is a very interesting scheme. Someone said where did this come from, out of intuition? I say it came out of the political play book. This is a justification for getting reelected, because, therefore, if one is reelected, they can be expected to achieve this.

I have news for my colleagues. The last two Presidents, and many others, many of us want a balanced budget, but it is not whether we want a balanced budget, it is how we balance it. We do not balance the budget by providing lavish tax breaks for our special-interest friends. We do not provide a balanced budget by building a social deficit in terms of health and in terms of education.

I have got news for my colleagues, that type of deficit and that type of cost is something that we cannot afford to deny to those that are in need, to the future generations of this country. We do not develop a balanced budget by developing an environmental deficit and selling our natural resource legacy.

So there is much that has to be debated, and I want to debate all these issues on their merits. I want the Government back and running in the normal operation. And I am happy to live, I understand, we understand, the Democrats do, in this House and in the Senate, that we lost the election in 1994. The Republicans have a right to come forth and sell their agenda on its merits. That is what they have been trying to do. And the answer that is coming back from the public is we do not want the Republican agenda. We do not want the contract. We did not buy into it. Most people are not even aware of what it was or is.

So I would hope that we can address this issue this week; that we can get out the CR and then have our battles over policy and votes, which we understand. There are more Republicans in this House than Democrats, and in the Senate, and, obviously, we will have to make compromises and develop consensus.

As my colleague, the gentleman from California, ESTEBAN TORRES, pointed out, some of those compromises I know I will not like. But, nevertheless, I do not think this is the way we should achieve our goal. I certainly will stand here and resist it and fight it very vigorously, and I thank the gentleman from New Jersey.

Mr. PALLONE. Mr. Speaker, I want to thank the gentleman from Minnesota for those remarks and, obviously, he is very concerned.

I want to say briefly, and then I want to yield to someone else, that I think, as I have been watching this debate, and some of the comments by our Republican colleagues, I just see this radicalism, this extremism, taking over amongst them. It is the whole idea that their ideology is the only ideology, and unless they get their way on the budget, they are going to close the Government down.

There is a lack of concern for Government workers, lack of concern for constituents who need Government services. The whole idea that somehow Government itself is bad and, therefore, it is not a problem to shut it down because the Government is evil, the Government should not even be here. Almost an anarchistic approach, that I think the gentlewoman from Ohio [Ms. KAPTUR] mentioned before. It is an extremism. It is a radicalism that seems to be taking hold on the other side of the aisle.

I yield to the gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Speaker, I thank the gentleman from New Jersey, and I will save my comments on the environment for a little while later, but I just wanted to respond and thank my colleague from Minnesota before he leaves for his comments and for his well-placed anger.

I want to make one point that he made so well and add to it; that we talk about the freshmen who are standing in the corner like children, holding their breath and saying if we do not do it their way, it is no way. But I think we also have to put the blame on the so-called moderate Republicans. After all, the Democrats passed a resolution in our conference; that we wanted to pass a clean CR that would support the bipartisan resolution passed in the Senate to open up the Government.

So we have to hold them responsible, because we have 198 votes; is that not correct?

Mr. PALLONE. Exactly.

Mrs. LOWEY. All we need is 20 votes from Republicans who understand that this kind of pain and suffering is wrong.

And, incidentally, I want to add that I got a call today from someone who works in the Veterans Administration at the Franklin Delano Roosevelt Hospital in Montrose. They had to hold a bake sale because some of their employees who are so loyal, they want to go to work, but did not get their paycheck that was worth anything. In fact, it was 2 weeks that included all the deduction, but it was really less than 1 week's pay that they got. And, in fact, they cannot afford to get to work at the Veterans Hospital in Montrose.

So people who are working, taking care of our veterans, who gave their heart and soul, and some made the ultimate sacrifice for their country, cannot afford to go to work to take care of our veterans.

So I just want to say to my colleague that I understand his anger, because I know all of us share it, and we cannot just blame the freshmen Republicans who are standing in the corner saying my way or no way, but the moderate Republicans have a chance now to join with Senator DOLE in the Senate in a bipartisan way to open up this Government and then we can have and continue to have a debate.

This is a serious debate about the priorities of our country. We really disagree. We want to protect Medicare, Medicaid, the environment, and education, and they want to give tax cuts to those who really do not ask for it. This is a serious debate. Let us have it, but not to shut down the Government and cause so much pain.

And the impact on the economy, my colleague mentioned, which is also so very important. It is not just the national parks, but it is all those small businesses around the national parks that are not making the income and contributing to our tax base.

So I want to thank the gentleman very much.

Mr. PALLONE. Mr. Speaker, I appreciate what the gentlewoman is saying. That is a good point. We keep talking about the extremism and the radicalism of the freshman, but all we need is 20 votes, 198 plus 20 votes from anybody on the Republican side and we can reopen the Government.

And now, Mr. Speaker, I want to yield to the gentleman from California.

Mr. TORRES. Mr. Speaker, I thank the gentleman from New Jersey for this special order. Obviously, it provides for us a time to be able to speak to some of these issues that concern us so much here today.

I was struck by the comments by the gentleman from Minnesota [Mr. VENTO], when he talked about the Wall Street Journal, certainly no pillar of liberal reporting, so to speak, but today's Wall Street Journal really is an indictment. It is an indictment of what is taking place in this House.

To reflect on what Mr. VENTO said, that we are told in this particular article that 12 States of the United States that are serving 600,000 elderly have told the Department of Health and Human Services that within 2 weeks, 2

weeks, the Meals on Wheels Program will run out, and the transportation programs for seniors will run out.

Moreover, they say that the Government has not paid the private companies that process Medicare claims since mid-December, and they are now owing something like $60 million. The administrator of the Health Care Financing Administration, HCFA, which really makes the payments to Medicare and Medicaid, is saying that benefits are funded with trust fund money, but administrative officials worry that the processing companies which they depend on will have to begin to lay off workers by the thousands and this is going to delay reimbursement to the hospitals and to the doctors.

Can you imagine the chaos that this country is going to go through if that is, in fact, brought about?

We talk about the environment. The Environmental Protection Agency yesterday began to shut down its Superfund Program, the very program that is so important to the cleanup of toxic waste in this country. And although the program already has multiyear funding, that funding operates on an administrative spending ceiling that the EPA could crash through if the shutdown continues as it is now doing.

The EPA yesterday started issuing stop-work orders to its contractors who employ some 10,000 employees across this country. They are going to be laid off. There are 18,000 employees of EPA now on furlough. What is going to happen to Superfund? There is some real crises, my friends, taking place here unless we reach some solution.

Mr. PALLONE. If I can just follow up briefly on what the gentleman said about the Superfund Program. I have, in New Jersey, in my State, the largest number of Superfund sites in the country of any State, and in my particular congressional district a large number of Superfund sites, and already this shutdown has delayed indefinitely cleanup work at about, I guess five of the sites in my congressional district.

In fact, last Wednesday I actually went to the EPA lab and center in Edison, in the heart of my district, and was in an empty room. The entire place was closed down. I think there were two staff personnel involved not only in Superfund, but all the EPA research activities that took place in Edison, NJ.

Basically, what it means is that a number of these sites, not only in my district, but around the country, if we do not continue to do that work, a lot more work will have to be done. There were some contractors that were quoted in a lot of the newspapers today that were saying that because they are not able to do the contract work on Superfund sites, when they go back again there is going to be even more hazardous waste, and they are going to have to spend even more money in order to do the cleanup.

So not only is it a question of health and safety about being at risk for these hazardous waste sites in terms of people's exposure to hazardous waste because the sites are not being cleaned up, but also more money is likely to be incurred for the Superfund, which again goes back to the taxpayers, if the shutdown continues, particularly the way we are hearing now that it might go on, if we recess tomorrow, for 2 or 3 weeks or indefinitely.

Mr. TORRES. I have a particular interest, of course close to home, because I represent a large sector of the San Gabriel Valley in California wherein the water is polluted and a particular San Gabriel basin provides drinking water for a million people. And we have already started on a very unique plan to clean up that water, and it has taken the cooperation of business and political and local leadership and citizens to clean up, and they are cleaning up while keeping the lawsuits out that would generally stifle this kind of advancement.

But now with this shutdown, we are going to see the safety and the prospects for clean water for the San Gabriel Valley affected very largely.

□ 2015

These are the kinds of problems that are concerning all of us, I am sure. I thank the gentleman for giving us this opportunity to speak to these issues, especially the environment and what is happening with the furlough and the shutdown.

Mr. PALLONE. I appreciate the gentleman's comments. I yield now to the gentlewoman from Oregon.

Ms. FURSE. Mr. Speaker, I want to talk a little about safety, both environmental safety and other types of safety. I do not know if the people in this country understand that this Congress has talked a lot about putting people in prison. Let me talk a little bit about a Federal prison in my district that is a large Federal prison.

We had a terrible riot there. The guards were fantastic. They worked so well. I got a letter from the wife of one of those prison guards, and she said, and I quote from this letter, ''Three hundred eighty-five correctional workers at Sheridan, Oregon, are being held as political hostages. Those guards are not being paid.''

Can you imagine the kind of work they do for the safety of the community, and yet because of a political issue, this issue of who is up front, who is going to win this political argument, those workers who every day go to work to protect our safety, their financial safety is being held hostage.

Now, there are some other environmental issues and safety issues that I believe who should understand with this Government shutdown. We have a choice. We can open the Government, as the Democrats tried to do today; tried to get a continuing resolution that mirrored the Senate resolution. We tried to get the Government back. Well, I think we should think about the safety of people and their health.

When we close down, as we will, clean drinking water facilities, the protection to turn the faucet on and get clean water, that is an EPA function and if we do not have those people working in the EPA, the drinking water of every single one of us will present a problem.

The veterans hospital, my colleague spoke about that. Well, I have a veterans hospital too in my district. They will run out today of money for drugs, food, and supplies. Imagine a government that would turn its back on its veterans who are in hospital. Absolutely awful.

Ten States will have no money for unemployment benefits. Those unemployment benefits, those people paid into that. This is something those citizens earned, and yet, because there is a political goings-on in this place, they are being held hostage.

The Republicans are holding the environment and the health of all Americans hostage when they play this political game. We could have a clean continuing resolution, get the Government back to work, act like a civilized country, and then deal with the issues of the benefits.

But I will tell my colleagues one of the problems of why we are in this crisis. We were supposed to have 13 appropriations bills on the President's desk October 1. That is the way it is supposed to work. But we still, because of the mishandling of the legislation and the disagreement between the Senate and the House, the Senate Republicans and House Republicans I might add, we have not had those appropriations bills even get to the President. How can they talk about a balanced budget when they did not do the work that was necessary?

I want to remind my Republican colleagues that there was a time when a crisis occurred with a Republican President and a Democratic House, and they worked it out in less than a day because the people's right, the people's safety and health was put first, beyond the political game.

We do not need this crisis. We could get back to work if they would bring forward, and they are in the majority, bring a resolution to us. Let us vote to keep the Government open. That is what we want to do. That is what we should do.

Mr. PALLONE. Mr. Speaker, I appreciate the gentlewoman's comments. I think the reality is that they are afraid. That actually the House Republican leadership, Speaker GINGRICH is afraid to bring this resolution up, because as the gentlewoman from New York said, we only need 20 Republican votes and we could possibly get them if we could only have the continuing resolution brought up to the floor for a vote. But we have been thwarted in that effort and now we are told that tomorrow we are going to recess.

Mr. FURSE. If the gentleman would yield further, when we take an oath of office to do our duty by the people of this country, we do not take an oath of

office to get reelected. We take an oath of office to look after the health and safety of the people of the United States. That is our office and our oath. That is what we are paid for. These Federal workers are losing money, but the Members of Congress are still getting paid. It is not right.

Mr. PALLONE. Mr. Speaker, I yield to the gentleman from Texas, Mr. GENE GREEN.

Mr. GENE GREEN of Texas. Mr. Speaker, I thank my colleague from New Jersey for, one, requesting this hour, but also getting a lot of diverse Members that are Democrats. But we are diverse. We are from all parts of the country: Florida, New York, Oregon, Texas and New Jersey, and tonight we are talking about the Department of the Interior concerns and the shutdown and also the EPA.

We share and we will talk about the lack of funding for the Medicare suppliers. My own VA hospital in Houston, they are running out of supplies tomorrow just like they are in Oregon. We are not serving the veterans by keeping the Government closed. What I think is ironic, the extremists, they think they are hurting Democrats or bureaucrats. They are hurting a lot of people.

The people who are veterans who are not getting those services and the senior citizens who want to apply for Social Security and cannot apply for it. I had a townhall meeting in Houston and I had a senior citizen with an appeal on his Social Security check. He thinks they misfigured. The appeal here in Maryland is shut down. We do not know when he is going to get some redress or at least an answer on it.

Tonight I want to talk a little bit about the Department of Interior and what is happening all over the country, because a few years ago I had the opportunity, in fact I took my kids and we went to Yellowstone in Wyoming and we could not go into Yellowstone in 1985 or 1986 because of the fires. They closed the park. That was a natural disaster.

Mr. Speaker, what we are experiencing now with our National Parks and with our veterans and health care is an unnatural disaster, an unnatural crisis to paraphrase my colleague from Oregon, that has been created by the Republican Majority to force tax cuts that nobody has asked for.

Sure, all of us would like a tax cut. But the first priority ought to be to balance the budget. Let me talk about the 383,000 people that visit our National Parks that are closed. In California, Yosemite, that is not represented by a Democrat by any means, has asked for assistance from the Governor of California, who could not do anything. Yosemite and Mariposa County asked for State disaster assistance, but the Governor of California, who was a Republican presidential candidate, said he could not help.

It is just atrocious what is happening. The Forest Service that operates our campgrounds and monuments and visitors centers, not just here in Washington, because I have a group of students coming next week from a junior high in my district. It is the first time a lot of those youngsters will be able to come to their capital, and it is going to be closed to them.

Mr. Speaker, it is unreasonable what they are trying to do because they do not have the votes in Congress to override a presidential veto to accept the cuts that they want to do in education funding and health care.

In Houston, we have a petrochemical complex and there are EPA sites that are not being staffed now because of the shutdown. That is why I know the gentleman from New Jersey [Mr. PALLONE] asked for the time tonight. The other point is that the EPA is not only not enforcing the Superfund sites, but the non-Superfund civil environmental enforcement actions have been stopped, costing us $3 million a day.

I always hear from my colleagues on the Republican side saying that no business can run like the Federal Government, and they are right. No business can have $5 trillion deficits. But also you do not get your income just because you want to cut the budget. We should balance the budget first. That is the first priority, and then we are going to have to make some tough decisions.

But, Mr. Speaker, we should not give $200 billion in tax cuts before we balance the budget. We should not cut health care for seniors and investment in our future for both job training and the children who are the ones who are going to be paying those taxes tomorrow. We should not cut environmental to make sure that we have a cleaner tomorrow by saying we are going to cut that now. That is what they are doing.

That is why they have not been able to pass them, and we saw today they could not pass a bill that would override a presidential veto. Even though there were lots of things in those bills that I wanted to vote for, I could not take the cuts that they were going to do in those programs.

It is the same way with VA-HUD and NASA. In Houston, we have the Manned NASA Space Center. We have those employees who are furloughed right now. Tomorrow there will be a picket out in front asking, ''Why are NASA employees being furloughed?'' That was passed here by overwhelming votes, the efforts, and yet they are furloughing those employees that are, quote, nonemergency.

Mr. Speaker, it is a tragedy that is happening, but it is a tragedy that was in the making by the Speaker. And earlier this year I had some Republican freshmen tell me they said they were elected to come up here and close it down. I want to congratulate those 73 Republican freshmen. They are successful. They closed down Pearl Harbor for veterans who want to go out there. They closed down Yosemite and Yellowstone and the monuments, and they are effectively closing down my VA hospital. If that is what they want to do, then they are successful.

Mr. PALLONE. Mr. Speaker, reclaiming my time, I think it is incredible, but I have heard it over and over again, many of our colleagues saying that they were in fact elected to come here and shut down the government. That is what we are hearing. It is part of this radical extremism that we are seeing come into play every day.

Mr. Speaker, I thank the gentleman from Texas, Mr. GENE GREEN for participating. He pointed out that these problems that we are facing with the shutdown are throughout the country.

Mr. Speaker, I yield to the gentlewoman from New York.

Mrs. LOWEY. Mr. Speaker, I want to thank the gentleman from New Jersey [Mr. PALLONE] for calling us together. I want to reiterate once more that it is strange that this is an election year, and Senator DOLE has joined with the President, Democrat and Republican, in a bipartisan way and joined with the Democrats of the House to say, ''Let us open this government and do it now.''

So, it is the extreme Republicans of the Republican Conference in the House that are controlling the party, because all we need is 20 Republican votes to join with the Democrats and the government would be open again.

I just want to take a few minutes to talk about the impact of this shutdown on the environment. We have been hearing a lot about the monuments that are closed, and certainly the impact of the economy in those areas, all the small businesses that are not doing well, but there are a lot of other areas that are severely impacted by this shutdown.

For example, EPA's role in helping to ensure safe drinking water has been halted. EPA's role in helping to ensure that the air we breathe is free of harmful pollutants has been shut down. EPA's role in helping clean up toxic waste that pollutes our drinking water and fouls our air has been suspended. EPA's civil enforcement actions against polluters, which bring in $3 million in fines on an average day, have been terminated.

In the EPA region that includes the States of New York and New Jersey, and we have worked so closely on protecting the waters in our areas, nearly all of the 1,000 EPA staff are suspended. These are the environmental cops on the beat, the people who protect our health from polluters.

To step back for a moment, let us not forget that the shutdown is part of a larger, concerted effort to roll back a host of laws that my colleagues and I have been speaking about to protect our natural resources and the environmental health and safety of the American people.

They have already gutted the Clean Water Act. They have already put in place a 21-percent cut in the Environmental Protection Agency's budget, including a 50 percent cut in the enforcement activities and a 20 percent cut in

the program that cleans up hazardous waste sites; a 40 percent cut in funding for land acquisition for National Parks and Wildlife Refuges; a 24 percent cut in major wetlands conservation programs and a measure that would terminate altogether the EPA's role in protecting wetlands; a measure that speeds up the desecration of our National Forests by increasing timber sales and the construction of logging roads; and, a 30 percent cut in loans to States to help keep raw sewage off our beaches and out of our rivers; 40 percent cut in funds that provide critical assistance to local communities to keep drinking water safe in my district, and on and on and on.

I know we have two colleagues that want to share a few words, so I will not continue; I will save it for another day. But I want to make it very, very clear, this is unacceptable to the majority of American people. They have to understand, and the ones that understand, understand it very clearly, that this environment, our precious water, the air we breathe, should not be destroyed by a right-wing extreme group of Republicans. We all want to balance the budget, but it is priorities that we care about, that has made our country strong, that must be preserved.

So, we are going to continue to fight for our environment, and I know we are all going to do it together. But right now I ask again that at least 20 Republicans come join the Democrats, come join the bipartisan effort in the Senate. Let us get this Government open and then let us continue this very serious debate about the priorities of our country. We can do it civilly and not close the Government down and create all this hardship for thousands and thousands of people in my district and all of our districts.

□ 2030

I want to thank the gentleman again for calling us together, and I hope we will gather another night until we get this Government open.

Mr. PALLONE. I appreciate the gentlewoman's remarks. I think she is pointing out that, in fact, the shutdown even more severely impacts, and it is selective in a sense, in that the agencies like the Environmental Protection Agency, that the Republican majority has targeted for these severe cuts, are the very ones in many cases that are being shut down. So the ideology even goes to which agencies are being shut down, which is one of the reasons that we are talking about the EPA and other such health and safety regulators tonight.

I yield to the gentleman from New York [Mr. OWENS].

Mr. OWENS. I want to congratulate the gentleman and thank him for holding this special order. I know he is almost out of time, and I just want to be associated with the remarks that were heard before from my colleagues, especially the anger and the indignation that I heard expressed here.

It is time to be angry. It is time to be indignant. This is a cruel and heartless exercise being perpetrated on people who can accept it the least, the least of our people, people who are working for wages, people who are contract workers. There are a whole lot of people out there who do not have any cushion at all. They cannot afford to be without a paycheck.

As the ranking Democrat on the Subcommittee on Workforce Protections, I can tell my colleagues also that there are very few nonessential employees in the Government agencies which carry out inspections of the workplace. OSHA, for example, 10,000 workers lost their lives on the job last year. About 56,000 workers died as a result of injuries experienced on the job or diseases contracted on the job, a very serious matter. Without OSHA inspections, all of these things increase. They have never had enough people. This is one area where we did not need downsizing and streamlining in the first place.

But since the Republican majority took over here, they have shown great contempt for workers. They have gone after OSHA. They have gone after the Department of Labor. They have let it be known that although it is not in the Contract With America, they do not value workers in this society very much. They want a class war. They are waging a class war. The workers do not know, they are not fighting back yet, but there is a class war being waged against them.

To have the civil servants, the Government workers, held as hostages in a situation like this displays in dramatic form, very specifically, that contempt for workers that is unAmerican. It is unAmerican to be as heartless as they are in this exercise. It is not in keeping with our tradition to use people in the way they are being used.

I just want to make certain, and I will continue this at a later date, that we understand that workers are suffering a great deal in many different ways. Certainly those Government agencies, the bureaus and the units of the Department of Labor which are involved in activities which deal with workers, not only OSHA but also Fair Labor Standards Act and a number of others, they are essential and we need them now for many reasons. Workers should not be treated with such great contempt by the Republican majority.

Mr. PALLONE. I appreciate what the gentleman said. Going back to what I said before, he points it out so well, that this shutdown is selective and it is those departments in many cases that provide health and safety protection. They are the ones that are shut down and are not being funded.

You mentioned OSHA, safety complaints, a minimum wage, other types of labor violations. These are the agencies that are shut down and are not able to do their work, so clearly health and safety is impacted in a significant way. I appreciate the gentleman's comments.

I yield to the gentleman from Florida.

Mr. DEUTSCH. I thank the gentleman. I guess I pose the question to my Republican colleagues who are here, two freshman Republicans who are about to take over the next special order, and the question is, they came here saying they were going to run Government like a business.

What we have is a situation, if you would think about it, in any corporation in American where the CEO has a disagreement with the board of directors. And what they decide to do is, they decide to furlough the workers and pay them. If you think about that, furlough the workers and pay them when they have a disagreement, and I guess I would throw back to any of my Republican colleagues or anyone in America, is there any corporation in America that would do that? Absolutely not. And if any corporation did that, if it were a publicly traded corporation, the value of that corporation would disintegrate the following day.

That is exactly what we have done. Again, if we think about what is going on, it is a situation that is totally indefensible. Adults have disagreements. They have disagreements, and what they do in those disagreements, is, they try to work out those disagreements.

On a practical level what is happening is we are actually wasting taxpayer dollars, about $50 million a day of actual salary expenditure, $50 million a day for the last 19 days, over $750 million that has been wasted in direct taxpayer dollars to date. The last shutdown cost about $750 million in direct payments, $1.5 billion in direct taxpayer waste, which is going to take a long time to catch up on that $1.5 billion, but there is a multiplier effect. There is a huge multiplier effect. It is probably a 10 to 50 times multiplier effect in terms of what is happening.

You cannot get a visa to come to the United States of America today, if you are in any country in the world that needs a visa to come to America. When those people come, they travel, and luckily a lot of them come to south Florida and my district. They spend plenty of money, on average a couple of hundred dollars a person, and there is a multiplier effect on the couple of hundred dollars they are spending. Those people are not coming.

There are 2,500 HUD home loans that are approved every day. That has a multiplier effect. That is not happening. In my district, whether it is the Flamingo—I have three national parks in my district—whether it is a hotel in Flamingo, FL, in the Everglades National Park, or closing down fishing in Florida Bay where people would come and spend money, that is not happening.

Again, for anyone who is listening, for my colleagues on the Republican side, try to explain to me why we cannot pass a CR and agree to disagree and

keep working on this. It is not unprecedented that the President and the Congress have had disagreements over the budget. For 2 full years under the Reagan administration, we operated under CR's. That is not such a terrible thing. And let the voters decide in November.

But to do this destructive behavior, which is really what it is, it is destructive behavior for ourselves, for our children, for our economy, is just wrong, immoral, and just plain stupid.

Mr. PALLONE. I want to thank the gentleman. I really want to thank all my Democratic colleagues for participating in this special order this evening. I think all we are really asking is that we be allowed to bring a continuing resolution, that has already passed in the Senate on a bipartisan basis, to the floor of the House so that we can vote on it.

Unfortunately, what we are hearing from the Republican side, from Speaker GINGRICH and the Republican majority, is not only are they not going to allow the continuing resolution to come up either today or tomorrow—they did not let it come up today— or tomorrow, so that we can vote on it and open up the Government again, but they are actually considering another motion to put us in recess for as much as 3 weeks.

Today is the 19th day of the Government shutdown. If it goes from today until the 23d of January, which is what the motion that passed out of the Committee on Rules today and which we will probably consider tomorrow would allow, you would have to add another 20 days, almost 3 weeks, to that 19 days that the Government has already been shut down. It is already unprecedented, and we hope that that does not happen and we are going to continue to make the point that it should not happen.

Ms. PELOSI. Mr. Speaker, the personal toll resulting from the Federal shutdown is enormous and its effects are far reaching. For thousands of Federal workers, the shutdown means a great financial stretch for many to make mortgage and other payments due. For American taxpayers, it means they are simply not getting their money's worth. Taxpayers have made an investment in these workers and their services to the public, and they are getting no return on their investment. Federal workers have been shut out by the shutdown, and the American taxpayer has been shut out by the shutdown.

In addition to the personal toll, there is a tremendous impact on the environment. Cleanup of Superfund sites has been halted. The 2,800 individuals who are responsible for this important program have been furloughed. Other important environmental enforcement programs have been shut down, including the call-in EPA hotline to report drinking water contamination. Many companies have been put on hold waiting for EPA assistance or permits to conduct their activities. They have been shut out by the shutdown.

In today's Post, there is an article about an EPA contractor which discusses the difficulties imposed by lack of Federal funding for the agency that owes him money. As a result of not being paid, he and scores of other small businesses in the same situation may have to release workers they can no longer afford to pay. These Federal contractors and small businesses have been shut out by the shutdown.

The communities adjacent to parks and lands operated by the Interior Department are losing tourist revenue. In California, Mariposa County has asked Governor Wilson to declare a state of emergency because of the loss of business from visitors to Yosemite National Park. The average 383,000 people who visit national parks each day are shut out by the shutdown.

The loss on all levels is great. The Republicans may be mad at Government, but Federal workers, small businesses, and visitors to our Nation's scenic wonders are not big government or what the Republicans have now relegated to little taxpayers. They are valued workers who deserve to be paid for their work and a public who deserves to get what it pays for.

Balancing the budget in the name of taxpayers is a contradiction when the shutdown is costing them over $40 million a day—over $1.5 billion so far. By your actions to continue the shutdown, you are depriving Federal workers of their earned income and the American taxpayer of a return on their investment.

Balance the budget, but don't shut out our Federal workers and the American public. This balancing act is just too expensive for everyone.

REPUBLICAN VIEW OF BALANCED BUDGET BATTLE

The SPEAKER pro tempore (Mr. WHITE). Under the Speaker's announced policy of May 12, 1995, the gentleman from Arizona [Mr. HAYWORTH] is recognized for 60 minutes as the designee of the majority leader.

Mr. HAYWORTH. I thank the Speaker and I thank my colleague from Kentucky for joining me this evening.

Mr. Speaker, I listened with great interest to my friends from the minority just a few moments prior offer a variety of opinions. And indeed as we stand in this Chamber tonight, surrounded by the great law givers of history, in a Chamber that resounds with the echoes of history, again we acknowledge the right of Americans to disagree and at times to disagree profoundly. At this juncture in our history, we have come, once again, to a fundamental argument as to the philosophy and purpose of government.

In the preceding presentation from the minority party, I listened with great interest as time and again well-meaning Members of this House mentioned that they stood for a balanced budget but—and therein is the rub—but.

There is always something that seems to get in the way, and regrettably a quarter century has passed since this government faced up to the notion of balancing the budget. So it is always simple, in terms of rhetorical excess, to divert one's attention from the central goal, and in the midst of a cacophonous presentation, unfurl the venom and vitriol of name calling and things that just do not square with the facts.

Mr. Speaker, ladies and gentleman of this House, and those who join us tonight, there is one central and inescapable fact of our recent time here in this historic 104th Congress. Because once you get past the rhetoric and the apologists for those who would continue to promote a tax-and-spend agenda, once you would get past the rhetoric of victimization that spews forth like unto a flood from the other side, we are faced with one indisputable fact. This government would not face this partial shutdown if the President of the United States would have exercised his constitutional responsibility to sign the appropriations bills.

Indeed, Mr. Speaker, in all candor, in all sincerity, the straight talk, the inescapable fact is this: Only one man stands between Government employees and their jobs, and he resides at the other end of Pennsylvania Avenue. Oh, to be sure, those who would continually look for excuses and ways to spend more of your money will tell you it is not so. They will continue to label people with unfair epithets, and that is their right in a free society.

But understand that this President failed to sign those appropriations bills, and understand further, and this is the distressing fact, this President did more than make an agreement. He signed a public law in November saying that he agreed with the notion of balancing the budget within 7 years using honest, nonpartisan numbers as offered by the Congressional Budget Office. And the tragedy of this situation is that this President again abdicates his responsibility. Believe me, there is no joy in having the situation come to this.

Mr. LEWIS of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. HAYWORTH. I would gladly yield to my friend from Kentucky and again I thank him for joining us during the course of this hour.

Mr. LEWIS of Kentucky. The President not only signed his name to that continuing resolution that the gentleman voted for, I believe, and I voted for to allow Government workers to go back to work, with a promise from the President that he by the end of the year would come up with a balanced budget, scored by CBO, that would balance over the next 7 years, buy the end of the year.

Where are we?

□ 2045

We are past the end of the year. Where is the President? Four budgets that he has offered later that did not balance. You are right. He is the gentleman that stands in the way of the Government workers from going back to work.

Mr. HAYWORTH. I thank the gentleman for making his point.

Reclaiming my time, it is vital that we move forward. But it is also worth

noting that, in the words ironically of the gentleman who now resides at the other end of Pennsylvania Avenue, to quote him from his campaign in 1992, ''Change is hard, change is difficult.'' How unintentionally prophetic the candidate's words were and how tragically cynical that candidate's words were when he said, ''I believe we can balance the budget in 5 years.''

I yield to my friend, the gentleman from Georgia.

Mr. KINGSTON. One of the things we have to remember as we hear, and the gentleman is a freshman, and I understand, I was listening to some of my Democrat colleagues calling your group a bunch of extremists and so forth. You know, what is interesting is the freshman class has voted on a balanced budget, and that budget has passed both Houses, and it passed.

With the majority of votes in both Houses, and yet the President was the one who vetoed that.

Now, the Democrats who are calling you guys extremists have not submitted a budget or have not voted on a budget. In fact, the President's budget did not get one single vote, Democrat or Republican, including our colleagues who we were entertained by earlier tonight. They have not submitted a balanced budget. They have not voted on a balanced budget.

I think what is so important is, you know, all of this apportioning the blame seems to be going on in a real fervency. It takes our eye off what is important. A balanced budget is what is important. It will lower interest rates. It will create jobs. It will bring down the cost of home mortgages, the cost of automobile payments, student loans and so forth. Even more importantly than that, it will save our country from economic disaster.

You cannot live in a country that has a $4.9 trillion debt and rising. And that debt was brought about by Republicans Democrats. We all know that. Anybody who starts blaming that on one President or one party or the other is fooling themselves. It is a bipartisan part.

Mr. DEUTSCH. Will the gentleman yield?

Mr. KINGSTON. I do not control the time. I would be happy to yield.

Mr. HAYWORTH. Reclaiming my time, while I certainly appreciate the fact my good friend from Florida is here tonight, I will be happy to answer his questions here later tonight.

However, with the deference we showed the minority side, let us first make our points. I will be happy to yield time them.

Seeing my friend from Florida reminds me of a couple of questions he brought up.

First, this morning, in the well of the House with, I guess, a valiant effort to do some stagecraft with the wastepaper basket and simulated checks, but I applaud the gentleman for this: At long last in some perhaps passing way he chose to embrace a tentative economic conservatism and fiscal soundness. I appreciate that in the gentleman from Florida.

But even as he decried in his words the fact that visas were not being issued by this Government, I would respectfully point out to my friends from the minority one of the reasons those visas are not being issued is because members of the minority, when they served as the majority of this House, used this voting card as a Visa card, trying to charge up debt upon debt upon debt on future generations, and, yes, change is difficult, and answers may at times be imperfect.

I wish there could be a straight line. I wish there could be a cogency to this to wrap it up in a neat little package. But the fact is this: As painful and at times confusing as these days may be, to change the culture so pervasive in this town, it is so easy to say tax and spend and spend and spend and spend some more. We have to take measures to do so.

I yield to my friend, the gentleman from Kentucky.

Mr. LEWIS of Kentucky. You know, this is the bottom line: 40 years of tax and spend with no offer of a balanced budget, and we are continuing to hear from the other side that we are extremists, that we are mean-spirited, that, as one gentleman said this evening, that we were lunatics, that we are completely out of control.

This Government is $5 trillion out of control because liberals in this House for 40 years spent money that they did not have, and they want to continue to do that even though they talk about a balanced budget, and that, you know, that is not fiscal responsibility. That is not common sense.

Where will the Interior workers be in the year 2012 when every tax dollar will be consumed by entitlements and interest on the debt?

Mr. KINGSTON. If the gentleman will yield further, I have a lot of Federal employees in my district. I am concerned about them. That is why I supported the Interior bill when it passed. That is why I supported today the veto override on the Commerce, State, Justice bill, which would have allowed the Federal prison employees to be paid, and what I do not quite understand is why our friends who want the Government reopened voted against these bills.

Mrs. LOWEY. Mr. Speaker, will the gentleman yield?

Mr. HAYWORTH. I would be happy to yield to the gentlewoman from New York.

Mrs. LOWEY. I appreciate the gentleman yielding to me, because I will be delighted to answer the question.

I think you raise, as do all the gentlemen raise, some very important issues, and in fact I think it would be important that we continue this debate on the priorities of our Nation. We serve on the Committee on Appropriations, and you and I know that there are differences of opinions. There are differences of opinion between Democrats and Democrats and Republicans and Republicans.

So I would suggest to the gentleman, and I certainly appreciate the gentleman yielding, that we continue this debate on the priorities of our Nation, but let us open the Government.

Mr. HAYWORTH. Reclaiming my time, I yield to the gentleman from Georgia.

Mr. KINGSTON. I think what is so important here is let us not go around saying that the NEWT GINGRICH freshmen Republicans have closed down the Government when you know, and the learned distinguished gentlewoman from New York knows, that is not the case. The fact is that when you voted against that bill, you helped close down the Government, just a wee bit. Now, maybe, as an author of the bill, I may be accused of saying well, his bill reached too far, but there is plenty of, in the spirit of reopening the Government and in the spirit of balancing the budget, I would say there is plenty of room for both parties to come to the table, but do not sit over there and vote against the bills and have a President who vetoes the bill and then vote to support his veto and tell us we are closing down the Government.

You know, it is too important to the Federal employees, to the National Park employees, to the prison guard employees in my district, for them to be hearing the games. This is their job. This is real people, real mortgages, real grocery bills, real problems, real jobs, and let us not say that, oh, well, I am going to vote against this bill but it is the Republicans that just did this.

Mr. HAYWORTH. Reclaiming my time, I would simply like to make this point: I find it especially objectionable, indeed, the gentleman from Florida, a fellow freshman, I suppose who is guilty of showing extremely good sense, the gentleman from Florida [Mr. WELDON], pointed out the fact that Federal Government, the executive branch, went to great expense to send out letters with paychecks attempting to play the blame game and politicize the entire crisis, even with Federal paychecks. I decry that whole notion we should play the blame game.

I am also happy, however, to point out that in the best tradition of the truth will out, in the best tradition of people having all the facts, we are joined by one tonight who fought off the blame game, who gave straight talk to the people of his district in California. It is an honor to welcome back to this Chamber and to this special order my good friend, the gentleman from California [Mr. CAMPBELL]. I thank the gentleman and welcome him as the newest member of the extremely good-sense bunch. We are happy to have you here. I yield to the gentleman from California.

Mr. CAMPBELL. I thank the gentleman.

I am proud to be part of this special order tonight and proud to be your colleague in this remarkably historic 104th Congress.

I asked to speak tonight as part of the special order on two issues, one, a bit more general, as to why it is so important to be talking the balanced budget and, then, second, this issue of the continuing resolution.

It may well be these points were covered far better by speakers prior to me, in which case you may reclaim the time. So indicate.

Let me just take a moment because we correctly have focused upon the hardship to the Federal employees, the hardship to those with contracts with the Federal Government, to those who depend upon the Federal Government at least in part for necessities of life. It is appropriate that we do.

But it is even more appropriate to focus upon the hardship to the next generation who are not here to vote, whose money we spend every year, that we deal with a budget that is not balanced. It is really the worst form of democratic misrepresentation where people who do not have the vote are taxed by people who do.

Democrats and Republicans alike have participated in building the budget debt to where it is today, and the deficit each year being out of balance adds to it.

When I had the honor to serve here before, we did not balance the budget, and the President at that time was Republican. So let us just put that issue to one side.

What is critical for the American people to understand, and what I hope I have some effect in raising, is the unethical, immoral nature of our spending the next generation's money. That is the No. 1 and principal reason why we need to focus upon a balanced budget.

Second, the baby-boomers are going to be in their retirement years in 15 years. Now, every actuarial assumption about Medicare and Social Security falls through the cracks when you have that huge influx of retirees coming into their Social Security and Medicare recipient years. We have got 15 years.

If we spend 7 of those getting to a zero deficit, we then ought to spend the remaining 8 to build up a surplus. If we go into those retirement years of the baby-boomers without a surplus, God help us, God help us. We will not have the funds to treat them fairly. There will not be a Medicare for those who would be retiring 15 years from now, a second reason for the appropriate focus on this budget.

Third, the debt of the United States is unlike the debt of almost every other developed economy. It is not predominantly financed at the present auctions the way other countries do. We rely upon foreign investment to purchase our Treasury bonds for the new auctions, and every time we do that, we put our economic future in the hands of others, and that is a tremendous risk when you contemplate the amount of debt that we add up and the claims upon that debt by those who are not citizens, participants in the United States.

Now, that is why it is appropriate for us to consider the deficit, the debt, and the unfairness that it brings to the next generation. What about the continuing resolution that brings us to the floor tonight?

I thank the gentleman for yielding and pointing out that I was recently elected to this body, and it was an honor to be selected by the people of the 15th District of California.

I had one message, one message in my campaign. It was, ''If you elect me, I will do my utmost to vote to balance the budget.''

And I will stay here as long as it takes, if that means giving up vacation, which it did, if it means giving up my paycheck, which it does, I and a number of others, I understand, have voluntarily given back our paychecks to show the seriousness of our resolve on this matter.

Thirty days ago, roughly speaking the President agreed that he would put forward a plan. It would not necessarily be one that you or I, Mr. Speaker, would agree to, but he agreed to a plan, and it would balance the budget in 7 years, using honest methods of measuring, and the Republicans were going to put forward their plan, and then we would sit down and hash it out between the two, and in return we agreed to keep the Government operating through continuing resolution.

The President did not put forward that plan, and instead negotiations are of a one-sided nature. To have a continuing resolution tonight, therefore, is to invite similar response. If we were to concede to business as usual, we would say ''yes'' to a continuing resolution, and if we did that, we would be postponing yet again the time when we actually balance our Federal budget.

But critically to the present context, we would be saying it is all right if you go back on what you pledged you would do; put your own proposal forward.

Mr. Speaker, I ask the President to come forward with his proposal that balances the budget in 7 years using honest scoring. It can have no tax cut at all; that would be all right with me. It might have totally different numbers for Medicare and Medicaid; that would be all right with me. But we have to have something from which to deal, and I am very worried if we say all right to a continuing resolution before we have that, that we will never have that.

The last point I want to raise draws from my previous experience in this body, 1988 to 1992. I remember we came upon those years coming out of the years of President Reagan, and there had been a continuing resolution for a substantial part of the time that President Reagan was in office for his first term and the deficit grew.

□ 2100

If you want to postpone what we must do, business as usual says ''continuing resolution.''

Mr. Speaker, I was not elected to do business as usual. If we miss this chance, we miss the last chance, the best opportunity, to be fair to the next generation. I urge my colleagues not to give up on that opportunity; not to be unfair to the next generation, as previous generations have been by building up debt upon them. but to say to them ''We will give you something better. We will give you at least a chance at a balance, a clean slate in financial terms.'' To do that, the sacrifices that must be made, which I believe my constituents are willing to sustain.

I thank the gentleman for yielding.

Mr. HAYWORTH. I thank the gentleman for his remarks.

PARLIAMENTARY INQUIRY

Mr. HAYWORTH. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. WHITE). The gentleman will state it.

Mr. HAYWORTH. Mr. Speaker, during the course of these special orders, is it in order or appropriate, even though I control the time for this hour as the designee of the majority leader, is it appropriate to find some way to yield the time in an orderly fashion so we might invite our friends from the minority to engage in a dialogue about the future of this country? For example, in 3-minute allotments to each side. Indeed, if I may be so bold and with unanimous consent from my friends from the Democratic side, to perhaps continue this through the following hour, as they are the designees of the minority leader? What would be in order?

The SPEAKER pro tempore. The Chair would inform the gentleman that he controls the time and he has the right to yield time under whatever conditions he may wish to impose.

Mr. DEUTSCH. Mr. Speaker, I would control the next hour, and would be happy to agree for the following hour after the next 45 minutes that the gentleman from Arizona controls; I would continue that exact same procedure on a 3-minute type basis.

Mr. HAYWORTH. If that is fine, we would ask the Chair's indulgence and that of the timekeeper to allow us to know when 3-minute increments expire. Is that appropriate? Could we do that?

The SPEAKER pro tempore. The Chair would advise the gentleman that the gentleman should keep his own time by watching the clock that is on the floor. Otherwise he is perfectly entitled to yield as he sees fit.

Mr. HAYWORTH. I certainly, certainly appreciate the Chair's reliance on self-sufficiency. I am armed with the second hand of my watch from my alma mater, which is altogether reliable. With that in mind I would be happy to yield 3 minutes to my friend from Florida.

Mr. DEUTSCH. Thank you. I appreciate this. I think this is what we should be doing in really having a dialogue. That is a lot more healthy in

terms of debate. And I am not questioning anyone's motives in terms of what they are doing and believe.

I listened intently to the gentleman from California in terms of his statement. But I would just question him, and I agree really probably with 95 percent of what he said, I voted for the balanced budget amendment, I believe exactly the way the gentleman does about the future of our children and our grandchildren in terms of the fiscal responsibility of this country.

But my question really to the gentleman would be, I agree with 95 percent of what the gentleman said. But why not pass a continuing resolution? How does the gentleman defend the fact that you folks are stopping us from passing a continuing resolution, which does not have anything to do with that issue? It is just that it is a leverage approach, which I think is ultimately going to hurt you politically, but I think it is really hurting the country today.

Mr. CAMPBELL. If the gentleman would yield?

Mr. HAYWORTH. Since my friend from Florida addressed the question to the good friend from California, I would be happy to yield time to the gentleman from California.

Mr. CAMPBELL. In response, there are two reasons. The first is not at all regarding leverage. To pass a continuing resolution is to continue the business as usual. It was in this vein that I made my reference to the Presidency of Ronald Reagan, President Reagan. What happened in those years was a substantial amount of the time that he was in office, certainly in his first term, was governed by continuing resolution. That postponed the necessity and the eventual achievement of a balance.

The continuing resolution, there are several possibilities we are speaking about, but the essence of it is we postpone the hard choice, keep a present level of funding, until we get to where we want to be. So that could be continuing forever.

So the first and most important answer to the gentleman from Florida's question is that a continuing resolution constitutes business as usual, with the assumptions that will eventually get to that which has not yet been resolved, and that is what I think we must say no to.

Mr. HAYWORTH. I would yield for a comment to the gentleman from Georgia.

Mr. KINGSTON. I wanted to answer the question with something practical, not necessarily philosophical, but strategically important, and that is when we had the November shutdown, the 6-day shutdown, you will remember we had a continuing resolution passed that reopened the Government for a 3-week period of time, at which time, by December 15, the President of the United States was to have submitted a 7-year balanced budget, which he did not on December 15.

So what has happened is there are a lot of Members who feel somewhat, ''burned once, and it is your fault; burned twice, it is my fault.'' I am not going to be burned twice.

That is their concern. What would be different now? The President did not do it then. It was a public agreement to do a Congressional Budget Office 7-year balanced budget, which he did not submit.

The other thing I wanted to say is that we are arguing numbers here. We think we should spend $12 trillion over the next 7 years, and the President wants to spend $13 trillion over the next 7 years. But beyond that we are also arguing policy. We have to have some policy changes. For example, give our senior citizens more choices to preserve and protect their Medicare program by allowing, for example, a medical savings account, which takes a change in the tax law. If you do not have that tied into the balanced budget, then, unfortunately, this President is not going to do that. He is not going to sign that and give our seniors a choice.

So there is a policy reason, and then there is a strategic reason along with the reasons that Mr. CAMPBELL had pointed out.

Mr. HAYWORTH. Reclaiming my time, there is one thing that undergirds this, and that is a moral imperative for generations yet unborn and for our children, my son age 2, who will pay in excess of $185,000 in interest on our debt if we do nothing.

With that, I am happy to yield to my friend, the gentleman from Florida.

Mr. DEUTSCH. If we can just with the Members who are here, if we can actually, it might be easier logistically, when you yield, whoever you yield to controls the time for 3 minutes. We cannot go through you.

Mr. HAYWORTH. We will try to make sure we control that.

The SPEAKER pro tempore. I would inform the Members that the gentleman from Arizona controls the time. If you want to have an informal agreement that you can operate among yourselves, that is fine. But from the standpoint of the House rules, the gentleman from Arizona controls the time.

Mr. DEUTSCH. Informally, because we are trying to get debate in front of what we are saying. If I could take 15 seconds, I know my colleagues wanted to respond to this, because we are at the heart of the dialog.

What I would suggest to the gentleman from California are two very specific things: In a continuing resolution, you have the ability to focus in not business as usual, which is something I would agree with the gentleman about. You have the ability to pick numbers which are the lowest numbers of the House or Senate. You have the ability to constrain Government spending, to get toward your targeted goals. And you also have the ability to do it for 30 days, or less, but 30 days.

If you look at what is happening to our country today in terms of the suffering, and just again the waste, the waste of hundreds of millions of dollars, billions of dollars of waste on a macro effect. We know this is hurting our economy. For 30 days to pass a CR, and again I know there are some people on the other side of the aisle who feel the President was not truthful to them but I think there are others who feel maybe he was truthful and maybe there was just a misinterpretation.

Mr. HAYWORTH. What I would suggest is what is the big deal about giving us 30 days?

Mr. KINGSTON. Let me answer the question. If you have 30 days, and I am not one who says no CR. I am very concerned about these out-of-work employees. But my concern is that if we gave you 30 days, would you and your colleagues here tonight have a 7-year balanced budget plan that, regardless of what your leadership says or does, that you, the three of you, to put you on the spot, would say here is our plan, we are going to end up, because I think what it takes at this point is it is going to take rank and file assertiveness to come forward and say ''I am tired of waiting on the President, I am tired of waiting for our folks.''

Mr. DEUTSCH. I will take the time back. I would say to you, you know for a fact that a large number of Democratic colleagues did exactly that. They had a budget that was voted on this House floor that was a balanced budget, that used CBO numbers, the so-called coalition budget. It is still out there on the table. So there are a large number of Democrats on this side of the aisle that did exactly that.

Mr. KINGSTON. Are you saying then the only thing we are arguing is the coalition budget versus the Republican budget? If we can establish that, I bet we could wind this thing up.

Mr. HAYWORTH. Let me yield to the gentlewoman from New York for a comment.

Mrs. LOWEY. Thank you so much. This is a very helpful discussion and I want to thank my good friend on the Committee on Appropriations from Georgia, Mr. KINGSTON, for yielding, for you both yielding to me.

I think there really is a difference in priorities, and that is a healthy debate, as we said before. We can talk about Medicare, and you mentioned medical savings accounts. Some of us feel it should be done differently. We can talk about Medicaid. We can talk about education, the environment. You and I may differ on the depth of the cuts in the environment. But I do believe that we can agree that there should be a balanced budget. In my judgment, the President, Democrats, and Republicans for the most part, have agreed there should be a balanced budget.

This kind of a debate is healthy. We do not have to hold all the Federal employees hostage while we are debating very serious questions in this country. I do not have a national park in my district. But when a national park closes, it is not just the visitors who

are on Christmas vacation that could not get into the national park. In the United States of America, seeing a closed sign to me is outrageous, but it is all the small businesses around that national park that are being deprived of their livelihood. People who want to get mortgages from the FHA cannot get those mortgages. People at veterans hospitals are not getting the services. Meals on Wheels, Head Start.

Why can we not agree to open up the Government, like adults, and then continue our serious discussion. I would respectfully disagree with my colleague, my distinguished colleague from California, that we can have this discussion in an adult atmosphere. Why do we have to hold these Federal employees hostage. That seems very wrong to me.

Mr. HAYWORTH. Reclaiming the time, and I appreciate the gentlewoman's restrained tones and very sober assessment, and indeed this is refreshing compared to some of the things I have heard in this Chamber and elsewhere. But I think here is the fundamental problem. In all sincerity, I would say to the gentlewoman from New York, it is extremely distressing in a free society when the parameters of debate are agreed to, to have one party—no, I do not mean Republican and Democrat—but I mean one party to the agreement seem to be perhaps either confused or deliberately disingenuous as to the parameters or the terms of debate. That is what I feel is so difficult.

Certainly the gentlewoman offered, in a very, I think, understated way, a very appealing argument in some ways. The one that is fundamentally flawed, because it fails to acknowledge the culpability, or let me rephrase that, the responsibility of the executive branch to recognize that yes, there is a new majority, and though there may be disagreements, there is also a responsibility for the Executive to sign appropriation bills to keep people at work. The problem at which we are at loggerheads comes from the fact that we just do not seem to get a consistent answer from the executive branch.

Again, as my friend from Georgia pointed out, fool me once, shame on you; fool me twice, shame on me. And it is difficult to abandon that, because it is more than an obstruction. It is the very crux of the problem we face. If the Executive will agree in good faith to the parameters, if my friend from Florida and my friend from New York, my friend from New Jersey now embrace the budget offered by the minority within the minority, then fine, let us move forward and have that discussion. But not to be able to get the debate on the table because of the shifts that come almost by the nanosecond in the executive branch is extremely, extremely distressing.

Mr. PALLONE. I again appreciate the fact that the gentleman from Arizona has yielded us the time, but I am extremely frustrated, and I listened to the gentleman from California, who has been here in previous sessions with me, and the problem that I have with what the gentleman has laid out and what some of my colleagues on the other side have laid out is that they are acknowledging in essence that what they are doing is having the Government shut down, the Government if you will, being held hostage to what they want to accomplish.

I say this, I am trying to say this in a calm fashion. The reality is that historically here procedurally, the procedure has been that the Congress passes the appropriations bills or the budget and they send them to the President, he vetoes them or he approves them. If he vetoes them, he sends back a message which he did in each case with each appropriation bill and each budget, and also with the budget bill, and then the opportunity exists to either sit down with the White House and work out an agreement or to bring up another appropriations bill or budget bill that reflects in some measure what the President has said, so that a compromise can be reached.

□ 2115

Mr. HAYWORTH. Reclaiming my time.

Mr. PALLONE. Let me finish, if I could. Historically, while that process went on, there were continuing resolutions passed so that the Government could continue to operate.

As the gentleman from Florida stated, those continuing resolutions, even the ones we passed for a brief time in November or December, were at a much lesser amount than the current operations of the Government. So one would make a very legitimate argument to say that there was significantly less money that was being spent. And if, in fact, we were to continue operating the Government for the rest of the year at those lesser amounts, we would probably be saving a tremendous amount of money.

I do not see any argument other than this hostage theory; this theory that if we pass a continuing resolution, if we let the Government continue to operate, even at a lesser amount, which meets the budget demands or the budget parameters, that the problem with that is that the Government will continue to operate and we will not be able to come to an ultimate agreement over a balanced budget.

So, basically, what we are saying is, we do not want the CR, we do not want the Government to operate because we want this leverage with the President.

Mr. HAYWORTH. Reclaiming my time, and I will be happy to yield to my friend from Kentucky and my friend from California in just one moment, and I appreciate the measured tones that my friend from New Jersey is employing, but to suggest that it is this new majority that holds this Government hostage is again to ignore the fact that the President, within his constitutional bounds, as the gentleman points out, chose to pick up a veto bill because it was more important to him, for whatever reason, to veto those appropriations than to work with this majority to keep the Government in business.

So to a certain degree it may be the chicken or the egg argument, but I feel compelled to protest, in measured tones, the use of that word. Because good people and people of good will should be able to disagree.

And with that, let me yield to my friend from Kentucky.

Mr. LEWIS of Kentucky. I think that argument could be used in the other direction that the President is holding us hostage to send him appropriation bills that he would sign. It works in the same way.

Are we supposed to, in the House and the Senate, pass legislation that will fit the desires of the President? And if he does not get those, then he is going to hold the Government hostage, the Government workers. It works the same way. He vetoed those bills. He promised that he would work with the Republican Congress to come up with a balanced budget before the end of the year. Before the end of the year.

He signed it and said he would do it, and he did not do it. And he vetoed three bills, Commerce, Interior, VA–HUD. If he would have signed those, the Government would be in operation for the most part.

Mr. HAYWORTH. Reclaiming my time to yield 1 moment to my friend from California, and then, of course, I will be happy to hear from my friends from the minority.

Mr. CAMPBELL. I thank the gentleman from Arizona, and, Mr. Speaker, in response to the point raised by my good friend from New Jersey there are these differences, putting aside entirely the leverage argument. I want to do that just for a moment.

The difficulty with the continuing resolution are the following: First of all, nothing structural can or will be done in a continuing resolution. This is a given. In order to get to a balanced budget in 7 years, both sides acknowledges that there has to be structural reform, principally on the entitlement side.

Second, whereas the gentleman from New Jersey is quite right in suggesting that a continuing resolution could be at a 75-percent, or 25-percent, for that matter, expenditure level, the reality from history, and here I refer to the Presidency of Ronald Reagan, so a member of my own party, was that the continuing resolution that lasted longer than the 10 days, any CR that lasts longer than a very short time period, in order to have the approval of the House and the other body, is a continuation of present expenditure levels.

I would put this proposition in a straightforward manner. If there were a series of CR's, if there were a series of CR's at 75 percent of the expenditure level from now for the next 7 years, we would indeed balance the Federal budget.

The last point I would make is the gentleman from New Jersey, I believe, or it might have been the gentleman from Florida, drew our attention to the coalition budget. Mr. Speaker, I would have been thrilled if the President of the United States had put the coalition budget on the table, and I would have voted in favor of a CR if he had done so.

The leadership shown by the members of the minority party and the majority party, those who worked on the coalition budget, was admirable, and if the President had put that forward, I would vote for a CR. The President has still to fulfill his part of the obligation to put a package on the table.

So those are the structural reasons why a CR will not do what needs to be done, and the historical record is, in the first 3 years of the Reagan administration, when we were governed largely by the CR, there was no structural change, nor could we expect there to be substantial cuts.

Mr. HAYWORTH. Reclaiming my time, I believe my friend from Georgia wants to ask a question of our friends on the minority.

Mr. KINGSTON. Well, the gentleman from New Jersey is about to burst in thought here, so I want to yield to him for a question.

Mr. HAYWORTH. I would gladly yield to the gentleman from New Jersey for his rejoinder and then we will return to our friend from Georgia.

Mr. PALLONE. I want to use a brief amount of time. First of all, I would point out, and, again, I will not use the word ''hostage'' anymore this evening, although I feel that way, but I will not use it.

I would point out, first of all, that the coalition has on many occasions tried to bring their budget before this House. They have tried it on a privileged measure, they have tried many times.

I have seen the gentleman from Mississippi, GENE TAYLOR, and the gentleman from Texas, CHARLIE STENHOLM, and I have seen many others over the last week or so before the Christmas break try to bring the coalition budget to the floor. So the suggestion that somehow the coalition budget is not on the table, the only reason it has not been brought up again is because the leadership, the Republican leadership, has not allowed it to be brought up. I think one of the reasons for that is because it may very well be it would get enough votes to pass.

Let me say one more thing, and then I will not talk for a while. I am listening to the debate tonight. I think it is very, very instructive and very helpful, but the bottom line is that right now the Government is shut down, and if tomorrow we bring up this motion and we allow the Speaker to have recess authority and the Government is shut down for another 2 or 3 weeks, I do not believe that the leverage that it seems that your side is trying to use to bring the President to do certain things is going to work.

In other words, we have been at this now for several weeks. This is the 19th day. The whole notion that somehow shutting down the Government is going to exercise some leverage over the President or over the Democrats is just not happening.

So I guess I am wondering, how long is this going to go on? Will this go on for another 2 or 3 weeks or another month, another 6 months, or whatever? At some point there has to be a recognition of the fact that this effort to leverage, if you will, the Government shutdown, is not accomplishing its goal, and that the budget negotiations, which actually are happening between the President and the Republican leadership, does seem to have some positive value. They are meeting every day. They are talking. Both sides claim that it has been very positive. So what is the point?

The only people, it seems to me, that are suffering are the Government employees and the American taxpayers who are not getting the services. So even if we buy the leverage theory, I do not think it is working and everybody is meeting now and talking about the budget anyway.

Mr. HAYWORTH. Reclaiming my time, I appreciate the gentleman's heartfelt sentiments. Perhaps I am guilty too, sometimes, of verbosity. I know he had a lot to say there and challenged to do it in a brief period of time.

Again, before I yield to my friend from Georgia, let me respectfully suggest to my friend from New Jersey, again, as has been stated by my colleagues, this is not about leverage, this is about the future. It is about a free society, people of goodwill from opposite points of view agreeing to broad parameters, in terms of debate, upon which disagreements may be resolved.

What is especially disturbing is that this pattern portends something that is less than the common good, because, in the words of columnist Robert J. Samuelson in the Washington Post 2 months ago, ''When one side continues to repeatedly distort the facts and the evidence, then the purpose is not to debate, it is to destroy.''

With that, I yield to my friend from Georgia.

Mr. KINGSTON. I want to ask my colleagues this question, and I want them to think about it in the context of the debate in the last couple of weeks. Is the issue the Government shutdown or is the issue balancing the budget?

It would appear to me, as I have listened to the debate over the last couple of weeks, that the issue is the shutdown. We are concentrating so much on it, I am wondering if, for some Members, it is not a red herring. Because if it is not the issue, and the issue really is a balanced budget, then should your Members not join our Members in being absolutely outraged that the President, during that 3-week grace period, did not offer a balanced budget scored by the Congressional Budget Office?

And, as my colleagues pointed out, it seems all three of you support the coalition budget, or you are close to it. Why not put that on the table? The second he does that, the Government is reopened.

Mr. HAYWORTH. Reclaiming my time briefly. Let me just ask my colleagues, did all three of you vote for the coalition budget when it appeared on this floor?

Mr. PALLONE. No. But again, if I could——

Mrs. LOWEY. No, but I would be happy——

Mr. DEUTSCH. Will the gentleman yield?

Mr. HAYWORTH. So the gentleman from New Jersey did not; the gentlewoman from New York did not, and the gentleman from Florida did.

Mr. DEUTSCH. That's right.

Mr. HAYWORTH. So, again, a majority of the minority here tonight did not support that budget when it was brought to the floor.

Mrs. LOWEY. No, but I would be very pleased if the gentleman would yield for a response to the gentleman from Georgia.

Mr. KINGSTON. I asked that question because I just want you to really think about this. Should we not all, as a body, be outraged that the President, during that 3-week grace period, under the agreed handshake of, yes, I will put a 7-year balanced budget on the table by December 15, should we not all be outraged that he did not; rather than outraged at NEWT GINGRICH because the Government is closed down, when, in fact, the President of the United States has as much to do with it, if not more?

Mr. HAYWORTH. Let me yield to the gentlewoman from New York and then the gentleman from Florida.

Mrs. LOWEY. Just briefly I would like to respond to my good friend from Georgia, because he asks a very key question: Should we not be focused on the balanced budget rather than the shutdown. And I think that is what my colleagues and I are saying this evening. Let us open the Government. Let us make sure these people go back to work. Let us make sure that the Head Start centers and the Meals on Wheels and the nutrition sites and the parks and the businesses continue operating and let us focus together on the balanced budget.

I think many of us would have differences of opinion if we took the Republican budget and talked about specific parts of it, I do not think that is what we are doing tonight, or talked about the President's budget, talked about his forecast for the next 7 years or the next 6 years, or 5 years. In fact, there was an outstanding article in the Wall Street Journal, I believe most of us have read it, talking about the Republican budget and how its predictions are questionable, and what happens after the 7th year, and does the deficit rise, and should a tax cut of that magnitude be put in place.

There are some real questions that I think we could debate in a healthy, open way. So I would like to just say to my good friend from Georgia, let us just focus on the balanced budget. Let us have a healthy debate about Medicare, Medicaid. The President wants to preserve Medicare, Medicaid. He may want to change it differently from my colleagues, from myself, or others of us, but let us open the Government.

And, in fact, is it not strange that the leading contender for President on the Republican side wants to have a continuing resolution, agrees with the President, but that in our body we cannot get that done?

I think that is the best way to focus on a balanced budget. Open the Government and let us focus all our discussion on the balanced budget.

□ 2130

Mr. HAYWORTH. I thank the gentleman for her observation and would yield to my friend, the gentleman from Kentucky [Mr. LEWIS] and then I promise, I will yield to my friend from Florida.

Mr. LEWIS of Kentucky. With all due respect, why now are we hearing from the other side that we need to focus on the balanced budget, get a continuing resolution, move away from the government shutdown, when we did not hear anything from the other side about a balanced budget until just recently this last year?

What we heard from the very beginning of the 104th Congress was a lot of rhetoric, a lot of words like ''extremists,'' ''mean-spirited,'' that we were ''cutting,'' ''slashing,'' going to ''destroy Medicare,'' we were going to ''starve children to death.'' I did not hear any proposals from the other side about a balanced budget, about saving Medicare, about reforming welfare, about all the things that now we seem to want to focus on.

Just this very evening, I sat up here in the House and listened to the gentleman from Michigan [Mr. BONIOR] say that we disliked Federal workers and even the military. I heard a lot of individuals talking about how extreme and how terrible we really are because we want a balanced budget.

The question I have tonight: How can we trust, how can we trust the President when he has told us so many times that he is going to do this, and he is going to do that, and he does not follow through? How can we trust individuals that want to use that type of rhetoric and not get to a real debate, and then talk about how that we should keep our words and our conduct within the parameters of civility?

Mr. HAYWORTH. Reclaiming the time to allow my friend from Florida a chance to answer those questions.

Mr. DEUTSCH. I do not want to focus on what the President said and what the President did not say. But I read the signature and the agreement on the continuing resolution, and I guess what I have heard now several times this evening is the President committing to a specific submission of a 7-year CBO. That is what he agreed would happen, but he did not agree that he was going to submit it.

And to say that they are outraged that the President lied to you, I mean, he did not say that, at least as far as I am aware. I think it is a fundamental question.

Mr. HAYWORTH. Reclaiming my time, it is a fair question that I would like to answer. When the Chief Executive vetoes the balanced budget offered by this House and the other body, when the Chief Executive does that, then he puts upon his shoulders, if you will, he foists upon himself and his branch of government the responsibility for offering an alternative.

Mr. DEUTSCH. If the gentleman would yield, I am glad you cleared that up, because in the sort of English language that I understand, that is a lot different than a flat-out lie or a flat-out mistake. If that is what you are going to say is the statement of the President, that he did not do it because he did not come back to you, that is a little bit different than being so disingenuous with us, about lying to you.

Mr. KINGSTON. Mr. Speaker, if the gentleman would yield, I respectfully disagree with the gentleman from Florida. I think certainly the President purposely led the Members of Congress to believe, and remember I believe there were 68 Democrats who voted with the Republicans to reopen the Government in November under the clear understanding that the President would offer a balanced budget within that 3-week period. I thought, as a naive, fairly new comer here that we would have this thing wound up by December 15 and, if not, operate under continuing resolutions.

But let me emphasize, even now, if the President, and I will not call him the porcelain President, although that has been suggested, but if he would make one sign of good faith negotiation, just offer the coalition budget or coalition modified or anything that is 7-years, Congressional Budget Office, then we reopen the government tomorrow.

Let me reemphasize, I am not one who belongs to the caucus within the Congress of saying ''Do not reopen until it is finally done,'' because I am very concerned about these folks. I see a lot of gray area in here. But what I do not see any gray area in is in good faith bargaining.

Mr. HAYWORTH. I yield to my friend, the gentleman from Florida [Mr. DEUTSCH].

Mr. DEUTSCH. My response to the gentleman from Georgia, and the distinguished gentleman is not just a Member of this body, but a practicing attorney before he came here and a very wise attorney and a very excellent attorney, you want to look for good faith. Look over the last week when if we add up the number of hours that the President has been personally engaged in discussions with the Speaker and the majority leader in the Senate, adding up to scores of hours at this point in time.

Again, I would go back to your question. Now the gentleman is deciding, as one of 435 Members of this institution, this is what the President has to do before we open up the Government. What I guess I am really hearing, and sort of seeing things as you see them, I am sure if I sat where you sat I would probably see them a little differently in terms of the President's behavior. But still you can look at it from where I am. There is still enough good faith. All of us have a sworn constitutional duty to protect and defend the Constitution and the people of this country. Then why not give the President the benefit of the doubt for another 30 days?

Mr. HAYWORTH. To reclaim my time before I yield to my friend from New Jersey, ''History does not repeat itself, it rhymes.'' I am fond of that statement from Mark Twain. Our most recent history provided a continuing resolution. People may disagree as to the emphasis or the subtleties that I do not see appearing in that document. But when we have a situation, the gentleman used the term ''disingenuous'', when there is that situation and that unfortunate suspicion, it is very difficult, because it completely changes the parameters and fails to have common terms of agreement for debate in conflict resolution.

Mr. PALLONE. Mr. Speaker, if the gentleman would yield, let me just say this first of all. I guess I am somewhat amazed and trying to contain myself because I have never seen anyone as a Chief Executive who has been more willing to sit down and negotiate and spend time.

Mr. HAYWORTH. Reclaiming my time briefly for this question, where was he for the first 3 weeks after the public law was signed? Where was the negotiation for those 3 weeks?

Mr. PALLONE. The bottom line is, if the gentleman would yield.

Mr. HAYWORTH. I would be happy to yield.

Mr. PALLONE. The American people, whether it is public opinion polls or just my own talking to people, my own constituents believe very strongly that the President is the last person who is not trying to come to an agreement and not trying to negotiate in good faith. He is the one who constantly says, ''Let us negotiate. Let us sit down.''

Mr. HAYWORTH. Reclaiming my time, we certainly all come from very different districts across the width and breadth of this continent.

Mr. KINGSTON. If the gentleman would yield, I would like to respond to the gentleman from New Jersey and since the gentleman is about to control the time, may I go ahead?

Mr. PALLONE. What I just wanted to say to the gentleman from Georgia, for whom I have the utmost respect, I have

a basic disagreement with many of my colleagues on the other side because I believe the differences over this budget between Democrats and Republican, even if you compare the coalition budget to the budget that the Republican majority passed, the differences are significant. They are going to take weeks to work out. This is not something that can be worked out at the stroke of a pen.

There are differences over entitlement status of Medicaid; over standards that are going to be applied for Medicaid for nursing homes; difference over environmental protection. I think in many ways it is sort of naive to suggest that somehow this can be worked out in 48 hours or 72 hours or a week or even 2 weeks.

So, as these negotiations go on, and we eventually reach an agreement that both sides can live with, it makes sense to keep the Government open. There is no way this is going to happen overnight.

BALANCED BUDGET AND FEDERAL GOVERNMENT SHUTDOWN

The SPEAKER pro tempore (Mr. WHITE). Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. DEUTSCH] is recognized for 60 minutes as the designee of the minority leader.

Mr. DEUTSCH. Mr. Speaker, I would be happy to yield to the gentleman from Georgia [Mr. KINGSTON]. I have a stopwatch on my wrist that counts down in 5 minutes, so what I would like to do is yield the gentleman 5 minutes and he will control that 5 minutes.

Mr. KINGSTON. Has that been CBO scored?

Mr. DEUTSCH. It is my cheap little plastic watch.

Mr. KINGSTON. Mr. Speaker, I wanted to follow up on the discussion of the gentleman from New Jersey and the gentleman from Arizona. I think it is relevant.

Mr. Speaker, one of the things that the Democrats are fond of saying, and, Mr. LOWEY, I hear it said all the time, is that we are behind on the appropriation process. I would say that is accurate, but I would also say it is a lot more difficult when we are trying to reduce and consolidate government than when we are spending or renewing ''as is'' with a 10-percent increase.

But let us say the Committee on Appropriations is very much guilty as charged. Why are you not as equally outraged then that the President of the United States is not guilty of not submitting a balanced budget when on June 4, 1992, he said, ''I will have a budget balanced in 4 years''? And we had all kinds of speeches where he said: I am going to support a balanced budget, I am or not. But he has not.

One thing about these freshmen who get kicked so much is that they came here with a contract, albeit not everyone may have liked it on the other side of the aisle. But they said what they were going to do and they did it. They made it clear they were going to balance the budget. When did we first pass it? October? Where is the President? Where is his budget.

Mrs. LOWEY. If my good friend from Georgia would yield, I think we can go back, you and I are on the Committee on Appropriations and we can talk about the $7 billion increase in the military budget that the Pentagon did not ask for. We could talk about the cut in afterschool jobs and heating assistance for the elderly.

Let us talk about where we are today. It seems to me from all accounts, from personal accounts and talking to my colleagues, from reading the Wall Street Journal and the New York Times, and Democrats and Republicans both, I do not know that we all respect it but we certainly read it, the President is very engaged in the process, as my good colleague from New Jersey said.

Mr. KINGSTON. But where is his budget?

Mrs. LOWEY. Let me finish this. What we are saying is that there are real differences of opinion in how to resolve Medicare, Medicaid, education, and the environment, among other issues. There are real differences of opinion.

So, why can we not continue this debate? And the President is involved. He is involved in the discussion. He has been there all day, I understand, working around the clock, and this has been going on for more than a week. Why can we not open the Government?

My good friend from Georgia, one other point. I still cannot understand why we cannot continue this debate, talk about how we reform Medicare, and the gentleman mentioned welfare. I had a welfare reform bill that I worked on 2 years ago, because I understand welfare is not working. I want to shake up the system, but I do not want to close down the Government and put all these people out of work, hurt our economy irreparably.

These businessmen who have contracts are not going to get these contracts back to make up for all the lost opportunities they have and the damages to their business. I hope they can stay in business. So why can we not open the government up, continue our discussion about welfare, Medicaid, education, and the environment?

We may still differ, but that is the democratic way. Why should we have a constitutional crisis where some people are saying, ''If you cannot do it my way, it is no way''? That does not make sense to me, and I know my good friend and I could sit down and iron out our differences. Let us all do that together. Open up the government and let us continue this discussion.

Mr. KINGSTON. If I could have 10 seconds, I want to say one thing, just to nitpick. The President was on a golfing junket over New Year's at Hilton Head. He was not negotiating.

Mrs. LOWERY. President DOLE was campaigning.

Mr. HAYWORTH. Reclaiming my time, I would say that is very optimistic thinking by the gentlewoman, and we welcome her to our side.

Mr. DEUTSCH. The gentleman from Georgia still controls 1 minute.

Mr. KINGSTON. Mr. Speaker, let me yield to the gentleman from California.

Mr. CAMPBELL. Mr. Speaker, I appreciate both gentlemen for yielding. There were a couple of points that I think needs to be closed on and then we could move to what we could do if we were negotiating the budget ourselves to present to the American people potential consensus.

But the first and most fundamental point is why can we not do this while the government continues? That would be under a continuing resolution, and there is nothing to prohibit a continuing resolution to last an entire year.

If my colleagues remember, I do not know if they were here for that moment, but President Reagan brought to the table when he gave a State of the Union address a continuing resolution and he slammed it down and he said, ''Do not send me any more of these.''

□ 2145

That was after the Government had run for almost a year under continuing resolutions. So the flaw in the gentlewoman's argument is this: If we give a continuing resolution this week for another week, it could easily run to 52 weeks, and it is not made up because we have precedent from the Reagan Administration that it does run that long, and that means we postpone by 1 year, frankly, until the presidential election what needs to be done within 7. That is a substantial reason why the gentlewoman's suggestion is not, in my judgment, practicable.

Mrs. LOWERY. If I could respond to the distinguished gentleman from California, what I perceive as a flaw in your argument, if we believe that there are serious differences in how to reform Medicare, how to reform Medicaid, how deep a cut there should be in environmental programs, what are EPA's responsibilities, what we should be doing with the Department of Education, these are serious issues which we have discussed in Appropriations. We have discussed in the authorizing committees.

If we cannot resolve these differences within the next month or the next 2 months, and the President has made it very clear that he is determined to protect Medicare, Medicaid, education, and the environment, then we may have to continue this debate into the next election. I would hope that we can resolve it before, but it may not be possible to resolve it. Then the American people may have to decide.

But I just do not understand the view of the gentleman from California that we should keep the Government closed and we will not use the word hostage, keep the government closed while we are having a very serious debate about our priorities.

One of the gentlemen mentioned before that the President has vetoed some bills, and in fact the bill, Labor, Health, Human Services, has not even come to his desk. I am on that subcommittee, and that is the bill that funds the Department of Social Services, the National Institutes of Health, where critical research is being done, and the reason that bill has not come to his desk is because the Senate Republicans and Democrats would not support it as has come through the House. So we are having a serious discussion about priorities in this country. Let us continue that discussion.

The President is engaged. But why do we have to close down Government?

Mr. CAMPBELL. If the gentleman will yield further, I appreciate your yielding. I think the gentlewoman's comments are candid and, in that sense, extremely helpful. I do believe there is a significant sentiment, whether the gentlewoman is of that view or not, this matter ought to be put over until the November election. But I watched with care and listened with care to the words that the gentlewoman used. She pointed out if the budget crisis continues, then perhaps, I think it was correct, the gentlewoman said perhaps, the matter would have to be kicked over until the presidential election. Then the people could decide.

I think, by the way, it is amusing, the Member of the other body characterized as the leading contender for the nomination on our side also proposed a continuing resolution under the theory it would be in his interest to have the matter put over until the presidential referendum. But in that candid concession by the gentlewoman, we have, I think, exactly why the proposal of a continuing resolution is not acceptable, and that is that it will postpone for 1 full year from October, when the budget was due, to November of next year when a presidential election take place, and we do not have a year to waste.

Second and last, in response to the gentlewoman, I said that it might be useful to discuss what can be done. If this body were to put forward a budget, and I think there is potential, great potential, for give, just speaking for myself, I always thought the tax cut was the least part of a budget balance, and I also, with respect, believe that the Budget Director, Mr. Panetta, my former colleague from California, had it right 4 years ago when he said that the growth of the entitlement had to be restricted if we were ever going to balance the budget, and my former colleague from California proposed $400 billion to be taken out of the growth of Medicare over an 8-year period. It makes it difficult, it seems to me, for him to speak now that a $270 billion reduction from the growth of Medicare over 7 years is Draconian.

So, suppose our side were to give something on the tax cut and the President's side and the minority side was to give something regarding the necessity to restrain the growth of the Medicare entitlement, I believe agreement is possible. And in that sense, we then would not need to have the Government shut down 1 day further.

I thank the gentleman for yielding.

Mr. DEUTSCH. If I could respond, let me respond, I think this really has been very healthy. I think there are some of us on our side, and hopefully there is a realization for some of you on your side as well, that as hard as we work as individuals and collectively as a body, that at the end of the day there might not be an agreement, that although there are general areas of agreement, that disagreement in terms of Medicare, your proposals, and what most of us want to see happen are really totally different. We see the problem differently. We, many of us, see the problem the same way you do on welfare reform, but there are some areas where we do not, and I guess my question to you is that I think you as individuals and collectively need to come to a realization that there might not be a point, I mean, we are hoping and we are working, we are up late at night tonight, and hopefully they are still at the White House working to come to that agreement, but if those agreements, if those disagreements are such that there cannot be a compromise, I mean, I absolutely believe that the approach to try to leverage President Bill Clinton is just not going to work.

I mean Bill Clinton, you know, whatever someone might think of him, is not someone who is going to be intimidated by pressure, by threats or by anything like that. I think a lot of people on your side think that he is going to be. I think you are totally misreading the man, and because of that there is a possibility that this might last not 12 months, as the gentleman has said several times at this point, 10 months, and I guess what I still do not understand is what is the big deal about the 1-month period, and then maybe at that point we have 9 months.

I yield to the gentleman.

Mr. CAMPBELL. I appreciate the gentleman yielding.

The big deal is we do not have the time left. The clock is way past midnight on the budget and the debt of the United States.

The gentleman has been candid, as the gentlewoman was candid, about saying they expect the possibility, I am not trying to put unfair words in the gentleman's mouth, but expect the possibility, it might be that we do not have a resolution for 10 months. Well, dating it from October, when the budget was due, it is 13 months.

The point is we cannot afford that amount of time when we have 7 years to the halfway point before the baby-boomers start retiring.

But it is a candid admission, and I believe that, Mr. Speaker, that large numbers of my good friends and colleagues on the minority side would be willing to live with that, would be willing to live with why do not we just cool it, postpone it, let a year run, let the people decide.

But the problem is it will only be worse in 1 year, and we also have an obligation. The question was asked by the gentleman what harm from reopening the Government while the discussions continue? There is no harm in reopening the Government while the discussions continue. The harm is the expenditures under the continuing resolution that it would take to keep the Government open for a period of 12 months.

Almost, although I am glad my comment caused such a response, I will be pleased to yield, and I will just finish my comment. The dimension of a continuing resolution of the nature to take us to the November elections, which has certainly been discussed by the gentleman from Florida and the gentlewoman from New York, would postpone for 1 year any structural reform. There is no dispute about that.

I put to you, from the experience of the Reagan years, it would not last for 10 months if it did not maintain present expenditure levels.

Mr. PALLONE. If the gentleman would yield, I simply disagree with what you are saying about a continuing resolution.

First of all, I would point out that when you talk about a 7-year budget or a 10-year budget or whatever, you are basically guessing, if you will, about what is going to happen beyond the first year. The bottom line is that you could, first of all, let us point out we are only talking about certain agencies of Government maybe about half of the appropriation bills or half of the agencies right now.

If you were able to craft a continuing resolution either for a day or a month or right until October 1, that basically appropriated funds at the level that you anticipated in your, in the first year of your 7-year budget, you would accomplish that goal, and there are many people who maintain, there are many people who maintain the only real part of a 7-year or even a 10-year budget is the first year because that is the only part that you really have specific control over.

So I would maintain that if you craft the CR so that it is exactly like what you are proposing in the first year of your budget, then your concerns disappear, and we continue to operate and try come to an agreement.

Mr. CAMPBELL. If the gentleman will continue to yield, I appreciate it, the observations of the gentleman from New Jersey elucidate exactly why the continuing resolution is so dangerous, because everyone knows the real money is in the out years, and that is true in the Coalition budget, it is true in the Republican budget, it is true in the President's budget, although the latter did not score under CBO numbers. So it would be the easiest thing in the world to say we will agree to the first year, because the first year has no

pain. If we have a budget agreement, we have a structure in place which gets us to zero. The easiest thing in the world is to make it.

Mr. HAYWORTH. If the gentleman will yield further, I think my friend from New Jersey would remark upon my restraint during the course of this. I thank the gentleman for the time.

The question came, why do not we let this go, why do not we let the next election be the referendum on this, and I would respectfully suggest that again that is a postponement of what was decided in November of 1994, and we affirmed last month in a special election in California.

We are certainly in this representative form of Government in this republic to make those decisions, not to go, to use the metaphor that I used in my previous life and have been in another walk of life, to go into a 4-corners offense and delay and delay and delay the work that should be done now.

Mrs. LOWEY. If the gentleman will yield further, I just would like to respond to my good friend from Arizona. There are various interpretations of the last election. Some feel it was mandate. Some feel it was a mandate for a revolution.

In my district, I think most of us feel we had one revolution in this country, that is enough. There was frustration, there was anger. People wanted change. Yes, they wanted welfare to be changed. Yes, they felt that there are too many people without health care.

So I think this debate is very healthy, and we all have differences of opinion within our own party and also among parties. So what we are saying is let us have this healthy debate. Let us put in place a continuing resolution. Let us open the Government.

But I still do not understand, and I know we have been debating for over an hour, why we have to deprive researchers at the National Institutes of Health from getting the resources that they need to fight breast cancer, to fight Alzheimer's disease. I do not understand why we have to say to someone who is turning 65 today, ''Happy birthday, but, sorry, you cannot sign on for Social Security.''

Let us open the Government. Let us not stand in the corner and say unless you do it my way I am going to turn blue. Let us open the Government and continue this very serious debate.

Many of us in this room have similar priorities, but there may be real differences in priorities among us, and the American people deserve to hear those differences, but not close down the Government.

Mr. DEUTSCH. I want to respond actually to a couple of things because I have been taking notes, and this really is a dialog, and I would really like to respond to a number of things.

The gentleman from California, I think, made a good point in terms of saying that the out years really are more difficult than the just the first year. The first year is difficult as well in terms of cutbacks that are taking place, real dollars levels less than, not inflation-adjusted or anything else, real dollars less than the previous year, I mean bottom-line reductions in a variety of programs.

But I think what you obviously understand and what people need to understand is next year's Congress can change this budget. I mean, we can only obligate ourselves legally for the year, for while we are here for this year, we cannot obligate ourselves for next year. We are putting a framework in place, so I guess the reason why I bring that out is that your concern, and I am not arguing for a continuing resolution at all and I think you know, maybe it is a realization on our part, that we might not come to a resolution, and that is one of the reasons why, if we were under a balanced budget amendment, we would not be having this debate because that would be the sandbox that we were playing in. And by one vote, we are not having a balanced budget amendment in this country.

This House overwhelmingly supported a balanced budget amendment.

So, again, I guess, let me just really focus in on that point just a little bit more and to say to you that, you know, we are 10 months away from an election. You know, we are having this debate now, and we are not going in circles yet but we are getting close to the point of going in circles, that when we look at what is happening to the economy in this country today on a micro level, whether it is a small city next to Yosemite Park, whether it is a business that cannot get a EPA inspector to inspect a site in Houston, TX, and people get laid off because of that, whether it is a motel in Flamingo, FL, in my district, those are things that are adding up and happening.

You keep saying, and we have heard it now, that you do not want to do the continuing resolution because it sort of frees things up.

□ 2200

I am happy to yield to the gentleman from Georgia.

Mr. KINGSTON. Let me throw that question right back at you: If we cannot lock in forever and this whole thing is going to be reversed in 10 months, then why can we not reopen the Government by you guys voting for the appropriations bills? It is that simple. You want to reopen the Government? Vote for the appropriations bills. We have already passed 12 out of 13. The one we have not passed, we introduced the Washington, DC continuing resolution today, and it was objected to by one of your Members, and only because of the delicate scurrying around and our high regard on both sides of the aisle did we go back and reopen that we could do a CR for Washington, DC. I am just saying if you want to reopen the government, fine. Vote.

Mr. DEUTSCH. Reclaiming my time, that is also a very good question that needs to be responded to.

Let me talk about the Constitution for a second, because I think the Speaker, speaks of the Constitution and he is a historian of the Constitution. He is a professor. He speaks as a professor quite often.

The Constitution has a role in all this debate. We go back to that. What is our job? Our job is to appropriate. That is our power, going back to the Magna Carta. How many times have we heard the Speaker talk about the Magna Carta? That is our job. We are appropriating. There is a whole process set in place in the Constitution.

The President has a role in our system of government. He has a role in the constitutional authority to veto appropriations bills that he finds objectionable and give to us those reasons. We have the constitutional option at that point, which is to override his veto or to send him another bill.

But one of the questions which your side has not really answered, and, truthfully, it is disturbing, is that all of sudden you as the controlling part in this Chamber have now put into the Constitution a third option which really does not exist in the Constitution, which is what is going on now.

What should be happening is going back and back, because I will tell you absolutely the truth, and I speak with absolute certainly this will happen: If you kept sending the President veto messages, eventually you will get a two-thirds veto override. I guarantee that will happen.

Mr. HAYWORTH. Will the gentleman yield briefly?

Mr. DEUTSCH. I yield 5 minutes to the gentleman from Arizona.

Mr. HAYWORTH. I thank the gentleman for 5 minutes, when really 10 seconds is needed. Just for the sake of pointing this out, when we talk about the extra-Constitutionality or the implication is that somehow these endeavors are unconstitutional, I would simply point out nowhere in this document do you see the phrase ''continuing resolution.'' Nowhere in this document is it explicitly delineated that above all costs, government will remain open through the process of continuing resolutions.

Good people can disagree about the intent of the Constitution and the dynamism of it and how it can be stretched and pulled and turned or interpreted in different manners. But I think it is worth noting that this is not some sort of sanctified notion that is somehow noble that we go back simply to business as usual and not deal with this question at this juncture in our history, for now the time draws here.

Mr. CAMPBELL. If I might, to take up more on this point, I thank the gentleman for yielding and I think his point is very well taken. I wish to respond to the question of the structural change.

The gentleman from Florida, if I could have his attention for a moment,

the gentleman from Florida in debate raised a very good question I think, Mr. Speaker, and that was since next Congress can change, why is it so critical that we put in train now a seven-year plan?

The answer is in order to get to a balanced budget within seven years, we have to change the structures, everybody agrees on that, particularly the structures of the unconstrained growth of entitlements.

Now, we can pass a bill today and it will become law with the President's signature that will begin to restructure those entitlements. It would then take affirmative law to undo it, which is a whole lot different than saying we are going to postpone it for 11 months through a series of continuing resolutions.

So just as a logical point, I would hope, Mr. Speaker, that the gentleman from Florida would agree that there is a huge difference between having to undo legislation which sets in process structural reforms, and working with essentially no change over the status quo, which is what the continuing resolution does.

I have one last point in my never ending attempt to see if we can work out a budget agreement here on the floor tonight.

Mr. HAYWORTH. Truly historic it would be.

Mr. CAMPBELL. Indeed. I am given great hope by the gentleman from Florida's suggestion that sooner or later if the President keeps vetoing things, we will have two-thirds in this body. God speed the day.

Mr. DEUTSCH. Send him some more budgets.

Mr. CAMPBELL. I am game. I am game to stay here to do it. If the gentleman might espouse, I think some constructive debate could be had, and there is value in trying to analyze how we got here, so I am not saying what has been discussed heretofore does not have that value. It does. But if the gentleman from Florida believes that there might be two-thirds support for something that the President does not agree with, boy, am I anxious to hear it.

Mr. Speaker, I would be delighted and yield whatever time I might have on this or future special orders to hear the dimensions of a budget understanding that would get two-thirds.

I happen to believe that that is one increasingly likely option. I laid out at least in broad outline what the dimensions of such a deal might be, with give on our side and give on your side. Mr. Speaker, I would be very interested if the gentleman from Florida might at some point or his colleagues from New Jersey or New York, put to us some dimensions of a budget deal that would get two-thirds, the objection of the President notwithstanding?

Mrs. LOWEY. If I could respond to the gentleman?

Mr. HAYWORTH. Before my friend from New York begins, my friend from Florida raised a point, he mentioned the balanced budget amendment. Did all three of you join with the majority to vote for the balanced budget amendment?

Mr. DEUTSCH. Two-thirds of us.

Mr. HAYWORTH. You and the gentleman from New Jersey, and the gentlewoman from New York had problems with it.

Mrs. LOWEY. I want to respond to my good friend from Georgia and then California in talking about the appropriations process. I would hope all listening tonight would understand that if the appropriations bills had been completed by October 1, we would not be in this predicament now. I would assure my good friend, who is the Chair of the Foreign Operations Committee on Appropriations, who is totally frustrated because extraneous provisions are constantly being tacked on that cannot get through the Senate, and instead of the normal process where people could agree to drop it, they are standing firm, and that is why aid to Israel, aid to other critical parts of the world, again, I hate to use the word, are being held hostage to those who want to eliminate all family planning. That is just one example.

There are other extreme provisions that have been tacked on, and I know many of us feel, although I am an abortion advocate, I do not want to have to debate this on the floor anymore. Abortion provisions are being tacked on to appropriations bills. So if you are saying that the President has to be held hostage and agree to some of those extreme provisions or we cannot open the Government, I would just say to my good friend, that is wrong.

I would suggest that you perhaps go back to your caucus and say take off some of those extreme provisions, and then send the appropriations bill to the other body, who will not even deal with Labor-Health-Human Services, as you know, because they do not agree with what the leadership wants to do with it, and let us get some agreement and then send it to the President. That is my first point.

The second point that I just wanted to make, I do not believe that our forefathers, if they were here today, would say ''Let's have a debate. But if we cannot agree, let us shut down the Government.'' I do not think that provision is anywhere in the Constitution either that provides for shutting down the Government if there is sincere differences of opinion between Republicans and Democrats or between the administration and this body.

We have to have a serious debate, we have to continue the discussion, but let us open the Government.

One other point I would like to mention to my colleague from California, which follows up on what my colleague from Florida said: I was with a group of businessmen this week talking about the budget and talking about options, and I would like to say there are serious people on both sides trying to come to some kind of compromise. These were CEO's of major corporations that meet with me regularly and give me advice. They said, ''We can't be sure of economic conditions one year from now or two years from now.'' I think we could all agree on that. So we have to respect differences of opinion.

Mr. KINGSTON. If the gentlewoman would yield.

Mr. DEUTSCH. I am going to be really fair and assume that I took over that 5 minutes. Actually, let me take about 30 seconds to respond to the gentleman from California's question. I think it is a very serious question and a very good question.

I would tell you, I really believe there is a middle ground that unfortunately, I will be honest with you, I do not think either party represents. I think what the President said privately, I do not believe he said it publicly, he wants a budget that 100 Republicans and 100 Democrats will vote for. But the truth is in this Chamber, the way this process works, we are never going to have an opportunity to vote for a budget that 107 Democrats and Republicans will vote for, but we might.

Let me follow through on that thought, because something is going to give. What is going to give is either there is going to be a two-thirds, or it might not, projecting the way this thing is going to play itself out.

Mr. CAMPBELL. If the gentleman would yield for a moment, I wanted to respond to the gentleman, Mr. Speaker.

Please, to the extent you have the President's ear, and I believe you have more of it than I, let him offer exactly that deal that will get hopefully 109 and 109 on each side, and let him offer it through a Member of the minority. I would look at it with a very open mind. I really can call that an offer, and I know the gentleman from Florida is sincere in making it. If it gathers 109 votes on each side, let us put it on the table.

It is not profitable I think to cast any more blame. Let us say from this point forward, what can we do. If the President will, however, say this proposal, let us say it becomes the one of the gentleman from Florida, is the one I will sign, it has got tremendous possibilities. The difficulty with the coalition budget and others, is we never knew and still do not know if the President would sign it.

So I would urge the gentleman to the extent he has the President's ear to do exactly that. I for one will view that proposal with a very open mind.

Mrs. LOWEY. If the gentleman will yield for 10 seconds, we have reinforcements here. I just want to say that if we are not looking back and we are looking forward, the President is working very hard with your leadership, working in a bipartisan way, to see if we can work out some of these difficulties. So I would just like to say in closing, let us in good faith continue the serious discussions, try and work out

our differences, but please, let us not have any more pain and suffering among taxpaying citizens. Let us open the government tomorrow, let us vote for the resolution that 198 Democrats support. All we need is 20 Republicans. Support that resolution, open the government, and I pledge, and I think we all pledge, to continue to work with the administration, with the Republicans, to work out our sincere differences.

I respect the differences in opinion. I do not deny anyone their honesty, their sincerity. I respect those differences. So let us respect each other, continue to debate, but open the government tomorrow.

Mr. DEUTSCH. I yield 5 minutes to the gentleman from Georgia.

Mr. KINGSTON. I did want to respond to two things. Number one, we only need about 30 Democrats to reopen the government, because we can get some of these vetoes overridden and we can pass some more appropriations bills. So we hope that we can pick up those votes so you all will allow us to reopen the government. Just as much as basically you want to do it your way, we want to do it our way. But I do think that reasonable people can prevail, reasonable thought can prevail.

But I wanted to get back, you mentioned what would our forefathers do. I think, number one, they would pray, and I know that it is politically incorrect to say that, but if we look at the example of Benjamin Franklin and the Constitutional Convention, I think it was significant that authors in history wrote down his speech about let us pray, because we are obviously at a deadlock. We are not doing that as an institution. We know that.

Number two, I think they would look at the example of their mother country, England, which was a country of revolutions and counterrevolutions for over 1,000 years, going back to the Roman Empire, and particularly 1650, right after the English civil war, where they beheaded King Charles and Oliver Cromwell and the military ran the government and kept dismissing parliament after parliament over and over again. I think if our forefathers were here, seeing those examples, knowing those examples, what they would do is they would say wait a minute, you are telling me you are $4.9 trillion in debt, you are telling me you pay $20 billion a month interest? You are telling me you have a man who serves in the White House who promised to balance the budget and since he has served, we have paid $480 billion in new interest on the debt? And you are quibbling about 1 more month? For crying out loud, let us go in there with a machete and start cutting and slashing. What is this crazy stuff about a 7-year balanced budget? Can you people not do it in 1 year or 2 years?

□ 2215

Mr. HAYWORTH. If the gentleman would yield, and it is always interesting to speculate on what our Founding Fathers might have done. I think, in retrospect, they probably would have included language that would have offered the balanced budget amendment that we now need, because the gentleman outlined a severe problem of always wanting to expand, for oft-times noble purposes. I do not question anyone's sincerity. Indeed, Dwight Eisenhower said of our political adversaries, ''Always presume they, too, want the best for this Nation.''

But it has been so easy over the last half century to say worthwhile, you bet you. Some we need to do, absolutely. But we have expanded the role of this Government to the point that we have conferred upon it a status that is illegitimate to this extent. It seems to suggest the notion of infinity with reference to resources, and these resources are finite.

There will be disagreements as to the emphasis, as to the direction, but if we agree on nothing else tonight, Mr. Speaker and my colleagues, let us agree in a constructive way to acknowledge these resources are finite and the consequences are great for American people living today and those generations yet unborn, and let us move together to solve the problems, because that is the most important thing that we can do.

I yield my time to my friend from Kentucky.

Mr. KINGSTON. The gentleman has been a true gentleman from Kentucky. He has not said a word in 20 minutes.

Mr. LEWIS of Kentucky. I thank the gentleman from Georgia, and I want to also take a minute to respond to the gentlewoman from New York.

The CEO's that said we cannot tell what the future is going to bring as far as the economy is concerned, that is true. But we know for a fact that if we continue spending the way we are spending, if we cannot slow the rate of growth in our spending to $12 trillion over the next 7 years, if we fail to balance the budget, as the gentleman from California [Mr. CAMPBELL] was talking about earlier, that we have to do it now, we have a window of opportunity to do it now, if we do not do that, I mentioned a while ago in the year 2012 every tax dollar will be consumed by interest on the debt in entitlements.

In the year 2030, when my 13-year-old daughter is approaching my age now, the deficit for 1 year, we know, projected out there, the deficit for 1 year would be over $4 trillion. That is a deficit for 1 year approaching what our debt is now.

The Lord only knows what the debt would be then. We will never reach that point. We will be facing economic destruction in this country if we do not get control of our spending. We have to do it.

Now, what we have to do is say, here is $12 trillion over the next 7 years, now what are our priorities? How are we going to divide the pie up? We need to get around the table and to make those decisions. We have to slow the rate of Medicare, because if we do not, we will lose Medicare in 7 years. We are going to have to control Medicaid or we are going to lose it.

All of the programs that are so important to this Nation and to the people of this Nation we have to slow the rate of growth or we lose it. I have parents that are 78 years old. I want them to have Medicare in 7 years from now. I hope they are still living then; I hope there is Medicare for them. I hope that for my sister and for my other relatives, and for Members of this House, myself, that there will be Medicare one day, but it is not going to be there if we do not act responsibly now. We do not have time to delay it. We have to make some tough decisions.

It is about today. It is about the next generation also. But I am concerned that there are those who are looking at it as the next election. We cannot worry about that. We have to worry about it today, what is good for this Nation and for the people of this Nation.

Mrs. LOWEY. If the gentleman would yield.

Mr. DEUTSCH. I am going to control the next 5 minutes and I would be happy to yield to the gentlewoman from New York.

Mrs. LOWEY. Well, I will respond and say good night again, but since the gentleman referred his comments to me, I want to respond again to make it very clear that I support the efforts to balance the budget, and I think all of us in this debate do as well.

Mr. LEWIS of Kentucky. My question is when, though.

Mrs. LOWEY. As a member of the Committee on Appropriations, with the gentleman from Georgia [Mr. KINGSTON], we have been in meetings with the same people who talk fancy rhetoric about balancing the budget. We will give the Pentagon $7 billion more than they asked for. Now, it is a matter of priorities. I will fight for after-school programs for children, for Head Start, for the National Institutes of Health, for breast cancer research, where I think we can make cuts in other areas. I feel strongly we have to reform welfare. We have to reform Medicare and Medicaid. There are serious discussions going on with the President and leadership of both parties.

All I am saying, in conclusion, is let us balance the budget, let us continue to work to reform these programs and see if we can get together on a methodology, be it in Medicare or Medicaid, that makes sense, and my colleagues and I know there are some people in the Republican Party that do not even want to see Medicare continue, so I am happy we agree on that.

Mr. HAYWORTH. That is just not true.

Mrs. LOWEY. I want to conclude by saying let us continue the discussion, but let us open the Government, and let us not have people suffer anymore,

because these are taxpayers. They work hard. They should not have to be suffering with the Government closing down. Let us continue this debate.

Mr. LEWIS of Kentucky. May I respond?

Mr. DEUTSCH. I want to give the gentleman from Illinois a chance [Mr. POSHARD], a fresh voice, who maybe will clear everything up.

Mrs. LOWEY. Maybe we will continue tomorrow night. Thank you very much.

Mr. POSHARD. I want to thank my colleague from Florida for the time, and I have been watching the debate here, and let me say how much I appreciate the people that are on this floor right now. The gentleman from California, TOM CAMPBELL, has been one of my dear friends for many, many years; I have gotten to know the gentleman from Arizona, J.D. HAYWORTH, and the gentleman from Georgia, JACK KINGSTON, this year; and the gentleman from Kentucky, RON LEWIS, and I think they are all very positive contributing Members. But let me throw my 2 cents in on this.

I appreciate the tenor of the debate here, also. I am not one to point fingers and to place blame. I voted for the coalition budget. I helped, to the extent that I could, the Members of that coalition put their budget together. I believe it is the best budget that is before us. But moderate Democrats that have supported that from the beginning and helped put it together would believe that way.

I believe very strongly in the entitlement reform commission's report and the Medicare trust fund board in saying that, knowing that entitlements consume 48 percent of our budget today, that interest on the debt consumes another 20 percent, that that is 68 percent of our budget today that goes to entitlements and interest on the debt. I do not think anyone could look at our budget and not conclude that we have to do something with respect to slowing down the growth of entitlements if we truly want to get to a balanced budget in 7 years.

I do. I want to use CBO figures, and the President has agreed to do that at this point in time, as have many Democrats on our side of the aisle. I also agree that we ought to push the Medicare trust fund balance from the current 6 years that it has slid to out to the 10 years that we normally maintain the balance of that fund.

So the end objective of what we are all about here, I find no disagreement. I, for one, have concluded a long time ago that we need to accomplish those two dual objectives, and so have, I think, most Democrats on our side. But let me tell my colleagues where we, where at least I differ with the way things are going.

When I hear folks stand up and criticize the President for not being, or for maybe being disingenuous about his attempt to balance the budget, then what I want to do is just share this with them, and I am not here to place blame or argue or anything else, but here are where things kind of break down for me.

I have been here 7 years now, and in 1992 we were running a $310 billion deficit a year in this Government. That has gone down to $260 billion, to $200 billion, to, this year, $161 billion. Under this President, in less than 3 years, we have decreased the deficit by $140 billion.

Now, when we look at the conference report, the Republican budget, the conference report, it goes down next year from $161 this year to $151 billion. It goes back up the second year to $158 billion, $158.8, and then it goes down to $126 billion at the end of the third year.

So when I look at this and I say, well, we have accomplished $140 billion deficit reduction plus in the last 3 years, and at the end of the second year of this budget we have only accomplished $2 billion of deficit reduction and we have accomplished less than $30 at the end of the third year, I do not believe that any of us can accuse the President of being disingenuous about wanting to balance the budget. We have accomplished significant deficit reduction here in the first 3 years of the administration, much more so than what the Republican budget would accomplish, or even the coalition budget.

Mr. HAYWORTH. Will the gentleman yield?

Mr. DEUTSCH. I yield the gentleman 5 minutes that he is not going to control.

Mr. HAYWORTH. I welcome my good friend from Illinois, and I appreciate, almost, the technique of Cicero in not assessing blame or bestowing credit.

Mr. Speaker and my colleague from Illinois, a couple of points. First of all, as we know, history does not occur in a vacuum. Many factors entered into this temporary valley in deficit reduction. Indeed, if we looked at the projections for the President under the former majority, we also noted an exponential rise in deficits following a few years.

It is this point. To achieve the goal that is laudatory in the abstract, this President decided to levy the largest tax increase in American history on the people of this country. Again, good people can disagree, and the gentleman does correctly point out, I think, an opportunity for improvement in the plan offered by the new majority. And, indeed, that is why I was pleased to join with 70 mostly newcomers in voting for a budget plan offered by my friend from Wisconsin that would have balanced this budget in 5 years and paid off the debt in 30, because I believe we owe future generations that much.

The point is, and this perhaps is a difference of philosophy that may exist among us here, I do not believe we solve anything, I do not believe we are more and more responsible by adding more burden to the hard working people of America; indeed, the same people that this President said he wanted to offer tax relief as a candidate in 1992.

I yield to my friend from Illinois.

Mr. POSHARD. And I appreciate the gentleman's yielding.

I voted for that budget 3 years ago. It had $247 billion of tax increases in it, 4-percent increase basically on the highest income levels in this country, 1 percent corporate income tax, and a $4.5-cent-a-gallon gasoline tax, half of which went to deficit reduction and half of which went to our transportation system in this country.

So it did have those tax increases in it, and it hit the upper income bracket with the 4 percent increase mainly because that bracket had seen a decrease in their taxes, and an unconscious taxation rate of up to 78 percent at one time, which I certainly never agreed with, and I do not see how anybody could ever agree with that, but they had seen a tremendous decrease down to 28 percent, then up to 31 percent of that bracket.

□ 2230

So, yes, there was a tax increase in that budget. But it also had $253 billion of Government spending decreases in that budget, which no one ever wants to talk about.

Here is the other thing: In my district, as I am sure it was true in almost all districts throughout this country, I had thousands of people under that budget that became eligible for the first time in their life for the earned income tax credit, which when I was a member Education and Labor that was TOM PETRI's bill. TOM, you were here. That was TOM's bill. TOM was the one that brought the earned income tax credit to this Chamber.

I still say for the working, and I will yield in 1 second to the gentleman from Georgia, but I still say that was one of the best measures to help the working class people in this country or low-income people, to keep them off of welfare.

So, yes, that did help reduce the deficit, the combination of those two things, but I think over the long haul, my friend from California, they were appropriate. In any case, I have to believe that my President and your President is not being disingenuous here. I believe the President wants to balance the budget. I believe we have real differences about the process in getting to the end goal of achieving those two objectives, but we can get there.

Now, back to the other issue with respect to my friend from California, I will say, because, TOM, I listened to your testimony earlier, this is the most confusing thing to me as to why we cannot pass a continuing resolution here and continue to resolve the procedural differences in getting to that balanced budget. I understand what you folks are saying. I understand where you are coming from. But it seems to me that the Federal workers should be separate and apart from our differences on how to achieve this balanced budget.

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

Mr. DEUTSCH. There are 8 minutes left, and if we just give ourselves 4 minutes each side to sort of close and J.D. wants to use a minute.

Mr. HAYWORTH. I thank the gentleman from Florida and Illinois for being involved. I yield 1 minute to my friend from California in response.

Mr. CAMPBELL. I appreciate it. To my good friend from Illinois, the reduction of the deficit under President Clinton is a point in his favor. It is also responsive to the economic recovery. I would have to say it is at least as much the latter as the former. Therefore, we must plan for the economic downturn. It is insufficient to say we are OK as we are going now.

Second, the gentlewoman from New York said that some members of our party are opposed to Social Security in concept. Mr. Speaker, I consider that inaccurate, and I would challenge the gentlewoman on the next opportunity to state for the RECORD what Members of the majority party wish to abolish Social Security or are opposed to it in principle.

Last, to the gentleman from Illinois, it is a privilege to serve with you, and I commend to the readership of this country a very fine article in Washington Monthly that describes your personal religious commitment and how that affects your role in public policy. I think we share that, and from that I hope that people as reasonable as you might prevail upon the President to respond to compromise constructively.

Mr. HAYWORTH. Our dear friend from New York truly did take a parting shot. We could go back and play historical revisionism and infinitum. The question is not who created a program, but who is willing to save and sustain it. I know no one in this majority who is willing to abandon Medicare or willing to abandon Social Security. I know no one in this new majority willing to abandon Medicaid as a goal, but of course we have offered alternatives, and upon that good people may disagree.

To my colleagues from the minority, Mr. Speaker, to my colleagues from the majority and those who have joined us this evening nationwide on C-SPAN, I think it is important to note that we may engage in constructive dialog. Indeed, it is our hope that that constructive dialog that occurs in this Chamber, where so many great debates have gone on through the years, is also occurring at the other end of Pennsylvania Ave., and let us work together to save this Nation by making it economically sound. With that I yield to my friends from Kentucky and Georgia.

Mr. LEWIS of Kentucky. Mr. Speaker, I just want to close by saying I appreciated the remarks from my friend from Illinois. But I think we have to look a lot at what the President presented as a budget this year, the first budget, the second budget, the third budget, and the fourth budget. None of those balanced. I think what we have to look at is where those budgets take us into the future, where we are going to be 10 years from now, 7 years from now, 5 years from now. Those deficits start to return and start taking us toward more debt and increasing debt.

So, it is great that the deficits have gone down. That is a little help toward looking at the future. But we have to get serious about what we are going to do in the next 7 years, and that is the President needs to give us a balanced budget now, one that will preserve and protect the future generations. That is all we are asking for, and I hope that the President will be forthcoming, be very serious about a balanced budget and just cut the rhetoric, just do the job.

Mr. KINGSTON. Mr. Speaker, let me just say that the President has been in office over 2 years now and he has not submitted a balanced budget. To the gentleman from Illinois, I was here when the President passed his budget in 1993 with much fanfare about seriously attacking the deficit, but since then he has not been back in the debate.

We need a balanced budget. If he will submit a balanced budget, I believe we can resolve this. But more importantly, if we can get some Members on your side to join us in passing some of these appropriations bills, we can reopen the Government. I am not a hardliner about let us keep the Government closed, let us hold these folks as hostages. But it disappoints me when I hear you all need to reopen the Government. It was your President who vetoed the bills.

Mr. DEUTSCH. Mr. Speaker, I yield 1 minute to the gentleman from Illinois [Mr. POSHARD] to close, and then I will take the last 4 minutes.

Mr. POSHARD. Mr. Speaker, I thank the gentleman. I would like to say that with respect to Presidential budgets, I was here for the 4 years under President Bush, and I do not think that even the Republican Party ever voted for one of his budgets, and most of the time they were not presented. That is the normal around here. We usually iron this thing out over here anyway.

The other thing is with respect to my friend from Kentucky, the deficit goes up in whatever budget we pass here on the table at the end of the 7 years anyway. We are going to have to go through this again, or whatever Congress is in session then is going to have to do this all over again at the end of our budgets if we want to continue to work on the debt at that point in time.

The other thing is, I guess, again to my good friend from Georgia, on the appropriation bills, the appropriation bills flow from the budget itself. And the President is saying ''I disagree with the overall budget that you folks have presented here. And so, therefore, I cannot really sign appropriation bills that conform themselves to that budget, if I disagree with the budget overall.''

Mr. DEUTSCH. Mr. Speaker, let me take the last minute. This is just a little bit——

Mr. HAYWORTH. That about HCFA, not about Medicare. That is about the Health Care Financing Administration.

The SPEAKER pro tempore (Mr. WHITE). The gentleman from Florida [Mr. DEUTSCH] controls the time.

Mr. DEUTSCH. The gentleman does not control the time, so regular order. This is what the Speaker of the House said, and people can read it themselves.

> We don't get rid of it in round one because we don't think that is politically smart and we don't think that's the right way to go through a transition period, but we believe it's going to wither on the vine because we think people are voluntarily going to leave it.

That is not historical revisionism. And some of the statements by the gentleman from Texas [Mr. ARMEY] in his book and other quotes, that is not historical revisionism.

I will respond quickly regarding saving Medicare. Twelve of the 30 years the Medicare Program had left less of an actuarial life than it does today. Some of the tough votes we talked about when I was in Congress the first year, we did one of those adjustments. We cut Medicare $68 billion that I voted for and that my colleagues over there did not choose to do.

We do not save Medicare by destroying it. And it is so disingenuous that the $270 billion cuts would not stay in the trust fund. There is no reason not to do a CR in an hour and a half

PARLIAMENTARY INQUIRY

Mr. KINGSTON. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. KINGSTON. Mr. Speaker, is not it true that the Republicans would have the next hour, should we want to do that?

The SPEAKER pro tempore. It is up to the majority leader to make that determination.

Mr. KINGSTON. Mr. Speaker, I ask unanimous consent for 2 minutes; 1 minute for the gentleman from Florida [Mr. DEUTSCH] and 1 minute for our side.

The SPEAKER pro tempore. The Chair cannot recognize a unanimous-consent request in the special orders period.

PARLIAMENTARY INQUIRY

Mr. PALLONE. Mr. Speaker, I have a parliamentary, inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. PALLONE. Mr. Speaker, just so I understand, is there any process now for us to proceed or are you suggesting that we do not have one?

The SPEAKER pro tempore. The Chair can only recognize at the present time speakers pursuant to a list provided by the majority leader.

Mr. PALLONE. Does that mean, therefore, that we cannot continue?

The SPEAKER pro tempore. Absent a request by the majority leader.

Mr. PALLONE. Mr. Speaker, if I could just ask for some time to thank everyone.

CONCLUDING REMARKS REGARDING BALANCED BUDGET

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Kentucky [Mr. LEWIS] is recognized for 10 minutes as the designee of the majority leader.

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

Mr. LEWIS of Kentucky. I yield to the gentleman from New Jersey.

Mr. PALLONE. Mr. Speaker, I just wanted to thank everyone tonight for participating in this. I know it has been going on now for about 2 hours, or maybe more, and I think it has been very productive and I just wanted to thank all of my colleagues.

I have to be honest and say that all of my colleagues, particularly those who have been here debating like this now for on a regular basis during special orders for months or maybe it is almost a year now, they should understand that from my perspective, and I know it is true for my Democratic colleagues that, we have the utmost respect for you because you have been willing, as have many of us, to come to the floor and debate some of these issues.

Mr. Speaker, I thought this was very productive and I really appreciate the opportunity.

Mr. LEWIS of Kentucky. Mr. Speaker, I yield to my colleague from Arizona [Mr. HAYWORTH].

Mr. HAYWORTH. Mr. Speaker, if there is no other agreement this evening, I welcome the gentleman's very constructive statement and sentiment of gratitude.

But let me say in candor to my friend from Florida, Mr. Speaker, that it is distressing to use partial quotes that are, in fact, the product of historical revisionism to try and score debating points.

Here is the exact quote from the Speaker of the House, as misquoted by my friends in the minority. Quote, ''You know, we tell Boris Yeltsin, 'Get rid of centralized command bureaucracies. Go to the marketplace.' OK. What do you think the Health Care Financing Administration is? It is a centralized command bureaucracy. It is everything we are telling Boris Yeltsin to get rid of. Now, we don't get rid of it in round one because we don't think it is politically smart. We don't think that's the right way to go through a transition. But we believe it is going to wither on the vine because we think seniors are voluntarily going to leave it.'' Voluntarily. End quote.

It refers, Mr. Speaker, to the Health Care Financing Administration, and not the program known as Medicare. And to my friend from Florida, and, yes, I am a bit passionate about this. If free people are to debate, if free people are going to reach resolution of problems, this points out what I was saying earlier this evening. We have to agree on broad parameters to define the debate; not partial quotes; not trying to imply that those in the majority would take away these programs; not trying to imply as has been the case as has been called by liberal publications medigoguery to scare seniors, to claim we want to have our children drink unclean water, to get rid of school lunches. We all know that to be false.

I would ask, Mr. Speaker, my good friend from Florida to check his facts.

Mr. DEUTSCH. Will the gentleman yield?

Mr. HAYWORTH. And, indeed, to retract what has been used here as a mantra from the minority.

Mr. DEUTSCH. If the gentleman will yield, I will be happy to respond.

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

The SPEAKER pro tempore. The gentleman from Florida will suspend.

□ 2245

The SPEAKER pro tempore (Mr. WHITE). The Chair will remind the gentleman from Florida that he is here under the rules of the House. The Chair has ruled that all Members will suspend for a short period of time. The Chair would like to inform the Members that the gentleman from Kentucky controls time, and he may yield time to Members as he wishes, and only those Members may speak.

The gentleman from Kentucky.

Mr. LEWIS of Kentucky. In a moment I will yield to the gentleman from Florida. But I would like to say this is exactly why we cannot have a good, honest debate. This is why it is hard to put trust and faith in our colleagues when there is rhetoric that is so accusatory.

As I said, all evening I sat back here and listened to the gentleman from Michigan [Mr. BONIOR] say that we disliked Federal employees, we disliked Government, we even disliked the military. One gentleman said that we were lunatics, that we were extremists, that we are out of control. That is not constructive debate. That is getting it down to a level where I think it is every destructive.

I think misquoting our Speaker is another area of being very destructive in trying to reach a good debate and a good dialog.

I yield to the gentleman from Florida.

Mr. DEUTSCH. I would be happy, first of all, I have seen a video of his statement. This is a letter from the Speaker to the editor of the Washington Post which does not have the full context of what was said, and it is actually a quote from the transcript of his speech, not a transcription of the speech itself. So, I mean, this is somewhat questionable in terms of its accuracy.

As I mentioned to the gentleman from Arizona, I will be happy to supply him with a videotape at that point in time.

If we want to spend the next 5 minutes, the next 6 hours, I will be happy to discuss the issue of Medicare with my Republican colleagues because I think that is one of the areas of fundamental disagreement. I think, and the gentleman from Kentucky, I think sincerely stated that he believes that the Republican proposal would save Medicare, and I believe that it would destroy Medicare, and that is a fundamental, 180 degree difference in how we view the specific policies of that, and we can go into it, because I serve on the subcommittee that the bill went through.

The trustee report talks about a $90 billion cut. It is a $270 billion cut, and I would just close very quickly on the point of Medicare. It is a $270 billion cut, which, if it really were to save Medicare, and this is a fundamental question, why does it not go into the Medicare trust fund? I mean, how did that $270 billion number, how did it come up?

Mr. LEWIS of Kentucky. Reclaiming my time, I want to yield to the gentleman from California for just a minute. I think he made some instructive, gave us some instructive information a little while ago about Mr. Panetta and his proposal. I think if you look at Mr. Clinton's proposal, you know, I do not think we are that much different.

Mr. CAMPBELL. I thank the gentleman from Kentucky for yielding.

This is important to understand and to be fair about. Both sides agree that the unconstrained growth of Medicare will wreck the budget of the United States. All sides agree with that. In 1992, our former colleague, presently the Budget Director, my colleague from the California delegation, proposed a program of $400 billion, that is a ''b,'' cuts in the rate of growth of Medicare over an 8-year period, and that was a part of what I considered at the time a very straightforward and honest attempt to save Medicare. It was not to take what was rightfully the seniors' and give to others. No. It was a good-faith effort by our colleague from California, the former colleague from California, to save Medicare for those who needed it. He realized at that time that Medicare was growing at better than twice the general inflation rate.

If I may, I will be very brief in concluding, the number, therefore, of $270 billion in 7 years is much less, and what the trust fund trustees recommended by their own admission would require revisiting the issue within 5 years. What is being attempted by Mr. Panetta in 1992 and the Republicans now is a longer term answer, one that will guarantee Medicare is there for those who need it many years from now.

Mr. HAYWORTH. If the gentleman will yield, I want to make a point now that the passion has left the voice but the sentiment remains.

I have the very greatest respect for my friend from Florida. Good people can disagree. Again, I simply make this appeal: Let us debate on facts and accurate data and let us have difference of opinion in this Chamber. But I have to say, again quoting Robert J. Samuelson, when one side continually distorts the facts, the purpose is not to debate, it is then to destroy.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BUYER (at the request of Mr. ARMEY) for today until 3 p.m., on account of weather-related travel problems.

Mr. LIGHTFOOT (at the request of Mr. ARMEY) for today, on account of his son's surgery.

Mr. STOCKMAN (at the request of Mr. ARMEY) for today and the balance of the week, on account of illness.

Mr. HOKE (at the request of Mr. ARMEY) for today, on account of personal reasons.

Mr. FAZIO of California (at the request of Mr. GEPHARDT) for today and the balance of the week, on account of a death in the family.

Mr. MEEK (at the request of Mr. GEPHARDT) for today, on account of a death in the family.

Mr. MFUME (at the request of Mr. GEPHARDT) for today and January 4, on account of personal reasons.

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. JACKSON-LEE of Texas) to revise and extend their remarks and include extraneous material:)

Mr. SKELTON, for 5 minutes, today.

Mr. WISE, for 5 minutes, today.

Mr. VOLKMER, for 5 minutes, today.

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

Mr. FIELDS of Louisiana, for 5 minutes, today.

Ms. KAPTUR, for 5 minutes, today.

Mr. HOYER, for 5 minutes, today.

Ms. PELOSI, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

Mr. GEJDENSON, for 5 minutes, today.

(The following Members (at the request of Mr. BARR) to revise and extend their remarks and include extraneous material:)

Mrs. MORELLA, for 5 minutes, today.

Mr. COLLINS of Georgia, for 5 minutes, today.

Mr. BARR, for 5 minutes, today.

Mr. DIAZ-BALART, for 5 minutes each day, today and January 4.

Mr. HORN, for 5 minutes each day, today and on January 4.

Mr. CAMPBELL, for 5 minutes, today.

Mr. GOSS, for 5 minutes, today.

Mr. JONES, for 5 minutes, on January 4.

Mr. FUNDERBURK, for 5 minutes, on January 4.

Mr. KINGSTON, for 5 minutes each day, today and on January 4.

Mr. DAVIS, for 5 minutes each day, today and on January 4.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. SHAYS, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. BONIOR, 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. JACKSON-LEE of Texas) and to include extraneous matter:)

Mr. HAMILTON in two instances.

Mrs. MALONEY.

Mr. VENTO.

Mr. LANTOS in three instances.

Mr. RAHALL in two instances.

Mr. MENENDEZ.

Mr. MILLER of California.

(The following Members (at the request of Mr. BARR) and to include extraneous matter:)

Mr. DIAZ-BALART.

Mr. CUNNINGHAM.

Mr. BEREUTER in two instances.

Mr. BARRETT of Nebraska.

Mr. BAKER of California.

Mr. PORTMAN.

(The following Members (at the request of Mr. HAYWORTH) and to include extraneous matter:)

Ms. ROS-LEHTINEN.

Mrs. MORELLA.

Mr. QUINN.

Mr. CONYERS.

ADJOURNMENT

Mr. HAYWORTH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 51 minutes p.m.), the House adjourned until tomorrow, Thursday, January 4, 1995, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1884. A communication from the President of the United States, transmitting a proposed supplemental language request to provide authorization for a 2.4-percent pay raise for U.S. military personnel (H. Doc. No. 104–158); to the Committee on National Security and ordered to be printed.

1885. A letter from the Director, Office of Management and Budget, transmitting OMB estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 2000 resulting from passage of H.R. 1058, pursuant to Public Law 101–508, section 13101(a) (104 Stat. 1388–582); to the Committee on Government Reform and Oversight.

1886. A letter from the Director, Office of Management and Budget, transmitting OMB estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 2000 resulting from passage of H.R. 2336, pursuant to Public Law 101–508, section 13101(a) (104 Stat. 1388–582); to the Committee on Government Reform and Oversight.

1887. A letter from the Director, OPM, President's pay agent, transmitting a report justifying the reasons for the extension of locality-based comparability payments to categories of positions that are in more than one executive agency, pursuant to 5 U.S.C. 5304(h)(2)(C); to the Committee on Government Reform and Oversight.

1888. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–172, ''Uniform Health Insurance Claim Forms Act of 1995,'' pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

1889. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–173, ''Insurance Omnibus Amendment Act of 1995,'' pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

1890. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–174, ''Department of Corrections Employee Mandatory Drug and Alcohol Testing Temporary Act of 1995,'' pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

1891. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–175, ''Acquisition of Space Needs For District Government Officers and Employees Temporary Amendment Act of 1995,'' pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

1892. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–176, ''Establishment of the John A. Wilson Building Foundation Temporary Act of 1995,'' pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

1893. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–177, ''Solid Waste Facility Permit Act of 1995,'' pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

1894. A letter from the Commissioner, Delaware River Basin Commission, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

1895. A letter from the Director, Federal Mediation and Conciliation Service, transmitting the 1995 annual report in compliance with the Inspector General Act Amendments of 1988, pursuant to Public Law 100–504, section 104(a) (102 Stat. 2525); to the Committee on Government Reform and Oversight.

1896. A letter from the Chairman, Federal Trade Commission, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

1897. A letter from the Administrator, General Services Administration, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

1898. A letter from the Inspector General, General Services Administration; transmitting the semiannual report on the activities

of the Department's inspector general for the period April 1, 1995, through September 30, 1995, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

1899. A letter from the President, National Endowment for Democracy, transmitting the semiannual report on activities of the inspector general for the period April 1, 1995, through September 30, 1995, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

1900. A letter from the Director, Office of Federal Housing Enterprise Oversight, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

1901. A letter from the Secretary of Defense, transmitting the semiannual report on activities of the inspector general for the period April 1, 1995, through September 30, 1995, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

1902. A letter from the Secretary of Transportation, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

1903. A letter from the Executive Director, State Justice Institute, transmitting the semiannual report on activities of the inspector general for the period April 1, 1995, through September 30, 1995, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

1904. A letter from the Commissioner, Susquehanna River Basin Commission, transmitting the annual report under the Federal Managers' Financial Integrity Act for fiscal year 1995, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform and Oversight.

1905. A letter from the Thrift Depositor Protection Oversight Board, transmitting the semiannual report on activities of the inspector general for the period April 1, 1995, through September 30, 1995, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

1906. A letter from the Comptroller General of the United States, transmitting certification that the trustees of the TAP Fund have established a reserve as required by section 8102(a)(2)(A) of the act, pursuant to Public Law 101–380, section 8102(a)(2)(B) (104 Stat. 565); jointly, to the Committees on Government Reform and Oversight, Transportation and Infrastructure, and Resources.

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:

Ms. PRYCE: Committee on Rules, House Resolution 330. Resolution authorizing the Speaker to declare recesses subject to the call of the Chair from January 5, 1996, through January 23, 1996; waiving a requirement of clause 4(b) of rule XI with respect to consideration of certain resolutions reported from the Committee on Rules during that period (Rept. 104–445). Referred to the House Calendar.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X, the following action was taken by the Speaker:

H.R. 1618. Referral to the Committee on Commerce extended for a period ending not later than January 4, 1996.

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. BARRETT of Wisconsin:

H.R. 2841. A bill to prohibit use of official funds for travel outside the United States by Members of Congress during any period of lapsed appropriations as a result of a failure to enact a regular appropriations bill or continuing resolution; to the Committee on House Oversight.

By Mr. OBEY:

H.J. Res. 138. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes; to the Committee on Appropriations.

H.J. Res. 139. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes; to the Committee on Appropriations.

H.J. Res. 140. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes; to the Committee on Appropriations.

H.J. Res. 141. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes; to the Committee on Appropriations.

H.J. Res. 142. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes; to the Committee on Appropriations.

H.J. Res. 143. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes; to the Committee on Appropriations.

H.J. Res. 144. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes; to the Committee on Appropriations.

H.J. Res. 145. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes; to the Committee on Appropriations.

H.J. Res. 146. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes; to the Committee on Appropriations.

H.J. Res. 147. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes; to the Committee on Appropriations.

H.J. Res. 148. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes; to the Committee on Appropriations.

H.J. Res. 149. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes; to the Committee on Appropriations.

H.J. Res. 150. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes; to the Committee on Appropriations.

H.J. Res. 151. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes; to the Committee on Appropriations.

H.J. Res. 152. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes; to the Committee on Appropriations.

By Mr. WALSH:

H.J. Res. 153. Joint resolution making further continuing appropriations for the fiscal year 1996, and for other purposes; considered and passed

By Ms. NORTON:

H.J. Res. 154. Joint resolution making further continuing appropriations for the District of Columbia for fiscal year 1996, and for other purposes; to the Committee on Appropriations.

By Ms. JACKSON-LEE:

H.J. Res. 155. Joint resolution making further continuing appropriations for fiscal year 1996, and for other purposes; to the Committee on Appropriations.

By Mr. ARMEY:

H. Res. 325. Resolution providing for a committee to notify the President of the assembly of the Congress; considered and agreed to.

H. Res. 326. Resolution to inform the Senate that a quorum of the House has assembled; considered and agreed to.

H. Res. 327. Resolution providing for the hour of meeting of the House; considered and agreed to.

By Mr. GEPHARDT:

H. Res. 328. Resolution relating to the privileges of the House; to the Committee on Rules.

By Mr. HOYER (for himself, Mr. MORAN, and Mr. WYNN):

H. Res. 329. Resolution providing for the consideration of the joint resolution (H.J. Res. 118) making further continuing appropriations for the fiscal year 1996, and for other purposes; to the Committee on Rules.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 263: Mrs. LOWEY.

H.R. 491: Mr. GEJDENSON.

H.R. 497: Mrs. MEYERS of Kansas.

H.R. 972: Mr. JONES.

H.R. 1248: Ms. LOFGREN.

H.R. 1448: Mr. HUTCHINSON.

H.R. 1464: Mr. SHADEGG and Mr. DAVIS.

H.R. 1625: Mr. HOEKSTRA and Mr. YOUNG of Alaska.

H.R. 1701: Mr. JOHNSON of South Dakota.

H.R. 1733: Mr. COYNE and Mrs. KELLY.

H.R. 1794: Mr. KING.

H.R. 2078: Mr. WELLER.

H.R. 2119: Mr. UNDERWOOD, Mr. HORN, Mr. FOLEY, Mr. KLUG, and Mr. LUTHER.

H.R. 2152: Mr. CANADY.

H.R. 2193: Mr. GUNDERSON and Mr. YOUNG of Alaska.

H.R. 2246: Mr. KLINK.

H.R. 2310: Mr. ENSIGN, Mr. GEKAS, Mr. MENENDEZ, Mr. JEFFERSON, Mr. PETE GEREN of Texas, and Mr. BAESLER.

H.R. 2333: Mr. STARK, Mr. PASTOR, Mr. MYERS of Indiana, Mr. HOUGHTON, Mr. SAM JOHNSON, Mr. MCCRERY, Ms. DELAURO, and Mr. DUNCAN.

H.R. 2416: Mr. KENNEDY of Massachusetts.

H.R. 2508: Ms. WOOLSEY and Mr. MANTON.

H.R. 2543: Mr. FLAKE.

H.R. 2579: Mr. BARTLETT of Maryland, Mr. DORNAN, Mr. YOUNG of Alaska, and Mr. TAUZIN.

H.R. 2585: Mr. WAXMAN.

H.R. 2597: Mr. GILCHREST, Mr. HASTINGS of Florida, Mr. NORWOOD, Mr. STEARNS, Mr. HOLDEN, Mr. CLYBURN, Mr. OLVER, Mr. PETERSON of Florida, and Ms. SLAUGHTER.

H.R. 2618: Ms. WOOLSEY.

H.R. 2647: Mr. FRANKS of New Jersey.

H.R. 2651: Mr. STOCKMAN.

H.R. 2658: Mr. FORD, Mr. BALDACCI, Mrs. SCHROEDER, Mr. MEEHAN, Mr. MCHALE, Mr. JACKSON, Ms. KAPTUR, Mr. PAYNE of New Jersey, Mr. TORRES, Ms. DANNER, Mr. MARKEY, Mr. LEACH, Mr. DINGELL, and Mr. WARD.

H.R. 2664: Ms. PRYCE and Mr. JOHNSON of South Dakota.

H.R. 2745: Mr. SERRANO, Mr. FILNER, Mr. BLUTE, and Mr. FLAKE.

H.R. 2757: Mr. LARGENT, Mr. STUMP, and Mr. SMITH of Texas.

H.R. 2780: Mr. GILLMOR.

H.R. 2785: Mr. TEJEDA.

H.R. 2823: Mr. ORTIZ, Mr. FRELINGHUYSEN, and Mr. LARGENT.

H. Con. Res. 125: Mr. TORRICELLI.

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PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, SECOND SESSION

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Senate

The 3d day of January being the day prescribed by the Constitution of the United States for the annual meeting of the Congress, the 2d session of the 104th Congress commenced this day at 12 noon.

The Senate assembled in its Chamber at the Capitol.

The Senate was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. The hour of 12 noon on January 3 having arrived, pursuant to the Constitution of the United States, the 1st session of the Senate in the 104th Congress has come to an end and the 2d session commences.

The majority leader addressed the Chair.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

MORNING BUSINESS

Mr. DOLE. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak therein for up to 5 minutes each.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DOLE. I think leader time was reserved.

The PRESIDENT pro tempore. The majority leader is correct.

A REVIEW OF THE 1ST SESSION OF THE 104TH CONGRESS

Mr. DOLE. Mr. President, I wanted to quickly review the historic 1st session of the 104th Congress, the first Republican Congress in 40 years.

On January 3, 1995, I spoke from this podium and outlined the agenda the Republican Senate would be advancing.

Exactly 1 year has now passed since that day, and as we begin the second session of this Congress, I would now like to offer a progress report to the American people—detailing the promises we kept in 1995, and the work we hope to complete in 1996.

As I said on the first day of this session, the primary goal of this Congress would not be to pass unnecessary new laws—but instead to remember a timeless one—the 10th amendment to our Constitution.

That, of course, is the amendment that sets out the principle of federalism, stating that ''The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States, respectively, or to the people.''

Shifting power out of Washington, and returning it to our States, our cities, our neighborhoods, and to the American people. That's what the 10th amendment is all about.

And that is exactly what the 104th Congress has been about since day one—and since Senate bill 1—which put an end to unfunded Federal mandates.

That is what we were about when we passed landmark welfare reform legislation that will give our States the flexibility to design programs that best meet the needs of their citizens.

And that is what we have been about these past few weeks, as we continue our fight for a balanced budget that will ensure a brighter future for our children and grandchildren.

As budget negotiations continue, it is important to note that for as much as this Congress has accomplished in giving Government back to the American people, there is more we could have accomplished—had President Clinton not time and again stood in the way of fundamental change.

In fact, it was President Clinton's active opposition that prevented the Senate by just one vote from joining the House in sending a balanced budget amendment to our States for approval. And it was his veto of the Balanced Budget Act of 1995 that put us in the situation we are now in.

Had President Clinton not chosen to engage on a campaign to scare the American people, America's seniors would be beginning 1996 secure in the knowledge that Medicare was solvent.

It seems to me that we have made some progress, but we need to make more, and whether or not that can be done will be determined, I assume, in the next very few days.

It is also worth noting that President Clinton's misguided insistence on the status quo has prevented the enactment of much-needed regulatory reform legislation which would ease the burden of Government redtape and regulations on America's small business men and women.

Let me make it clear that although we are very frustrated with the President's actions, we have not given up on a balanced budget or on regulatory reform.

Something else we have not given up on is doing everything we can to help law-abiding Americans in the fight against crime and drugs.

In the wake of the terrible tragedy in Oklahoma City, the Senate moved quickly to pass antiterrorism legislation. And at our insistence, this legislation included historic habeas corpus reform, which would put a limit on frivolous lawsuits that convicted felons use to clog our courts and delay justice.

Republicans also included a number of tough anticrime provisions in the Commerce, State, Justice Department appropriations bill. Unfortunately, President Clinton vetoed the bill.

I know that the distinguished chair of the Judiciary Committee, Senator HATCH, will continue to look for ways in which Congress can provide the leadership in the fight against crime that has been missing at the White House.

● This ''bullet'' symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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We took steps to do that just last month, when Speaker GINGRICH and I announced the formation of a congressional task force on national drug policy.

A series of national surveys have shown a very disturbing increase in drug use among America's youth. Drug use among young people was down—way down—in the 1980's, when Presidents Reagan and Bush made the war on drugs a national priority. And these surveys show what has happened now that the Clinton administration has all but declared a cease-fire.

The Speaker and I have charged this task force with convening the Nation's top experts, and coming up with an antidrug action plan which we can implement in the coming year.

Earlier this year, the Speaker and I also asked Jack Kemp to chair a 14-member blue-ribbon national commission on economic growth and tax reform.

We asked the commission to start with a blank piece of paper, and to design a tax system that is flatter, fairer, and simpler—one that strengthens families, and one that encourages savings, investments, strong economic growth, and greater opportunity for all our people.

The Kemp commission will issue its report next week, and I anticipate their recommendations will significantly advance the tax reform debate. Hopefully, these recommendations will lead us to a new system so we can end the IRS as we know it.

We also made substantial progress this past year in our efforts to pass a line-item veto, to bring much-needed reform to America's telecommunications industry, and to restore some common sense to our civil justice system. With our House colleagues, we hope to put the finishing touches on both of these important issues early this year. That is still in conference. It is our hope, perhaps, if there should be a budget agreement, that might become part of the budget agreement. The Senator from Arizona, Senator MCCAIN, and Senator COATS, on this side, have worked on this for years, as have many other of my colleagues, too.

We have not given up on regulatory reform. We are just shy of the 60 votes we need; we have 58. We are working with our colleagues on the other side of the aisle because this area affects real people. It costs the average American family about $6,000 per year. We believe in this case it should not be a partisan debate. So I hope we can come together on that.

I also say with pride that just as this Republican Congress has insisted on returning power to the people, we also have made clear that Congress is not a ruling class that is above the people.

While we were in the minority, Republicans fought for legislation that would subject Congress to the same laws we impose on everybody else. And once we were in the majority, we were able to do just that by passing the Congressional Accountability Act.

With Republicans in the majority, Congress was able to enact into law legislation that will shine additional sunlight into the lobbying process, and we also placed a strict limit on gifts that Members of Congress and Senators can receive.

And with Republicans in the majority, we were able to cut more than $200 million from the congressional budget—the largest cut in 40 years.

One thing we did not cut, however, was America's national security. Over the past few years, the Clinton administration has come dangerously close to gutting our national security budget, and this Congress reversed that ill-advised course.

Let me conclude, Mr. President, by thanking all Senators on both sides of the aisle. Our first session was a lengthy one, and at times, the debates have been contentious.

But I believe that all of us can take great pride in the fact that history will reflect we were all part of a truly revolutionary U.S. Congress:

A Congress that kept its promises.

A Congress that fought to change the status quo.

A Congress that succeeded in bringing fundamental change to Washington, DC.

A Congress that, above all, remembered the 10th amendment by returning power to our States and to the American people.

Also, again, I trust that in this session, as it says in the 10th amendment, we will return power to the people.

CONTINUED BUDGET MEETINGS

Mr. DOLE. Mr. President, we will meet again, as the Democratic leader knows, at 3 o'clock, with the President to talk about whether or not we can come together on a balanced budget amendment over the next 7 years, using CBO numbers. I hope that can be accomplished. I think we are, again, serious in what we are attempting. Whether or not it will happen, we will have to wait and see.

We have honored, as far as I know, the so-called blackout. I think we make a lot more progress when none of us are talking to the media. They are all good people, do not misunderstand me, but I think in order to accomplish this very difficult task, we better have an understanding of what it is before it becomes public—not just for our sake, but for the sake of the American people, for the sake of our colleagues on both sides of the aisle. They are going to have to vote on it up or down when and if we reach that point.

I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER (Mr. WARNER). The Democratic leader is recognized.

THE 1ST SESSION OF THE 104TH CONGRESS IN REVIEW

Mr. DASCHLE. Mr. President, let me commend the distinguished majority leader for his leadership in the 1st session of the 104th Congress.

Let me also repeat what I said a year ago, when this Congress began: Democrats are willing to work with our Republican colleagues where we can—but we will oppose them where we have to. That is the principle that guided Senate Democrats last year, and the principle we will use again this year.

We all wish we were beginning this new session under better circumstances. Instead, the Federal Government remains closed for the 19th consecutive day. Hundreds of thousands of Federal employees are being forced to go without pay, and millions of taxpayers are being denied services for which they have already paid.

The American people deserve better than this, Mr. President, and this Congress is capable of better. We proved that on a number of occasions last year. We proved that we could work together—Democrats and Republicans, Senate and House—to accomplish something worthwhile.

Today, as we begin the second session of this Congress, I think it is worth reviewing those occasions on which we were able to achieve broad consensus last year.

Second, let's look at the successes we achieved in this Senate when we were able to replace extremism with reason.

Third, let's remember the opportunities we lost last session when we could not work together to do what the American people sent us here to do. In each case, I believe we can learn something that may help us in this session.

One area in which this Congress was able to achieve broad consensus is congressional reform. Democrats fought in the 103d Congress for a Congressional Accountability Act to hold Congress to the same standards we demand of other employers. We fought for lobbying disclosure and a real gift ban. And we fought to put an end to the irresponsible practice of unfunded Federal mandates. We were grateful that our Republican colleagues finally joined us last year in supporting these proposals and passing them into law.

Another important area in which Democrats and Republicans worked together successfully was in helping to secure the chances for peace in Bosnia the right way—by strengthening the NATO alliance rather than shattering it. While the results of our decision cannot be determined immediately, I am hopeful that as a result of our continued cooperation, we can work with the administration to see that our efforts in Bosnia remain a success.

In other areas, we achieved success with smaller—but still bipartisan—margins. These were issues on which Democratic Senators, joined by a few of our moderate Republican colleagues, were able to temper the extremism of certain proposals sent over from the House. Through that effort, we avoided deep cuts in school lunch programs, and we preserved the rights of ordinary citizens to know what kinds of toxic

chemicals are being emitted in their neighborhoods.

There are still other areas in which we were unable to reach agreement. These are, in many cases, the lost opportunities of the first session of this Congress. It is my hope that we will be able to put aside our differences and recapture those opportunities this year.

Perhaps the greatest of these lost opportunities is welfare reform. We had the ability to change welfare, as we say, from a way of life to a way out. We had more than an opportunity; we had a bill. We passed a good, workable bill in this Senate that would have given people on welfare a real chance to support themselves and their families. But we lost that opportunity when extremism once again reared its ugly head in conference. I hope we will have the chance this year to correct that mistake.

Another lost opportunity is the antiterrorism legislation we passed in the Senate; 9 months after Oklahoma City, that legislation languishes in the House for reasons unknown.

As the majority leader indicated, Democrats opposed the balanced budget amendment put forth last year by Republicans because it would have used Social Security funds to pay off Washington's debts and hide the real size of our deficit. We regard that amendment as yet another opportunity lost. The American people are ready—in fact they are demanding—that we deal with the deficit honestly.

The 1st session of the 104th Congress, represented a number of disappointments. We are disappointed, frankly, that we did not pass welfare reform that promotes work and protects children. We are disappointed that we did not pass a minimum wage law, long overdue. We are disappointed that we did not pass even a minimum health reform package. We are disappointed we did not pass the campaign finance reform bill that should have been passed a long time ago. We are disappointed we did not pass meaningful farm legislation. The farm bill has been pending and we are well into the new crop year and farmers still wonder what the farm policy will be even as they begin to plant for the 1996 season.

We are hopeful in the coming months we can deal with these disappointments in the same bipartisan fashion we dealt with issues from unfunded mandates to Bosnia. I remain willing to work with my colleagues, the majority leader, and all of my colleagues on the Republican side to ensure that we achieve the kinds of successes we are capable of in the second session of this Congress. I yield the floor.

EXTENSION OF TIME FOR MORNING BUSINESS

The PRESIDING OFFICER (Mr. COATS). The Chair now wishes to advise the Senate under the previous order there was now to be a period for the transaction of morning business not to exceed beyond the hour of 12:30 p.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

Mr. INHOFE. Mr. President, I ask unanimous consent the period for morning business be extended and the time allowed to each Member be extended to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEFENSE AUTHORIZATION VETO

Mr. INHOFE. Mr. President, I rise today to express my deep concern over the President's veto of the defense authorization bill and to state very clearly why I am not convinced that ratification of the START II Treaty is in the best interests of the United States national security.

At the heart of both of these matters is the issue of national missile defense and whether we are really serious about defending our Nation and the American people against ballistic missile attack. As I have stated many times on this floor, I am serious about this issue. I think there is no higher priority for our Nation's overall defense posture than the issue of national missile defense.

The threat is a very real threat. I have stated several times on this floor and quoted many people who are the experts who understand and evaluate what the threats are around the world. Certainly, the former CIA Director, James Woolsey, is in a position to know and to evaluate what a threat is to our Nation. That is what he did for a living. He was appointed by this President. He stated that he knows of between 20 and 25 nations that have or are developing weapons of mass destruction—either chemical, biological, or nuclear—and are developing the missile means of delivering these weapons.

In addition to that, we know that North Korea—with its development of the Taepo Dong II missile—is going to be capable of reaching Hawaii and Alaska by the year 2000 and the continental United States by the year 2002. Yet all we are talking about in the defense authorization bill is to develop a national missile defense system by the year 2003, not even meeting the time that missiles would be able to reach the continental United States. Many people like to speak of social programs and priorities almost as if national defense no longer matters now that the cold war is over. Yet I am convinced more every day that the threat facing the United States is in many ways greater now than it was when we had only two superpowers that we could identify. Right now we have Libya, Syria, Iran, Iraq, and many other nations that are developing the kind of destructive weapons and missile technology that pose a direct threat to our country.

I suggest also that when the President and others try to use such terms as ''star wars,'' are grossly misleading the American people, trying to make it appear not only that the prospect of a real and affordable missile defense is somehow a fantasy but also that the threat itself is a mythical thing that is not real, not something that we need to be even remotely concerned about. But they are wrong, Mr. President. They are living in the past. They do not realize that today's advancing weapons and missile technology are not the same as what they were 10 years ago when they might not have been so imminent a threat affecting our Nation's security. Today it is there and it is not to be taken lightly by those charged with responsibility for defending America.

We have an investment in this country of over $38 billion in just the Aegis system. The Aegis is an existing system of naval ships that have advanced capabilities for both air and missile defense. For an additional investment of just $4 to $5 billion over several years, we could have a very basic and limited national missile defense capability ready to deploy in that short period of time that was called for in our defense authorization bill.

That has now been vetoed. It was vetoed for one major reason, and that is the President stated that it would be in violation of the ABM Treaty. But as others have pointed out previously, the bill was specifically crafted so as not to violate the treaty. Instead, it merely suggested that the President be urged to negotiate cooperative arrangements with Russia to allow us to proceed with necessary missile defense programs.

Now, Mr. President, I think it is important to realize the President is saying that we do not have a high priority on our Nation's missile defense system. The ABM Treaty was put in place back in 1972 during the Nixon administration. The architect of that treaty was Henry Kissinger. Dr. Kissinger at that time felt that this policy of mutual assured destruction was something that was worthwhile in that we had two superpowers and it put us each in a vulnerable position. Since we would not be able to defend ourselves, and the other side would be in the same position, it was thought that this would be some kind of an advantage in providing strategic stability. I did not agree with it at the time but nonetheless that is what was adopted.

I think it is interesting to remember what was stated not too long ago by Dr. Kissinger when we asked him the question, publicly, on public record: You were the architect of the ABM Treaty back when the ABM Treaty was put in place, and you felt this was something that was in the best interests of this country; what about today, now that we have the proliferation of missiles and of weapons of mass destruction? He said it does not make any sense anymore. He said in a direct quote, ''It is nuts to make a virtue out of our vulnerability.''

Mr. President, that is exactly what we have done when we hold up the

ABM Treaty as the cornerstone of U.S. strategic defense policy as this administration has done. The President has stated in his veto message that there is a linkage between the ABM Treaty and the START II Treaty. He says the Congress' determination to proceed with national missile defense ''puts U.S. policy on a collision course with the ABM Treaty,'' and ''puts at risk Russian ratification of the START II Treaty.'' I reject the notion that we should adopt some type of a treaty—in this case the START II Treaty—just in order to protect the provisions of the ABM Treaty.

I am aware that there is broad support in this body for ratification of the START II Treaty. I understand it. I expect the final vote to be overwhelmingly in favor. That vote may be a 98 to 1 vote and I may be the 1, but I would be compelled to speak out and at least let the American people realize how significant an issue this is.

There are a lot of reasons to be concerned about the merits of the START II Treaty. You could talk about compliance, the fact that the Russians' past record does not inspire a lot of confidence. We could talk about verification. Many provisions would be difficult to verify in the very best of circumstances. We could talk about the SS–18 MIRV'd missiles, and the fact that this would not actually do away with the launch facilities for these destructive multiwarhead missiles. We could talk about the downloading provisions and the fact that, in many cases, it does not require that you do away with the missile. It merely requires that you download it. And if you download it, then you can turn around and upload it.

Yet for all of these concerns, I don't seek to go into great detail. But what I will be addressing is what it does as far as the ABM Treaty is concerned and how it impacts our ability to proceed with the kind of national missile defense we need. This is what is most important.

I agree with Dr. Kissinger that the ABM Treaty is something that outlived its usefulness and no longer should be effective today. And, while I respect the views of some of my colleagues who are saying we now have managers' amendments that address all of these problems, I do not think these managers' amendments really do address them. For one thing, they do not change the treaty itself. All they are is advice by the Senate. I agree that those nine provisions of the managers' amendments are good and they make the Senate's understanding of the treaty much clearer. Unfortunately, they are not a part of the treaty.

I think we should recognize, finally, Mr. President, that they underwent some parliamentary elections in Russia on December 17. The Communists got 22 percent of the vote gaining seats and renewed influence. We now have the Communists at 157 seats in the Duma. Then you have Boris Yeltsin's party. Then there is a very interesting individual by the name of Vladimir Zhirinovsky, from the ultranationalist party that is now No. 3, close behind the party that we were hoping would stay in power.

So it is a changed situation that we have today. And, of course, none of us can predict the future with certainty. But I come back to a simple proposition. Missile defense is among our highest national security priorities. If the President believes this priority must be sacrificed to gain Russia's approval of START II, then I would suggest it is too high a price to pay. This is why I believe it is imperative to resolve the impasse over the Defense authorization bill before we move to final approval of the START II Treaty.

Therefore, today, I am joined by Senator BOB SMITH in sending a letter to the majority leader stating we will object to proceeding to final action on the START II Treaty until an arrangement has been made with the Clinton administration enabling the people of America to be defended against missile attack. I believe this a prudent and justified course of action and I would urge my colleagues to concur.

Finally, if there were other individuals who had been with me in Oklahoma City on April 19, where we observed the results of the most devastating domestic bombing in the history of this country, they might begin to understand what is at stake. There at the Murrah Federal Office Building, we saw the destruction and had heard the cries of the individuals who were in there trapped and injured. And, of course, so many died—169 brave Oklahomans and wonderful people; citizens, who were not guilty of anything. They were killed without warning and without provocation for no apparent reason. This is modern terrorism at its worst. But if you just multiply that tragedy by 100 or 200 or 300, you can only begin to imagine what type of impact a future missile attack might have on a major American city.

The threat is there. The threat is more imminent than many realize. It is a very real threat. And I do not think there is anything this body will be engaged in, in discussing and putting into effect, that has a greater significance for our future security, than developing a national missile defense system.

I yield the floor.

The PRESIDING OFFICER. The Senator from Nevada is recognized to speak in morning business for up to 10 minutes.

A BULLY IN CONGRESS

Mr. REID. Mr. President, first of all I commend Senator DOLE and those leaders on the other side of the aisle who yesterday made it possible to pass a clean CR. I am sorry we did not do it sooner. I wish it had been done sooner. But I commend and applaud the Republican leadership and those Members of the Senate who allowed this to go forward.

Mr. President, I grew up in a small town in southern Nevada. When I was in the eighth grade, there were six kids in the class. That was one of our bigger classes. In the school at that time there was a bully. He was an eighth-grader and everyone in the school was afraid of him. If they were not afraid of him they worked something out with him, so that they could live with him.

We rarely had new people come to school there, but there was a young boy who came to school, an eighth-grader, somewhat small in stature, who came from someplace in Arizona. His name was Gary. He was a quiet young lad. And he was pushed around by this bully for 3 or 4 days, a week, 2 weeks. Finally this young man said I have had enough of this and we are going to settle this. And this young boy agreed to fight the big bully. Everyone knew the bully would win, everyone except Gary. And they engaged in fisticuffs and the young man, like one of the heroes in the books we read as young kids, won the fight. The bully was all through. He no longer pushed anyone around.

The reason I mention that, we kind of have a bully running around Congress. It is in the form of 73 Republican freshman Congressmen. They have suddenly gotten the stature that they can push everybody around. Mr. President, there are 535 Members of Congress, 435 House Members. It seems to me that leaves about 360-plus Members of the House who should be able to do pretty much what they want to do. Mr. President, 73 should not a bully make; 73 should no longer be able to push a body of 535 people around. The time has come, as when Gary came to Searchlight Elementary School many, many years ago, to stand up for what is right.

What is right is to allow people to go to work and to be paid for working. I think it is absolutely unreasonable and unconscionable that the American taxpayer would be told: Yes, we are going to pay these people someday in the future. We are going to pay them, but they do not have to work for the pay.

Please, somebody tell me how that is rational? How is that reasonable? We are saying, ''Go ahead and stay home, do not work, and we will pay you anyway''?

Or, we have another deal floating around. You can come back to work but you cannot buy any pencils, cannot buy any gas for cars. You basically cannot do anything.

Mr. President, I suggest that people of good will, both Democrats and Republicans, should follow the lead of the Republican leadership in the Senate, what took place in this body yesterday, and do what is right. What is right is to pass a clean CR and get on with our business. Allow people to go back to work.

Some people say an ongoing Government shutdown is a good thing. I say, tell that to people who want to get a visa to come to the United States. Thousands of them every day want to do that and they cannot do that. Does

that matter? Of course it matters, because those people who come here spend around about $3,000 in businesses and retail stores around here. Students trying to get home need to have paperwork processed in our Embassies overseas, and that cannot be done. Foreign exchange students want to come here to study. They cannot do that.

One Member of this body suggests that no one even noticed the shutdown and we ought to keep the Government partially closed. I say that is foolish. Whoever said that has not been out of the beltway long enough. Say that, that the Government shutdown does not mean anything, to Meals on Wheels. What is Meals on Wheels? Meals on Wheels is people who are shut-in's, and they are allowed to stay at their homes as a result of Meals on Wheels. If Meals on Wheels is shut down, these people are going to have to go into rest homes, extended care facilities, and cost the taxpayers even more. Meals on Wheels allows people their independence, their ability to stay at home. But for Meals on Wheels, our rest homes, our convalescent centers, our extended care facilities would be burdened even more than they are.

For someone who says we ought to keep it shut down, what about our Superfund cleanup sites? We have now Superfund cleanup sites that are being cleaned up. We just had a big celebration because the final Love Canal payment was made. We have 30 Superfund cleanup sites that are going to be shut down in the next 24 hours; shut down. That not only involves stopping the cleanup, it costs a lot more money to get them cranked up again. So people do care if the Government is shut down. They care about the thousands and thousands of people who cannot go to our national parks. They cannot go fishing, and small retail merchants at entrances to these parks are screaming for help. They depend on these national parks to earn a livelihood.

This shutdown has nothing to do with agreeing to a balanced budget. We could go back to the process of the appropriations bills which were not passed. We could pass blame on why they were not passed. The fact of the matter is they were not passed, and there is no reasonable, just cause for this Government shutdown and not allowing people to go to work. In fact, we are paying them anyway.

Agreeing to a balanced budget plan and allowing the Government to operate are two entirely separate issues. There is simply no linkage. There should be no linkage. Attempts to make one solely contingent upon the other is really a form of legislative terrorism. The Federal workers are being used as negotiating chips. In order for one side to be able to declare unconditional victory, these people are being used as pawns. This simply is not right. They are not part of the best equation leading to a balanced budget, and it ought not to stop them from going back to work.

What is the current impact of the shutdown?

Six hundred thousand elderly Americans may lose their Meals on Wheels. That is a large number of people.

States have lost $74 million in grants for child protection programs. Child protection programs, this is not welfare. These moneys are used to deal with more than 2½ million cases of child maltreatment each year.

Eleven States have exhausted their funding for unemployment insurance.

The Federal Housing Administration is unable to process 2,500 home loans and refinancing each day of the shutdown. There are 2,500 each day.

More than 1,000 workplace safety complaints have gone unanswered. We receive an average of about 240 calls each day to EPA's hotline for drinking water contamination information. We have people who are complaining that their water is contaminated. These are calls going unanswered.

Five other hotlines which receive thousands of calls each month are shut down, depriving the public of potentially critical information on pesticides, toxic substances, asbestos in schools, and other public health information.

Three hundred and eighty-three thousand people each day are being denied access to our national parks—almost 400,000 people a day. And some say it does not matter?

As Senator DOLE said yesterday—enough is enough. It is time to end this folly and stand up to this bully. A few jabs and a left hook would end them real quick.

This, Mr. President, should end immediately. The bully should be put down, and put down quickly.

Mr. WARNER addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

THE REPUBLICAN LEADER

Mr. WARNER. Mr. President, before the distinguished Senator departs the floor, I would like to say how much I personally appreciate his remarks regarding the Republican leader, Mr. DOLE. I was with Mr. DOLE throughout the meeting of 2½ hours yesterday, along with the Speaker, Mr. GINGRICH, Senator DOMENICI, House Budget Chairman KASICH, House Majority Leader DICK ARMEY, and others. In my judgment, he has been a pillar of strength throughout.

I also extend my remarks to the distinguished Democrat leader who has worked with Senator DOLE here in the last 48 hours, and many Members on both sides.

I think the Senate should stand with great pride as to how it has met this tragic shutdown in the Federal Government and the ripple effect throughout the private sector, so that it just is not the Government employees.

I will also address other matters from my constituents here momentarily. But I wish to thank the Senator from Nevada for his remarks about our distinguished leader.

FINANCIAL SUPPORT FOR FEDERAL EMPLOYEES

Mr. WARNER. Mr. President, this morning in my office Congressman WOLF, Congressman DAVIS, and Congresswoman MORELLA joined—and we now have met several times a day—to try to provide our respective leadership here in the Senate and in the House, together with our colleagues from Maryland.

I note the presence of the junior Senator from Maryland on the floor, as well as yesterday the senior Senator from Maryland, and Senator ROTH also.

We worked here as a group because the greater metropolitan area of Washington is probably the most severely affected as a consequence of this Government shutdown. Not only is there a large number of employees—perhaps as high as a half million—who are working at their jobs without pay, but there are some 260,000 to 280,000 who are furloughed and not able to report to their offices for various reasons.

I also wish to mention that at 1 o'clock, and I shall be departing shortly to join Members of Congress, Congressman DAVIS, Congressman FRANK WOLF, and Congresswoman CONNIE MORELLA, and others, to meet with the various members of the Federal Employee Education and Assistance Fund. This is under the leadership of Jerry Shaw, a nationally known individual with Federal employees, currently the counsel for the Senior Executive Association.

We are coming together, the Members of Congress, to encourage others—those who can—who will pledge some personal financial support for Federal employees receiving short paychecks. This is becoming a crisis.

I commend the Federal Employee Education Assistance Fund for doing this. This is a private member of the Combined Federal Campaign assisting Federal employees in dire need during the shutdown with interest-free loans for rent, mortgage, utilities, and food. The charity is in danger of running out of funds without additional contributions.

I am happy to join with others to try to make our contributions to help them.

Attending this 1 o'clock meeting will be representatives from the Federal employee organizations represented on the board of directors. Among them include the Senior Executive Association, the National Treasury Employees Union, the Federal Managers Association, the National Federation of Federal Employees, and the Social Security Managers Association.

THE BUDGET

Mr. WARNER. Now, Mr. President, I would like to make reference again to the problems here. They are all well

known to Members of the Senate, particularly those of us who have been here the last few days as the Senate and the House began to resume activities.

We are still hopefully waiting for the President's budget message showing us the balanced budget. We are at an impasse because we do not have an agreed-upon budget, but a 7-year balanced budget with the Congressional Budget Office numbers seems to be agreed upon by both the President and the leadership of Congress. So I am hopeful that will be forthcoming.

I think the American people are looking to the Congress now for leadership. I again commend the leadership of the Senate and many others who are participating.

I hope—and I say this with a long pause—but I hope that the same leadership can come from the Speaker of the House and others to realize today the need to pass a continuing resolution for these employees governmentwide. In addition, we have a crisis here in the Nation's Capital, the District of Columbia. That also requires a continuing resolution which I hope will be acted upon favorably today.

But the Federal Managers Association newsletter which arrived in the Senate offices this morning graphically portrays the ripple effect of this problem. I am reading from a paragraph of that letter.

Social Security Administration: On a normal day the SSA's 1–800 telephone number receives about 250,000 calls. Today, the SSA expects to receive 2 million calls.

I repeat, Mr. President: 2 million calls.

Managing this task is that volunteer group of Federal employees who are coming to work without pay.

It is interesting, but tragic to note, that a number of the managers, the senior executives of the Social Security Administration, and indeed the Veterans' Administration, are making loans from their own budgets to some of the lower paid employees to enable them just to meet transportation costs to come in, and to work with this volunteer group.

Some of the lower paid Social Security Administration workers are telling their managers they can no longer afford transportation costs to get to work to answer the 2 million calls.

I wish to commend the can do spirit that is prevailing throughout the Federal Government to try to provide these services to needy people.

Back to the Veterans' Administration.

They are caring for those who serve this Nation in the time of our greatest need. And now the managers again are working with the lower paid employees, the local banks, guaranteeing loans to secure the needed funds just to get these employees over this period which I hope will come to a conclusion today. And from my own State the switchboard is off the hook. We are there in my office together with other Senate offices taking these calls. I wish to pay special tribute to those in my office, Anna and Patty and Todd and Doreen, all of whom have been by the phones throughout the day and well into the evening to take calls such as the following:

My name is Brian Rothermel, a heart transplant recipient. I am a member of a 7-person team from the United States scheduled to go to France to participate in the ''2nd Winter World Heart Transplant Games'' along with participants from 38 other countries. I have been unable to get my passport due to the Government shutdown. My flight is to leave out of New York on a chartered trip to France on January 5. Please give me help.

From the Handicapped Placement Service—this is a volunteer organization which helps handicapped persons obtain jobs and work in the Federal Government—dated December 28:

DEAR SENATOR: Many of our employees are being hammered by the budget impasse. Because our employees are contract staff rather than Federal employees, they received no wages during the last furlough. The impact from that stoppage was over $11,000 in wages lost to our employees. As you know, over 80 percent of our employees are people with disabilities and most cannot afford lost wages.

This story goes on and on, Mr. President. I ask unanimous consent that I may have printed in today's RECORD other communications from people seeking help from my office as well as other Senate offices.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

FAIRFAX OPPORTUNITIES UNLIMITED,
December 28, 1995.

Hon. JOHN W. WARNER,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR WARNER: Many of our employees are being hammered by the budget impasse. Because our employees are contract staff rather than Federal employees, they received no wages during the last furlough. The impact from that stoppage was over $11,000 in wages to our employees.

As you know, over 80% of our employees are people with disabilities and most cannot afford to lose wages. They are not paid at the same level of pay and benefits as Federal employees, and so the impact is very real and significant. Our organization, as a non-profit, is obviously not in a position to be able to protect people financially as the impasse drags on.

We currently have people out of work at EPA, FBI, Commerce, and GSA and we received notification yesterday that 10 people at a second EPA site are being sent home today. The impact for all of these folks is potentially far greater than the first shutdown (which affected more people but was resolved relatively quickly).

I know that you and other members of our Northern Virginia delegation have been very active in protecting the interests of our local Federal employees. If there is any way that contractor staff, most of whom are at greater financial risk because of wage and benefit differentials, can be protected in this round of reviews, please help make that happen. In any case, anything that can help speed resolution of the current differences will help minimize the significant financial losses that our employees are in the midst of trying to cope with.

Thanks so much and a happy new year!

Sincerely,

JANET SAMUELSON,
President.

January 2, 1996.

DEAR SENATOR WARNER: We are two federal employees who believe in the Republican values of individual responsibility, family responsibility, and service to country. Accordingly, one and five years ago respectively, we left lucrative private employment to return to federal service. We have a home, just completed putting one daughter through college, and now have two attending college. This week a mortgage and two sets of tuition, room and board, and textbook bills had to be paid. In short, we gladly go in each weekday to work hard in federal service, then return each night to family life with its rewards, responsibilities and financial obligations.

In the private sector it was a given that one's employment and financial welfare were directly related to performance and output: work hard and produce, and you are rewarded. In the federal workforce, however, we are reliant on the President and Congress for our employment and financial compensation. We depend on you and your colleagues. Consequently, we ask you to stop the shutdown and allow us to go back to work with pay.

We believe a balanced budget is important for the country, but we believe reasonable people can accomplish this and allow the government to work at the same time. In the next pay period, we will embark on serious financial problems through no fault of our own. We hold the President and Congress responsible and we ask you to put us back to work now. Anything else will undoubtedly result in an anti-incumbent bias within the federal workforce, regardless of past party affiliation.

VERN AND MARY ANN BETTENCOURT,
Burke, VA.

YORKTOWN, VA, *December 29, 1995.*

DEAR SENATOR WARNER: I am writing you to express my concern with what is happening or not happening in the Congress concerning passage of the federal budget. First, let me state that I agree with trying to balance our budget. It has gone for too many years in the red and something should have been done years ago! Get rid of unnecessary costs, and there appear to be many, but keep what is necessary to keep our country the great nation it has become.

Next, I'll let you know that I have been employed for twenty years by the federal government as a medical technologist either with the Department of Defense or currently with the Veterans Administration. I have always been proud to serve our military and now our veterans. However, it is a disgrace to our country the behavior of those in power in Congress. It has been difficult working under the conditions you expect us to work under, not knowing whether there is money to order necessary supplies to cover testing for our veterans. Now, I have learned that we will not be paid for one of the weeks we have already worked!! I will continue to work until it is necessary because of financial constraints to seek employment elsewhere. I was not furloughed, I worked. The ones who were furloughed should be allowed to take their leave, not cost the government more money by being granted authorized absence as occurred previously. This nonsense occurring in Congress is supposedly for my best interests! I wish you could witness the havoc occurring in the time keeping departments and payroll at the Veterans Administration, not to mention other federal agencies. How many millions of dollars are being wasted because of furloughs and shut downs?

I urge you and other Congressmen to settle this dispute about our budget. Do what is best for our country, pass a balanced budget, but do it promptly!

Sincerely,

CECELIA J. GENGE.

ALEXANDRIA, VA.

My name is Brian Rothermel, a heart transplant recipient. I am a member on a seven person team from the U.S. going to France to participate in the ''2nd Winter World Transplant Games'' along with participants from 38 other countries.

I have been unable to get my passport due to the Government shutdown. My flight is to leave out of New York on a chartered trip to Pro-Loup, France, on January 5, 1996. I have been actively raising money through donations from companies, organizations and individuals to help defray the cost of the trip.

The National Kidney Foundation out of New York is the U.S./organizer of the event and all of the money raised goes to them as a tax deduction.

I am a key member on the team and will be severely devastated if I am unable to go. Please help me in my ''quest for gold'' and let me get my passport. Thank you for any assistance or consideration you can give me.

BRIAN ROTHERMEL,

Mr. WARNER. I thank the Chair. I close by once again commending the leadership in the Senate and other Members who are actively working today and tomorrow and right on into this week to try to resolve this tragic impasse.

I yield the floor.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

NATIONAL DISGRACE

Ms. MIKULSKI. Mr. President, I, too, am pleased that the Senate passed a continued funding resolution which puts the Federal Government back to work and puts money into pay stubs for all Federal employees. I commend the Republican leader for doing that, and I am proud of the fact that the Democratic leader has also been offering those continuing resolutions. I am relieved that we have finally taken positive action to put an end to this national disgrace and the shameful way we have treated our Federal employees.

I thank everyone who worked on this continuing resolution that has passed, but I am here to say that we need more than a continuing resolution. We also need to repair the damage that has been done.

Mr. President, I represent a shutdown State, as does the Senator from Virginia. What does a shutdown State mean? Of the hundreds of thousands of Federal employees that are furloughed, many of them are in the State of Maryland. I represent flagship agencies. What are those flagship agencies? One is the National Institutes of Health, 13,000 people working around the clock to find the cure and containment of disease and they are furloughed. I represent the national space agency at Goddard, the Social Security agency, the responsibility of which is to respond to the needs of the elderly in terms of getting out their Social Security benefits; the health care finance agency, the National Institute of Standards. I could go on and on.

I can tell you as I have been out meeting with them, visiting with them, talking with them, they know they are out of work, they are out of money, and they are out of patience. For those workers who have been declared essential, what the American taxpayer should know is that although someone has been declared essential does not mean they are getting paid.

What are examples of the essential employees? Those are FBI agents, the DEA agents, the drug enforcement agents. This morning I met with the FBI team in the Baltimore area. They are on the job. The drug dealers are getting paid. Burglars are getting theirs, the bank robbers. But the very people we rely upon to track down the criminals in the United States of America are not getting paid. They are there. They are working. They have every right to be paid.

I was at the VA hospital in Baltimore this morning, speaking to the nurses, the physical therapists, the physicians, the support team. They are there making sure that every veteran is cared for. They are giving their time and their life's blood, but those doctors, those nurses, are not being paid.

Mr. President, that is a national disgrace. When you talk to constituents as I have, they say to me: Why is it that we can have peace talks for Bosnia and get it done? Why is it that we can have Mideast peace talks and get it done? But why is it we cannot have budget peace talks and get it done?

I do not know. Maybe we have to take the entire Republican and Democratic leadership including the President and all of us and go down the Wye River and try to get this settled. We need to be very serious about this.

Yesterday, when I was at the Social Security Administration, I spoke with the workers there. They want to work, they want to earn their pay, and they want to pay their bills. And you know what. They are absolutely worried. They are worried about how they can meet their responsibilities while they are trying to answer the phone calls and do the other work that Social Security requires.

This morning, when I met with those FBI agents and met with the nurses at the Social Security, I heard incredible talk, stories. At the VA hospital, I talked with a nurse who has come into the job without fail to save the lives of veterans and they themselves have no money for their mortgage. They have no money for their car payment. They have no money for their child care. They worked Christmas Day. They worked New Year's Day. Many of them worked the night shift and therefore are paid a premium for that. They are also prohibited from getting any type of second job because they are essential employees. How can we turn our backs on these men and women?

They have given me letters that they want to go into the CONGRESSIONAL RECORD talking about how they continue to work and continue to care for the sick and care for the dying and they want to know who is going to care for them.

I have a letter from one Federal employee who talks about how, while they have no pay, they are raising money for those who are also out of money. I have another letter from a nurse who has dedicated her life to the sick. I ask unanimous consent that these letters be printed in the RECORD, because I want everyone to know the consequences of this.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

BALTIMORE, MD.

Hon. NEWT GINGRICH,

Speaker of the House of Representatives, House of Representatives, Cannon House Office Building, Washington, DC.

DEAR MR. SPEAKER, I am a Federal employee at the Baltimore VA Medical Center, the wife of also another loyal Federal employee who works for Ft. Howard VAMC. Together we support 2 children, and assist my elderly mother. Our mortgage alone is greater that ½ our pay. It seems clear to me that no one serves to profit from this political struggle over the budget. Remember you cannot have everything, so start by prioritizing the most valued needs for the good of everyone. I struggle with the thought that Congress and our President no longer care about what happens to us, and that the decisions to allow other Federal employees to be punished for your inability to perform your job, makes me cringe with fear. As for my case, the risk of losing my home and those things I have worked hard for is incomprehensible when you in the midst of disaster took a vacation. It makes me worry that if our country was threatened by other beings, would you hinder and jeopardize our existence. What you are doing is WRONG . . . It's wrong morally and ethically and you, the entire Congress and President should know that team work is what built our country. Divided you will be conquered, United you will build the new generation, much stronger and able to lead us through more challenging endeavors.

There has been no negative outcomes directly affecting you, and why??? Have you created a Them and Us? It is time to earn your keep? Help me, my family and make the RIGHT choices. You were selected for your expertise and administrative skills to manage this task. As we approach the feast of the Three Wise Men, let God send the Holy Spirit to make wise decisions now.

I came to work for the Federal Gov't 6 years ago searching for job security, a little premature. I think the Gov't strategies and methods have to move toward rebuilding a model that meets the needs of this day and age. If you want a budget passed, make it contingent on the salaries of those who must decide this process. It appears that the rules to this game are mixed up and with every passing day, you leave Federal workers with the thought that they are not important. The long term effect is a work force that has little motivation and a lot of anger and resentment. Trying to remotivate staff AIN'T EASY.

I guess I personally want you to hear how it feels to be one of the Federal employees. It's like the story ''JUNGLE BOOK'' when the little boy raised by animals in the jungle walks into a room filled with the stuffed

heads of game, and starts to tear. He says if this is civilization, let me stay an animal, we hunt for food, you hunt for game. . . . Unfortunately, the behavior of you leaders isolated out the Federal Employees (and select groups of them), making us the game. It really hurts to part of them right now. I guess I believed in the UNITED States of America. Unite now, work diligently to restore our confidence for this country.

Yours Truly,

MARLENE SIEMEK.

MIKE HOLY, R.N., M.S.,
Baltimore, MD, January 3, 1996.

Hon. BARBARA MIKULSKI,
Senate Office Building,
Washington, DC.

DEAR SENATOR MIKULSKI: I am a registered nurse, employed at the Baltimore V.A., once furloughed back in November, and now, since December 15th, presently working without pay. I have repeatedly over the past few weeks heard derogatory and mean-spirited comments directed at the federal workforce from a variety of sources. The latest, and what I would consider one of the most reprehensible, came this past Sunday, when on Meet the Press Phil Gramm asked, ''Has anyone really missed the federal workers?''

Perhaps, Ms. Mikulski, Mr. Gramm has not ''missed'' the workforce because, dedicated to the mission, and despite the lack of pay, they continue to come to work, continue the mission, and in the case of the staff at Baltimore's V.A., continue to minister to the needs of our country's veterans! I would challenge Mr. Gramm, or any of the other detractors of the federal workers, to produce comparable examples of such dedication in the private sector.

I would like to share with you, in the hopes that you may share with others, one additional example of the dedication to the community which is evidenced here at the Baltimore V.A. Just five days before Xmas a thirty year old mother of five lost her life in a tragic vehicular/pedestrian accident. Hearing of the news, and the five orphaned children, and aware of what the pay situation would be regarding their own forthcoming paychecks, in a period of just two and a half days V.A. employees contributed and raised one-thousand-fourteen dollars (and thirty-five cents) for the family. The money was hand delivered to a local radio station, to be given to the family, that Friday afternoon, three days before Xmas. Such, Ms. Mikulski, is the ''stuff'' of which the Baltimore V.A. employees are made!

I share with you the above, again, in the hopes that you may share it with others who may be unaware of the caliber of the people involved. In spite of the politics within the Washington Beltway, at the Baltimore V.A., the mission continues—''Putting the Veteran First!''

Thank you for your continued efforts and advocacy on our behalf!

Sincerely,

MIKE HOLY, *R.N., M.S.*

Ms. MIKULSKI. The Senator from Virginia also talked about phone calls. I have hundreds and hundreds and hundreds of phone calls coming into my office. We have even had to bring in, in some very emotional and highly charged situations, a suicide intervention team because of the desperation that we are facing.

Not everybody is a high-paid Federal employee. One of my constituents, one of the nurses, got a paycheck yesterday for 7 cents—7 cents—after all the deductions were taken out. Another cannot pay her car insurance, and she is not getting paid, and she needs to drive her car to work. I have another Federal employee who is deaf, cannot pay her rent, and they are not accepting the fact that she is furloughed.

These are real stories about real people. And why are they not getting paid? They are not getting paid because some refuse to pass a continuing resolution until we pass a balanced budget. Sure, we want to pass a balanced budget, but we also need not destroy civil service. And while the civil servants are on the job, the Federal contractors are also losing their wages.

Who are they? They are people like the cafeteria workers at NASA who work at the minimum wage. They work for a contractor. They are never going to get caught up. They are the small businesspeople who, again, are Federal contractors and are not being paid. There are people like the small business lady who has a small photography shop outside of the Baltimore passport office. Because there are no passports, nothing is happening. She still has to pay her rent. She has lost 75 percent of her business.

Mr. President, this cannot go on. This is why I am pleased that the Republican leader passed a no-frills, get-back-to-work continuing resolution.

Today I hope that the House of Representatives passes this bill. I am appalled that the House of Representatives is stalling and is hinting that they will not pass this. We must end this financial nightmare for nearly a million Federal employees and contractors. They want to be back to work. For those who are working, they want to be paid. Let them have the pay that they have earned.

If this does not work, I will come back and offer a CR myself. We need to stop playing games with people's lives and get down to business. It is time to stop holding Federal employees hostage.

Mr. President, in conclusion, I have a great deal of respect for the Senate, and I do not want to engage in any histrionics on the floor. But yesterday the Social Security workers, those who want to answer those hotlines, those that want to deal with the million-person backlog, gave me a lock. They gave me a lock, and they gave me some chains. What did they do as a symbolic thing? They wanted to lock us in and chain the door until we get the Government back to work. They want us to go back to work, balancing the budget of the United States.

So, Mr. President, I hope today that the House of Representatives passes this continuing resolution and that the leadership can come to a resolution on this budget crisis. I thank the Chair, and I yield back such time as I might have.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

THE BUDGET AND ENTITLEMENT SPENDING

Mr. GREGG. Mr. President, I rise to address what I think is a farce. Obviously, we are hearing about what are some very significant individual concerns and legitimate individual concerns about Federal employees who are being put through significant stress as a result of their inability to be paid, which I would note in many instances, such as the FBI and the DEA, result from the fact that the President vetoed appropriations bills which would have funded those agencies.

But independent of that really personal and traumatic event which is occurring for many Federal employees, there is a much more significant event occurring here which is the question of how, after 26 years, we begin to put fiscal discipline into the Federal Government. And that has a lot of stories, too, a lot of personal stories.

In fact, in our Nation today where there are approximately, I guess, 50 to 70 million children, depending on how you define a child, every one of those children are a personal story of the fact that we have not balanced our budget. A child born today will have to pay almost $170,000 just in interest during their working lives in order to pay out debts which our generation has put on their backs. That is a pretty big bill.

Just 2 weeks out of work is a big deal, too. Nobody wants to put people through that burden. But what we are doing to our children as a nation is even more significant. So what is really the core issue of this debate is how we straighten out our fiscal house so that we do not end up passing on to the next generation of Americans a country without an opportunity for prosperity, and that comes down to being responsible in the managing of our Government.

I want to talk a little bit today about what I would perceive as being a responsible solution to this balanced budget event, because we are hearing a lot of discussion and a lot of debate about how this should occur or how that should occur. But let me just note there are a few benchmarks upon which we can evaluate whether or not there has been success in getting under control the Federal spending, the rate of growth of Federal Government and, therefore, the opportunity to bring under control the Federal debt burden that we are passing on to our children.

The real benchmark of this exercise is not quite honestly whether we meet a technical balanced budget in the year 2002, although that is absolutely critical that we do that, because such a balanced budget can be reached, unfortunately, through the adjusting and tinkering with assumptions. For example, if you change what the estimated inflation rate is over the next 7 years by just a percent or you change the estimated rate of revenues by the Federal Government by just a percent, you adjust by hundreds of billions of dollars

the amount of money flowing into or out of the Federal Government. As a result, you can reach balance.

Of course, assumptions have been part of the debate. That is why we have insisted there be a core score of assumptions called the Congressional Budget Office. But that really is not the essence of how you resolve the issue, because the essence of how you resolve the issue is what structural changes, what changes have you made in the way this Government functions that will guarantee or at least give us significant hope that we will be able to bring under control the expenditures of Government or the rate of growth of the expenditures of Government in a manner which will allow us to be able to afford the size of the Federal Government over the next 7, 10, 15 years.

If you are going to address that issue, it is not so much reaching a balanced budget, it is the programs that drive Federal spending. So as we evaluate the process of reaching a balanced budget and what is occurring at the White House, I suggest we look at a few issues because those are the issues that are going to really determine whether or not we are successful.

It is not so much whether the numbers that are put on the table after this meeting at the White House, which hopefully will be successful, is arrived at that say, yes, there is a balance by the year 2002; it is not so much those numbers that are important, it is the programmatic activity that underlies that.

In this area, the core issue is the issue of entitlement spending. Entitlement spending are those programs which people have a right to have the Federal Government spend money on them because of their physical situation, their financial situation, because of their situation in their lifestyle. Those entitlement programs are the core problem that is driving the Federal debt.

In fact, in the year 2015, all the revenues of the Federal Government will be absorbed by the entitlement programs. We will not have any money to spend on national defense or cleaning up the environment or having better schools. We will be spending everything just on entitlement programs.

So the issue of whether or not we are going to bring under control Federal spending and whether or not we are going to be able to pass to our children and this country a fiscally solvent one versus one that is bankrupt, and whether our children will have an opportunity for prosperity really comes down to how we address these entitlement programs during this process.

In doing that, I think we can score the activities by looking at a few specifics. If the proposal that comes out of the agreements or the discussions which are now going on with the White House—assuming there is a proposal; and I certainly hope there will be—but if such a proposal does not aggressively and affirmatively address those entitlement programs, then it will be essentially a facade, and we will have accomplished little. The pain that these Federal employees are going through subject to the continuing resolution failure will be for naught, and how can we know whether or not there has been substantive change or substantive action taken on the entitlement programs.

Let me lay down a few benchmarks that I think we should look at. There are three basic programs that we are talking about here: Medicare, Medicaid, and welfare reform.

In the Medicare accounts, clearly there has to be a new way to deliver services. There has to be more opportunity for competition. Our senior citizens have to be given more choices, more opportunity to go out in the marketplace, like their kids today, and be able to purchase services other than just what is known as fee for service. Thus, any reform that comes out of this process must involve the use and the utilization of marketplace forces in a very aggressive way. It must allow seniors to do as their children are doing today, which is to opt into other types of health care delivery, whether it happens to be an HMO, a PPO, or a group of doctors, or a PSO, which is another form of doctors and hospitals practicing together. Those various options must be made available to our seniors. And I hope that in any resolution of this matter—it must have that type of a choice program in it, a real choice program, and it cannot be just what we presently have in our Medicare system, which is basically an illusory choice program.

You can also look at the Medicare reform effort and determine whether or not it is real by what the rate of the premium payment is. If we go back to a 25-percent rate of premium as being the part B premium borne by senior citizens, then we will know that basically there has been a sellout, that nothing has really happened.

The fact is that 31.5 percent is what is needed as the part of the part B premium to be paid by seniors if we are going to have a solvent trust fund. Seniors cannot expect that the Medicare trust fund will remain solvent if they are going to ask their children to basically subsidize, at an ever-growing rate, the cost of the part B premium.

The seniors cannot expect the Medicare system to remain solvent. Seniors have to be willing to pay their fair share. By paying their fair share and maintaining the premium at 31.5 percent is clearly a core test issue.

Another test is whether or not there are copayments, especially whether or not we have a situation where, on the part B premium, people with high incomes are required to pay the full cost of the premium. Today, we have the top 500 of retirees from IBM last year being subsidized by the folks who are working at the restaurant, down at Joe and Mary's Diner or at the local gas station, and it is not right, it is not fair. They are being subsidized to the extent of almost 68.5 percent, the cost of their part B premium, and that is not correct.

So any reform that comes out of this agreement has to have some sort of understanding that high-income individuals will bear the full cost of their part B premium.

In the Medicaid accounts, it is very obvious that Medicaid has not worked the way it was supposed to. Nor has welfare. If we are going to make them work effectively, we have to give the States the flexibility to run the programs and to initiate original and imaginative approaches to running the programs. We have to end this huge drainoff of funds which is going into bureaucracy instead of going into care in the area of Medicaid and going into direct support in the area of welfare.

Today, I think it is less than 40 cents of every welfare dollar actually gets to the recipient. The rest goes to overhead. In most States, the administrative costs represent about 15 percent of what the operating costs are of a program. So the difference between those two numbers is what States feel they can have available to address the needs of people versus ending up funding bureaucracies.

So any program that is going to effectively address the outyear drivers of our budget problems, specifically the entitlement programs, must address the fact that Medicaid and welfare must be decoupled from the entitlement train and be returned to the States to be operated as States' programs with the flexibility being given to the State governments where there is as much compassion as in Washington to deliver these services to the less needy and to the more needy individuals.

So these are some of the tests of whether or not we will reach an agreement which is real versus one that is illusory, and in looking at any balanced budget agreement, it is essential that we look at those tests because it is essential that we have an agreement that is real.

I thank the Chair for his courtesy and yield back my remaining time.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Ohio.

HOSTAGE TAKING IS NOT PRETTY

Mr. GLENN. Mr. President, let me join with those who complimented Senator DOLE for taking the leadership yesterday in sending a clean continuing resolution to provide Government funding over to the House. I not only want to compliment Senator DOLE, I also want to compliment all the Republicans on their side of the aisle in the Senate because Senator DOLE made that proposal, knowing full well that he had unanimous consent, or he would not have made it. So I want to not only congratulate him but also the Republicans on the other side who I feel are

working in good faith trying to bring this to an end.

Yesterday afternoon, I was making a couple of notes for some remarks on the floor this morning. I was going to start out by talking about hostage taking, how it is never pretty and it is always unfair. The innocents are penalized for something they had nothing to do with. I was not aware at that time of what the lead editorial in the Washington Post was going to be today. They say ''The Government as Stage Prop.''

They start out saying almost the same words:

> Hostage-taking is an ugly business. It doesn't matter what the cause. Innocent people are seized and used as pawns; they become political trading stamps whose welfare is exchanged for things the hostage-taker could not win by normal means. That, even more than the mindlessness, the waste (in the supposed cause of economy in government), the inconvenience and the instances of outright harm to unpaid workers and unserved citizens alike, is what is finally wrong with the current Government shutdown.

I will not read the rest of the editorial. I ask unanimous consent that it be printed in the RECORD at the end of my remarks, along with another enclosure.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GLENN. Mr. President, innocents are being penalized for something with which they had nothing to do. Congress protects its own income, of course. We do not give up any of the $133,600 a year, but for those making $33,000 a year, it makes all the difference in the world, and this because one small group thinks that they, and only they, have the wisdom on how this Government should go and that they can dictate the future of this Nation.

We elect 535 people to the Congress of the United States, and what a charade it is that just a small group thinks that they can shut down everything and bring such pressure that the rest of Government, everyone else who is elected to Government will give in and say, ''OK, this is getting so bad that we give in to your unfair tactics.''

Why do we get into this mess? Let us go back just a few years and see what happened. Let us go back to the history. Let us ''go to the tape,'' as they say on the sports broadcasts.

Did Democratic problems contribute to some of the situation we are in now? Why, of course it did. Back some years ago, we had an economy that was not as well managed as it should have been. We wound up at one time with 21-percent interest rates and 17-percent inflation rates, and that lead to what was called the ''Reagan revolution.'' That revolution came in with an experiment in supply-side economics, as it was called then, that did not work, and we can show that.

In the years 1981, 1982 and 1983, we cut taxes by 25 percent—5 percent the first year, 10 percent the second year, 10 percent the third year. This was supposed to result in more investment and such an increase in the economy of this country that new revenues were going to more than make up the losses from those tax cuts.

It flat did not work. When it started, we had, from George Washington through to the end of the administration of Jimmy Carter, $1 trillion in national debt. What do we have now? In the few short years since that experiment in supply-side economics, we have seen the debt skyrocket. We have added $3.9 trillion—$3.9 trillion—in the last few years. It will be just a short time until we hit a total debt of some $5 trillion.

Entitlement growth has contributed to that, of course. Were we prompt in taking action to slow some of these things down, in Medicare, Medicaid, and welfare? No, we probably were not. But does that mean we dump the whole of the programs and just stop Government now?

I know from talking personally with President Clinton on a trip he made to Ohio that first priority of the new administration was get control of the economy. Otherwise, all the other things would not be possible.

What did he do? He came out with a program then, and it was a program that has had considerable success, in spite of the fact it seems to be mentioned only rarely these days. About half of it came in cuts in programs and about half of it came in some tax restoration, to restore some of those tax cuts that had happened under the Reagan administration and went too far. President Clinton, to his everlasting credit, had the fortitude to go ahead and make some changes in those programs and restore some of the tax rate that could bring us back into balance.

We remember that day on the Senate floor very well in the summer of 1993. When the effort was made to pass the Clinton program, we had complete opposition on the other side, both in the Senate and in the House. It was a very dramatic moment when the Vice President, sitting as President of the Senate, broke the 50–50 tie and put the administration's program into effect.

Now, every single Republican Member of the House and every single Republican Member of the Senate voted against that proposal to move toward a balanced budget. Every single one. There were no cries then about the balanced budget and so on. It was a complete stonewalling of the President's efforts to get us headed toward a balanced budget. Did it work, or did it not work in the ensuing years, since 1993? Let us look at the record.

At the time the President made his proposal and at the time that we voted the program in, the budget deficit, per year, was running right at $300 billion. Last year, what was the record? The program was working. The budget deficit went down to $246 billion per year.

Last year, the record is that it went down to $162 billion. So we were on the right path—without any major revolution, without dumping whole programs of Government. We were tailoring them back.

I know from my own personal experience, because I was chairman of the Governmental Affairs Committee and I was assigned billions of dollars to cut back on programs that did not have that big a budget, and we did it. It was tough and we made some very, very tough decisions at that time. That was opposed by every single Republican Member of the Congress, in the Senate and in the House. They said, ''We cannot restore any of those tax cuts. We cannot come up with any tax increase at all.'' That was the rationale for most of the opposition.

Well, it did work. We have been on a track down where the budget deficit has been declining in each one of those years. Where was the Republican interest in the balanced budget? Did anybody ever say a good thing on this floor about what was happening as a result of those tough votes we made in the summer of 1993?

We need to keep going with those reductions. I agree with that. It has leveled off somewhat. Some of the predictions indicate that it will be $150 to $200 billion as far as the eye can see. So we need to make an effort to keep cutting those down and do it not by some great revolution but by the evolution that has been successfully started.

It is said that we have to transfer all these responsibilities to the States. Some should be transferred to the States; I agree with that. But I also say that these proposals to shut down the Government are not affecting only Federal employees, as has been pointed out on the floor here this morning, they also impact the people on welfare, children, the poor, and the care for the elderly.

Here are a few examples of how the people of this country are being impacted, and this is not just Government employees, as important as that may be.

We have some 54,000 Federal employees in the State of Ohio. All of those are not affected by this, but I will use that figure. I do not have a breakdown on how many exactly are impacted. We cannot get information because the appropriate offices that would provide that information are closed down.

These Federal employees are important to us in Ohio. But, Mr. President, regarding care for the elderly, 600,000 elderly Americans face the potential of losing their services of Meals On Wheels, transportation, and personal care provided by the Department of Health and Human Services, if a CR is not passed this week. This covers protection and services for children, unemployment insurance, securities markets, and so many other areas that are affecting every single American, not just the Federal employees, right now.

So what we need to do is say to our colleagues over in the House that ''enough is enough,'' as the majority

leader has said. Enough is enough, and it is time that we got on with not only putting Federal employees back to work but rendering the services that the American people expect and are paying for and should have.

Over in the House, the Speaker has said that the crown jewel is the tax cut. That comes out of Medicare, as I see it, some $270 billion. They say you cannot equate that. If you cannot equate it directly from Medicare to the tax cut, that means we are borrowing $245 billion to give a tax cut. We are borrowing the money to give a tax cut. I disagree with President Clinton's proposal on a lesser tax cut, also. I do not believe any tax cut at this time is necessary. Borrowing to give tax cuts is pure folly, as I see it.

The social fabric of this Nation should not be changed by a revolution dictated by a few, but by evolution, slower change, which lets people adapt, whether it be the elderly, children, the sick, the poor, those who need Medicaid. To just throw this back to the States and say that we will give you a bag of money, but we are going to put a much greater increase on requirements that you have to comply with, makes the biggest mockery of the unfunded mandates legislation we passed earlier this year than I can possibly think of. So we are giving them responsibilities, a little bit of money, and saying, ''Good luck to you.''

Mr. President, I think we need a clean CR, again, that the House will accept. We have narrowed this down to where it is time that the House of Representatives and their group of diehards gave in a little bit and decide that we can negotiate these changes and put the Government back to work.

I yield the floor.

EXHIBIT 1

[From the Washington Post, Jan. 3, 1996]

THE GOVERNMENT AS STAGE PROP

Hostage-taking is an ugly business. It doesn't matter what the cause. Innocent people are seized and used as pawns; they become political trading stamps whose welfare is exchanged for things the hostage-taker could not win by normal means. That, even more than the mindlessness, the waste (in the supposed cause of economy in government), the inconvenience and the instances of outright harm to unpaid workers and unserved citizens alike, is what is finally wrong with the current government shutdown.

Senate Majority Leader Bob Dole was trying again last night to find the formula to reopen temporarily. Good for him; it's the right position; and he takes it at a certain cost. Speaker Newt Gingrich said it would be ''very hard'' to find the necessary votes in the House without a budget agreement. Does he really lack the power to produce such a limited result? Sen. Phil Gramm, meanwhile, one of Sen. Dole's rivals for the Republican presidential nomination, spoke for the vaudeville wing of the party. He is one of those who, over the years, have found it convenient to make almost a cartoon of the federal government.

It's a straw-man style of politics. First you portray the awful thing, then you run against it, and no matter if the portrayal bears scant relation to the reality. ''I do think we've discovered one thing,'' he said on television Sunday, ''and that is, Have you missed the government? I mean, doesn't it strike you funny that 280,000 government employees are furloughed, large segments of the government are shut down? I think this proves beyond a shadow of a doubt that we need to go back and eliminate 150,000 to 200,000 bureaucratic positions.'' Mr. Gramm and others thus use the government as a stage prop. Rather than make the decisions they ought to be making—ought in fact to have made weeks ago—both parties are using it, or the lack of it, to score political points and gain leverage in the underlying budget talks, even as they also scramble to avoid the blame for the spectacle they have jointly achieved. We have a suggestion for them. They ought to reopen the closed agencies while they talk, since in fact they do finally seem to be talking. It's a nasty game, the shutdown, and it's gone on long enough.

EFFECTS OF THE GOVERNMENT SHUTDOWN, TUESDAY, JANUARY 2, 1996

Congressional Republicans, by refusing to approve funds even for the short term, are forcing a continued shutdown of the government. The continuing shutdown is causing increasingly severe hardships for millions of Americans who: depend on government services; serve the public as federal employees and contractors; and are impacted by the economic spin-off effects of reduced government activity.

EFFECTS OF THE CONTINUING SHUTDOWN ON AVERAGE AMERICANS

Care for the elderly: 600,000 elderly Americans face the potential of losing their services of ''Meals on Wheels,'' transportation and personal care provided by HHS if a CR is not passed this week.

Protection and services for children: As of today, states will lose $74 million in quarterly grants for discretionary child protection programs, which help states respond to more than 2.5 million reported cases of child maltreatment each year. In addition, the Federal Parent Locator Service, to which 20,000 child support cases per day on average are referred, is closed.

Unemployment insurance: By the end of this week, 11 states (plus DC and the VI) will have exhausted Federal funds for administering the unemployment insurance program (New Jersey, Alabama, Rhode Island, Tennessee, Kansas, Alaska, Massachusetts, New Hampshire, Vermont, Utah, New Mexico). In order to keep unemployment offices open, states will have to fill the gap with their own funds. Otherwise, unemployment offices would have to close and benefit payments would cease. Kansas has already closed its unemployment office.

Securities markets: The SEC's funds are expected to be exhausted by the end of next week, causing delays in review of an estimated three-fourths of pending and new SEC filings for the month of January. A delay in review of filings for initial public offerings, mergers and acquisitions, and filings for new debt or stock offerings would eventually impact the flow of corporate financing and capital formation.

Home-buyers: Each day of the shutdown, the Federal Housing Administration cannot process 2,500 home purchase loans and refinancings ($200 million of mortgage loans) for moderate- and low-income working families.

Protection of workers: Since the start of the shutdown, over 1,000 workplace safety complaints have gone unanswered and 3,500 investigations involving pension, health and other employee benefit plans have been suspended.

Environmental protection: All EPA non-Superfund civil environmental enforcement actions have stopped, costing $3 million a day in fines or injunctive relief against polluters; and as of today, up to 32 Superfund cleanups will be shut down.

District of Columbia: The December 22 CR expires tomorrow which will continue the uncertainty over how DC can continue to operate its services.

Passports: Each day, the State Department can't process 23,000 applications for passports that it would normally receive.

Programs for Native Americans: The Bureau of Indian Affairs cannot make general assistance payments due to about 53,000 Indian families and individuals, or to guardians and foster families that care for about 3,000 Indian children.

Veterans: While the December 22 CR provided funding for certain benefits and payments, it expires tomorrow; consequently, contractors providing services and supplies to hospitals will not be paid, and benefits for January will not be paid on February 1 in the absence of a CR. In addition, approximately 170,000 veterans did not receive their December Montgomery GI Bill education benefits and will not receive benefits in January. Funding has also lapsed for processing veterans' claims for educational and rehabilitation counseling, and enabling veterans to obtain VA guaranteed home loans.

Small businesses: Each day of the shutdown, over 260 small businesses are not receiving SBA-guaranteed financing; and 1,200 small business owners are not receiving SBA-sponsored training and counseling normally available to them.

National parks/forests and related businesses: Each day, an average of 383,000 people cannot visit National Parks. Potential per day losses for businesses in communities adjacent to National Parks could reach $14 million, due to reduced recreational tourism.

Foreign visitors: Each day, the State Department cannot issue 20,000 visas to visitors, who normally spend an average of $3,000 on their trips.

Export promotion: On an average day—export licenses with a value of $30.5 million that would otherwise have been approved by the Bureau of Export Administration will not be acted upon; more than $92 million in sales of U.S. products are blocked due to inability to process license applications; and more than 2,500 telephone calls and faxes from U.S. businesses seeking export information are not being answered.

EFFECTS ON FEDERAL WORKERS

Due to Congress' failure to approve short-term funds, beginning last Friday, December 29, about three-quarters-of-a-million Federal employees have received only half their usual pay.

They received pay for December 10 to 15, but not December 16 to 23.

Unless the Congress approves funding by late this week, emergency and furloughed employees will not receive pay for the current pay period on time (i.e., next week).

480,000 emergency workers are working, and the government is obligated to pay them, but they can't be paid until Congress approves funds to end the shutdown (includes federal law enforcement officials, prison guards, and nurses at Veterans Hospitals).

280,000 non-emergency workers are currently furloughed and not being paid (and have no guarantee they will receive back pay unless Congress acts to approve back pay).

Mr. COATS addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

DO WHAT IS RIGHT FOR AMERICA

Mr. COATS. Mr. President, I was elected to Congress in 1980. I took office in January 1981. At that time, during that election, there was some view that it was a major election. Ronald Reagan was elected President, and a number of changes took place that were viewed then as historic. Republicans took control of the U.S. Senate for the first time since 1954. Republicans did not take control of the House of Representatives but in a sense they gained working control because they elected a significant number of new Members and, joining with conservative Democrats, they formed a working majority that passed some very significant legislation.

One of the primary issues, if not the primary issue, of that election year and the agenda that was proposed and adopted in part during that 95th Congress was the whole question that we are debating here today and this year, which is, what is the size of Government? What is the scope of Government? Is Government too big? Does it try to do too much? Does it overregulate, overspend, overtax? What is the proper role of Government?

David Stockman, then Director of the Office of Management and Budget for then President Reagan, proposed a plan to begin to trim back some of the spending of Government. There was an outcry from the American people. It was the issue of the year. When we compare what was then proposed with the magnitude of the problem then versus what is proposed today and the magnitude of the problem today, it is seen as a very, very minor, almost inconsequential, proposal, in retrospect.

That debate, in one form or another, has been taking place now for the past decade and a half. In a growing sense of frustration, I think the American people are viewing the Congress as incapable of really addressing the fundamental core issues, of really doing something that makes a difference. I do not know how many times we have promised a balanced budget through plans that have been offered by Members from both sides, by both parties. But it was said, ''This is the plan that will balance the budget.''

We had, of course, the 1981 and 1982 legislation. We had the 1983 Social Security legislation, which is probably the closest we came to making a policy change that substantially made a difference in the way we spend money. We had the 1986 agreement, the 1988 agreement, the 1993 agreement. Each agreement, Members stood on the floor and said this will do the job. We have finally stepped up to the plate, and we have done what the American people have asked us to do. We go home and campaign on it. This is the real balanced budget. Gramm–Latta I, Gramm–Latta II—we have been through it all. There is plenty of blame to spread as to why this was not accomplished.

The Senator from Ohio talked about tax cuts that were proposed and those were attempts to address the question of more and more hard-earned money from those who are in the work force being siphoned off to Government—whether Federal, State, local, or sales tax, or excise tax, or whatever—and also an attempt to dry up the supply of money coming from taxes, to try to slow down the spending. We can argue whether that was proper strategy or not.

I do not think anybody would argue the fact that we have seen the national debt accelerate from a $1 trillion level when I came to Congress in 1981, to nearly $5 trillion level, a 500-percent increase in just this short decade and a half, that the solution would have been $4 trillion of additional taxes out of the American taxpayers pockets. I do not think anybody is advocating that as the solution.

So now here we are with this ever-accelerating frustration on the part of the American people, cynicism, apathy, distrust of this institution's ability to successfully address this problem. Here we are, now, in 1995, having spent this last year primarily attempting to address this question.

We had, again, what many would call a historic election in 1994. As the American people exercised their frustration with the status quo, their frustration with the way that the Congress was addressing the question, the fundamental question, of what the role of Government is and its ever-expanded expenditure that was placing our Nation's economic future in jeopardy and, I think, violated the basic moral responsibility that many people feel we have, and that is to not continue to pass on debt for the enjoyment of expenditures, the utilization of expenditures for our own enjoyment in the present, paid for by someone else's earnings in the future.

I argue that there is an economic necessity for our getting hold of this ever-accelerating rate of growth in the Government and that there is a moral requirement placed on each of us to do what I think each of us knows is the right thing to do, and that is not to enjoy the benefits of this society that the Federal Government can provide to us in the form of payments and benefits to the extent that it places an extraordinary debt load and obligation on the future. That is one of the most basic principles of life: Delaying gratification so that you do the things that are necessary now to provide for a better result in the future. We have robbed our children of this lesson. We have demonstrated to them, I think, a great irresponsibility in terms of the way in which we handle our Nation's finances.

Now, all of this came to a head early on when we debated the balanced budget amendment, because many of us stood here and argued, having gone through all this statutory process, this process of will, if we just work hard enough with it we are able to deal with this problem; having gone through that several times and failed miserably, that only a constitutional mandate to balance the budget would accomplish what we were seeking to accomplish.

That was supported, largely by Republicans but also by a significant number of Democrats, and failed by one vote. It was the greatest disappointment of my time in Congress to lose that by one vote, because as I spoke here, I said I doubt that we will ever have on a sustained basis the will to do what is fiscally responsible on a year-after-year basis, because the political requirement, or at least the political temptation to please constituents now and worry about paying for it in the future is so great that it will continue to drive us toward providing more and more benefits and less and less personal responsibility in terms of asking people to pay for those benefits in the here and now.

Because the Government has the ability to float debt and postpone repayment of those obligations, the political temptation to sort of please those people you represent now so that you can get elected at the next election and worry about repayment of that or putting the hard questions before the people we represent, that is always deferred.

Now, in 1994 I think that frustration, as I said, boiled over. We had a dramatic change in the representation in the House of Representatives and, I think, a very strong mandate from the American people that they wanted something different than the status quo. They wanted the real thing. In response to many who said, ''Well, I'm not voting for this balanced budget because it doesn't have an exception for this, an exception for that, and, besides, we shouldn't have to rely on the Constitution to make us do what we know is right. We should have the will to do it ourselves. So let's forget the mandatory constitutional requirement and let's go forward by exercising our own personal will and do what we know is right.'' That is what the attempt has been all this year.

Here we are. Now it is 1996. We were not able do that in 1995. We are arguing over small numbers and details and large numbers and details, but we are not focusing our efforts on the core concepts.

The Senator from New Hampshire came down here a few moments ago and redirected our attention back to what I think are the basics, what should be the basics of this debate. Instead of focusing on those basics, we are focusing on whether or not a Federal employee should be paid for work that they are doing now, whether they should be held hostage to this process, what the impact is on people and their families, and that impact is real. However, it does not address the core debate.

Mr. President, it seems to me our options are somewhat limited at this point. We can talk about this endlessly and posture and get spins out of the White House and spins out of Congress.

This can go on and on and on and on, or we can simply say, ''Look, there is a basic principle involved here. We all know it requires major policy changes, or we will just simply be back here 2 years from now arguing the same thing.''

We all know, as the Senator from New Hampshire said, unless we address the three basic programs of Medicare, Medicaid, and welfare reform and change policies that drive that spending and decouple the entitlement from the automatic spending train, we will not have achieved success in balancing the budget. I think everybody understands and knows that. Yet, we are now addressing that or focusing on that question.

I do not know what the solution is, Mr. President. Maybe it is to require that the President of the United States, the leader of the Senate, and the Speaker of the House be sent to Dayton, locked up at Wright Patterson Air Force Base—as were the Bosnian factions, leaders of the Bosnian warring factions; they have been at war with each other for 600 years, and being locked up at Dayton produced a result most thought would not happen—perhaps locking up the three leaders of our Government in Dayton, cutting off and saying, ''No Larry King, you cannot read any newspapers, you cannot take any polls, you cannot watch the television, you cannot go to Hilton Head to play golf, and you cannot go to New Hampshire and campaign until you do what is right for America,'' maybe that is the solution. I do not know.

Doing what is right for America is what ought to be driving us in this debate. I think we all know what is right for this economy and what is right for the President and what is right for the future. I think we all know or we should know that unless we address these fundamental changes in the way in which this Government spends money and we put some restraint and control on that, we will not succeed and we will be back here arguing the same thing.

I regret the Federal workers are out of work. There are a lot of people out of work. AT&T just announced they are going to lay off 40,000 people, so it is not just the Federal workers. In defense of the House Republicans, they are using the only leverage they have against the President. It has not worked very well because the President's spin has captured the headlines and their spin—the Republican House has not captured headlines with that.

I have probably gone over my time. I appreciate the patience of the Chair and my colleagues. I will have more to say about this later, but I do think we ought to focus on the basic issues and I do think, despite what the polls say and despite what the phone calls say, we ought to do what we believe is right for America.

I yield the floor.

The PRESIDING OFFICER. The Senator from New Mexico.

THE IRRESPONSIBLE COURSE OF THE HOUSE OF REPRESENTATIVES

Mr. BINGAMAN. Mr. President, today we are in the 19th day of the longest Government shutdown in the Nation's history. Let me begin, as others have here today, by commending the majority leader for his action yesterday in bringing to a vote, here in the Senate, a continuing resolution to restore funding for the ongoing operation of the Government. I frankly regret that it took us 18 days to have that continuing resolution brought to the Senate floor. But, regardless, I was very pleased to see that action by the majority leader yesterday. I also commend all Senators for agreeing to the passage of the continuing resolution. I think we all know that under Senate rules, any Senator could have objected and could have kept that measure from passing in yesterday's session. It says something about the merits of this issue, this issue of the Government shutdown, that every single Senator agreed to allow that bill to pass.

Today, the House of Representatives will have to decide whether it, too, will pass the continuing resolution that we passed yesterday in the Senate, whether it will pass that resolution so it can be signed by the President and so that funding can be restored to the Government or, in the alternative, whether the House of Representatives will continue in what I believe is the irresponsible course that it has pursued, now, for several weeks.

Since this second shutdown of the Government began, I have spoken three times on the Senate floor. Each time I have denounced the refusal of the Congress to fund the Government as irresponsible. I have denounced it as being an abuse of power by the Congress and an abrogation of responsibility by the majority here in Congress. I believe very strongly that the Founding Fathers who wrote the Constitution expected more responsible conduct by the later generations who would serve in this Congress. I believe very strongly that the American people deserve more responsible conduct by their elected officials.

But I will not repeat today all the arguments that I made in the previous days. Instead, what I want to say today is that today, each Member of the House of Representatives should be given the opportunity to vote on whether or not to restore funding for the normal operation of Government. Let the people's elected Representatives vote on whether they believe that Government should be shut down or we should restore that funding.

I saw the Speaker of the House made a statement yesterday that he did not know whether the votes were there, in the House, and he doubted that the votes were there in the House to pass the continuing resolution that we passed here in the Senate. It is very simple to determine that. Just put the question to a vote. Let each Member come on the floor of the House and cast his or her vote and answer to his or her constituents for that vote.

The people's elected Representatives need to decide whether the Congress should continue to withhold funds needed to process student loans for this next semester of school. They need to decide whether it is proper for Congress to keep the campgrounds and monuments and visitors centers closed in our national forests and our national parks. They need to decide whether they want to continue withholding funds that are needed to process the 23,000 passport applications that are received each day by the State Department, that were received yesterday, that will be received again today. And they need to vote on whether the Congress wants to withhold one-half of the pay of three-quarters of a million Federal workers or, in fact, withhold the pay of that entire group, entirely, for the month of January—which I understand will be the case unless some continuing resolution is passed.

People deserve to know how their elected Representatives stand on these issues. I know the response that some Republican House Members will give. They will refuse to vote for funding the Government and explain their position by invoking their earnest desire to get to a balanced budget. So let me respond to that just very briefly.

First of all, the issue of whether Congress shares with the President the obligation of maintaining the functioning of Government is a separate question from whether we ought to commit ourselves to reach a balanced budget at some future date. I believe strongly that the Congress does share that obligation to maintain a functioning Government and it is not an obligation that can be ducked by Members of Congress by simply changing the subject.

A second point is the obvious one that we are not going to bring the budget into balance this year. Nobody has stated that we could bring the budget into balance this year. The Speaker of the House has not claimed that, Senator DOLE does not claim that, President Clinton has not claimed that. If everything works perfectly, the best that we could hope for is that if the Government takes certain steps during the next 7 years, and if the economy acts in certain ways during the next 7 years, that that combined result will get us to a balanced budget in the year 2002. So, those Congressmen and Senators, previously Senators, who insist on keeping the Government shut until the Government gets to a balanced budget will have a long time to wait.

Congress meets every year. We pass new budget bills every year. We pass new appropriations bills every year. None of what we do around here is chiseled in granite. All of it is subject to change during this next 7 years. So we need to get on with our business. And part of our business and part of our responsibility is to restore funding for the normal functioning of Government.

Finally, we have a shared commitment between the Congress and the President to reach a balanced budget. What we also need, and need very urgently in my opinion, is a shared commitment, including the commitment of House Republicans, to maintain a functioning Government. This Senate has acted responsibly in passing a continuing resolution to once again fund the Government as we did last evening. Today the House Republicans have the opportunity to act responsibly as well. I sincerely hope that they will seize that opportunity.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

COME TO AN AGREEMENT ON THE BUDGET

Mr. CRAIG. Mr. President, I, like many of my colleagues, have returned to Washington this week, hopeful that the Congress and the President can come to an agreement on the differences they hold over the budget issues that the American public are now so aware of, as a result of the continuing shutdown of Government or a portion of our Government. I stood on this floor just before Christmas and asked the President to give the American people a present, a Christmas present, a balanced budget that would look toward the future, that would assure the economic viability and vitality of this country well into the next generation. And that it was at Christmastime that we should start.

That did not happen. In fact, the President did just the opposite. He vetoed appropriations bills that were sent to him. At least as a result of the veto of one appropriation bill, the Interior appropriation bill, he furloughed, by that action, a good number of workers in my State, Federal employees in the Forest Service and the BLM, who are now extremely frustrated and calling my office and saying why can we not work? Why can we not be paid? Why can we not continue to do what we do for our country?

Let me say to those workers that I am sorry they are not, today, at work. Not just them, but all Federal workers in my State. The President did not veto the Interior appropriations bill because of the dollars and cents of it. He vetoed it because of his belief in a policy or an attitude that is in disagreement with the majority of the U.S. Congress on how many trees ought to be cut in a forest in Alaska, or how certain lands ought to be mined.

So, I am sorry, to those employees in my State, because the Congress did its work and it responded to them, and to the Government, by sending the appropriate appropriations bill, only to be vetoed by the President.

So to those workers, let me tell you. You are today being held hostage by a President who refused to sign appropriations bills that had been sent to him. That is all I want to say on that issue. And I say that because I believe the Federal workers who are furloughed ought to be paid. They are furloughed through no fault of their own. And this Congress and this President ought to come to an agreement to resolve that issue. And I hope that is accomplished before the week is out.

Yesterday, the Senate spoke in an effort to try to bring Federal employees back onto their jobs. And that did not work for the House is still considering its options as appropriately it should.

So, Mr. President, I hope you recognize the importance of the work that we are trying to accomplish here. And I hope that we would not continually look at just tomorrow because, while I am not happy that our Government is shut down, I am not worried about tomorrow and tomorrow's unemployed Federal workers. But I am worried about the future and a balanced budget; and, that we will have a strong, stable Government as a result of a strong, stable U.S. economy that is able to appropriately fund the needed services of Government and assure the long-term stability of the work force and the responsibilities and the goals of a Government. That is the way it ought to be. That is what this Congress has attempted to look at and make changes in over the course of the last 12 months.

It is my disappointment that the White House never sent a balanced budget to Capitol Hill, and it never once said, except in the last few weeks, that it would come to the table in an effort to resolve the budget crisis that we are now engaged in.

Several weeks ago the President did, while signing a continuing resolution, commit himself for the first time to work toward a balanced budget; to try to match up the rhetoric of his last campaign with the actions of his administration. Yet, the American people have watched. And we have worked day after day through Christmas and now into the new year at the White House and here on Capitol Hill to try to resolve the differences just to honor the commitment that we made to the American people and to try to cause this President to honor his.

I know there are fundamental differences. There are differences that are very difficult to resolve because there are some in this Congress, and certainly many in the administration, who do not believe in a balanced budget but who have profited politically over the years by the longevity of their service by assuring the perpetuation of the welfare state mentality; that you could just give and give and borrow and borrow and buy your way back year after year and continue to serve and to say all is well with the American citizen, the American Government, and the American economy.

While all was well for the short term, what became overpowering to the American people was the growth of a debt that is nearly $5 trillion by its total amount and that is costing well over $200 billion a year just to finance.

Finally, the American people spoke very clearly in the last general election across this country when it said the future of our country is every bit as important as the current well-being of our Government and the well-being of our citizens.

So I am here to work to resolve the issue. I say to the Federal workers in my State and across the Nation that while I wish you were not furloughed, and while I support you being paid when you return to work, and when we produce a balanced budget the future of our country is so very much more important than the short-term difficulty that I am sad you are experiencing but that, in fact, you are experiencing because the policies that will cause this Congress and our Government to operate in a near balanced budget year in and year out to stop building mounting debt is what is fundamentally important for the new year.

So while the President was unwilling to give the American people a Christmas gift, let me ask you, Mr. President, to make a New Year's resolution along with all of the Congress to by this weekend come to terms with the differences that we have between us to resolve a balanced budget in 7 years using the Congressional Budget Office numbers that we can all agree on, that makes sense to the American people, and that for the new year sets a resolution that says for the future, for America's future, for our young people's future, we will build a strong and stable economy in a Government whose policies are based on serving the truly needy but also recognize that the free market system unfettered by an ever-growing Federal Government is the one that serves the American people best.

Mr. President, make that New Year's resolution with us today. Resolve the issue before the week is out so that employees can go back to work who are responsible and dedicated and furloughed through no fault of their own. And they can be compensated, and the American people can see that politics in Washington is not politics or business as usual but that we have heard them well, we have heard them loudly, and we have heard them clearly. And we responded by producing a balanced budget that charts for future generations a responsible Government, and a strong and growing U.S. economy.

I yield the remainder of my time.

Mr. SARBANES addressed the Chair.

The PRESIDING OFFICER. The Senator from Maryland.

THE GOVERNMENT SHUTDOWN

Mr. SARBANES. Mr. President, we have witnessed over the last few weeks an unprecedented effort to use a coercive tactic in order to achieve a particular substantive result—in my judgment, a totally irresponsible and outrageous tactic; and, this is, to hold Government hostage by closing it down and, therefore, not only depriving the Federal workers of the opportunity to

render service but depriving the American people of the service which they render. And I am going to develop here in a moment the impact this is having in the private sector.

There is a tendency to think primarily about the Federal workers who cannot come to work and cannot get paid. And that is true, and that is creating a tremendous hardship and tremendous crisis in many, many families all across the country. But a similar crisis is being created in the private sector which interrelates with the Government in terms of its economic activity.

The Government ought to be allowed to go about its normal activities while this struggle and debate over a 7-year budget plan takes place. There are very important fundamental differences over that budget plan. Very deep cuts in Medicare are proposed by some. There is strong resistance to that. At the same time, those who want the deep cuts in Medicare want to give large tax breaks. A lot of people do not see the sense in giving large tax breaks primarily at the upper end of the income scale at the same time that you are going to be imposing cuts in medical services on people with very modest means.

In all of this there is an effort in effect to create chaos, to hold the Government hostage as a bargaining tactic; a coercive bargaining tactic.

The majority leader yesterday here in the Senate, Senator DOLE, when we passed the clean continuing resolution which would allow the Government to resume its normal activities for a temporary period of time—workers would be back at work, they could do their job, people could get services, workers would be paid—said, and I quote him: ''People have been gone from their jobs long enough. Enough is enough.''

Today, the Washington Post in an editorial said, ''They ought to reopen the closed agencies while they talk, since in fact they do finally seem to be talking. It's a nasty game, the shutdown, and it's gone on long enough.''

At the outset of that editorial the Washington Post said, and I quote them:

> Hostage-taking is an ugly business. It doesn't matter what the cause. Innocent people are seized and used as pawns; they become political trading stamps whose welfare is exchanged for things the hostage-taker could not win by normal means. That, even more than the mindlessness, the waste (in the supposed cause of economy in government), the inconvenience and the instances of outright harm to unpaid workers and unserved citizens alike, is what is finally wrong with the current government shutdown.

The basic issue raised is to what lengths will people go to try to get their way?

It is the hallmark of a democracy that you have to accommodate conflicting viewpoints. Democracy does not guarantee you that your way is necessarily going to prevail. It gives you an opportunity to try to persuade others.

We have a constitutional system of separation of powers and checks and balances, and it requires restraint and good judgment on the part of decision-makers not to sacrifice the means in order to gain their particular end.

Now, we have a classic case of sacrificing the means, the proper workings of democracy, in order to gain a particular substantive result. It has never happened before. Never before has the closure of the Government been used as a coercive tactic over substantive issues about which there are very sharp differences. But it is happening in this instance, and it is wreaking havoc.

I ask unanimous consent that this editorial from the Washington Post be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Jan. 3, 1996]

THE GOVERNMENT AS STAGE PROP

Hostage-taking is an ugly business. it doesn't matter what the cause. Innocent people are seized and used as pawns; they become political trading stamps whose welfare is exchanged for things the hostage-taker could not win by normal means. That, even more than the mindlessness, the waste (in the supposed cause of economy in government), the inconvenience and the instances of outright harm to unpaid workers and unserved citizens alike, is what is finally wrong with the current government shutdown.

Senate Majority Leader Bob Dole was trying again last night to find the formula to reopen temporarily. Good for him; it's the right position; and he takes it at a certain cost. Speaker Newt Gingrich said it would be ''very hard'' to find the necessary votes in the House without a budget agreement. Does he really lack the power to produce such a limited result? Sen. Phil Gramm, meanwhile, one of Sen. Dole's rivals for the Republican presidential nomination, spoke for the vaudeville wing of the party. He is one of those who, over the years, have found it convenient to make almost a cartoon of the federal government.

It's a straw-man style of politics. First you portray the awful thing, then you run against it, and no matter if the portrayal bears scant relation to the reality. ''I do think we've discovered one thing,'' he said on television Sunday, ''and that is, Have you missed the government? I mean, doesn't it strike you funny that 280,000 government employees are furloughed, large segments of the government are shut down? I think this proves beyond a shadow of a doubt that we need to go back and eliminate 150,000 to 200,000 bureaucratic positions.'' Mr. Gramm and others thus use the government as a stage prop. Rather than make the decisions they ought to be making—ought in fact to have made weeks ago—both parties are using it, or the lack of it, to score political points and gain leverage in the underlying budget talks, even as they also scramble to avoid the blame for the spectacle they have jointly achieved. We have a suggestion for them. They ought to reopen the closed agencies while they talk, since in fact they do finally seem to be talking. It's a nasty game, the shutdown, and it's gone on long enough.

Mr. SARBANES. I also ask unanimous consent that at the end of my remarks three articles from the Post about the impact of this shutdown also be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SARBANES. Mr. President, one article talking about the impact across the Nation of the partial Government shutdown. Let me quote from it:

> Kansas stopped paying unemployment benefits yesterday, the first time a State has turned away claims in the federal program's 60-year history.
>
> The Environmental Protection Agency sent home 2,400 of its ''Superfund'' workers and stopped toxic waste cleanup work at 609 sites across the Nation throwing hundreds of contract employees out of work . . .
>
> With the holiday season over, the impact of the partial Government shutdown came into sharper focus as private sector companies and State agencies struggled with the ripple effects from Washington . . .
>
> ''We've never been through anything like this before,'' said Ronald Frank, Executive Vice President of Ecology and Environment, a Superfund contractor based near Buffalo that will furlough ''a couple hundred'' workers today. ''I don't think this is the way the system ought to work.''

He is absolutely right, it is not the way the system ought to work.

Another private sector operator, ''Michael Tilchin, Director of Superfund programs at CH2M Hill Ltd, said 'hundreds of employees' would be furloughed.''

> His company is helping clean up an old manufacturing plant in Hellertown, PA, where hazardous wastes have contaminated the groundwater.
>
> The job is 95 percent complete and may have an ''unintended consequence,'' Tilchin said. ''In the event the shutdown persists, the costs of shutting it down and restarting it may be larger than the cost of completing the work.''

And another private sector businessman said: ''If they had their own business, would they run that business this way?'' he asked, referring to Congress. For the Government to have no plan to ensure that its programs will continue operating, he said, ''seems kind of ridiculous.''

It is ridiculous, and it is stupid and it is irrational, and it lacks any common sense. It just shows the limits to which some are prepared to go in terms of using coercive tactics in order to gain their way on another issue. That is what is at work here.

Are you entitled to use any and all tactics, no matter how disruptive, no matter how much chaos they create, no matter how much injury they do, no matter how much harm they inflict on people in order to gain your way?

That is not my understanding of how democracy works, and that is not my understanding of how our constitutional system is supposed to work. Every time there is a sharp disagreement, is the Government to be taken hostage as a coercive tactic? In fact, we have a national policy of not negotiating with hostage-takers. That is the position the United States takes when it is confronted with this situation in the international arena.

The ripple effect that is being felt throughout the economy is extraordinary. ''Hundreds of companies whose

Federal contracts were frozen when the furlough began * * * have either sent employees home or may have to do so soon.''

These are not Federal employees. These are private sector employees. The Federal employees, many of them, are coming into work, over 500,000, and not being paid. And I ask people to stop and think: How long could they go without a paycheck?

Now, there is apparently a certain insensitivity in the Congress to that, but it may just reflect the fact that many Members of the Congress have significant economic means and the loss of a paycheck would not impact upon them the way it does on ordinary citizens who cannot go without a paycheck. They have mortgage payments to make; they have car payments to make; they have school payments to make.

Beyond the Federal employees are all of the private sector employees who are being impacted very sharply, and those employees, unlike furloughed Federal workers who expect to be reimbursed eventually for time off the job, most employees of Federal contractors and vendors will not be paid retroactively.

Mr. President, the impact of this is reaching not only locally and nationally, it is also reaching internationally. Visa applications by foreigners to come to this country have come to a complete halt. There are 20,000 to 30,000 applications made a day. Many of these people want to come for business purposes, for tourism, which is, of course, important to the functioning of our economy. We have just cut that off. These visas are backed up. Americans are backed up now waiting for passports. In many instances, people have forfeited payments for travel arrangements.

With the action taken by the Senate yesterday we have the opportunity to correct this situation. There is a clean resolution that has gone to the House. I very much hope the House will pass it; that this exercise in hostage-taking will come to a halt and the talks on the overall 7-year plan can continue with their sharp differences, but this irresponsible tactic, this impermissible tactic of coercion by closing the Government down ought to come to a halt.

I yield the floor.

EXHIBIT 1

[From the Washington Post, Jan. 3, 1996]

INCONVENIENCE EDGES TOWARD EMERGENCY

(By Thomas W. Lippman)

In Vietnam, the government has threatened to cut off electricity to the U.S. Embassy because the $1,600 bill hasn't been paid.

In Russia, U.S. diplomats took out an interest-free loan from the Moscow embassy's community association to cover the payroll for Russian employees.

In Cuba, the trucker who hauls drinking water to the U.S. interests section has refused to make any more deliveries until paid.

Between 20,000 and 30,000 applications by foreigners for visas to come to this country are going unprocessed each day, creating a huge backlog of paperwork and infuriating prospective visitors. And in this country, more than 200,000 Americans are waiting for passports that cannot be issued.

Such is life in the State Department in the third week of a partial government shutdown that has cut off the department's money and blocked almost all nonemergency spending. Senior officials yesterday described a mounting sense of crisis as undone paperwork piles up, the backlog of unprocessed visa and passport applications grows, travel plans are canceled and embassy officials scramble for funds to pay restive local employees.

''We just don't have any cash,'' said Richard M. Moose, undersecretary of state for management. As long as suppliers and contractors are willing to extend credit for the few expenditures authorized, the State Department can get by, Moose said. But in the many parts of the world where the department has to lay out cash as services are provided—including several countries where security companies demand payment up front to provide guards—the current mass inconvenience is about to become an emergency, Moose and other officials said.

People around the world may find it hard to believe that the United States could be reduced to the level of ''banana republic,'' Moose said, but ''my threshold of believing what can't happen is getting lower all the time.''

State is one of nine Cabinet departments and assorted independent agencies whose fiscal 1996 appropriations bills have not been signed into law by President Clinton and thus are mostly shut down because of the budget impasse between Clinton and the Republican-controlled Congress. State, more than any other agency, has spread the impact of the shutdown around the world.

Among those who have felt it are students who planned to start classes this month in foreign universities, vacationers who had firm travel plans and nonrefundable tickets, and people with job offers from employers overseas.

''We had an 84-year-old woman who wanted a passport to go to Rome because her bishop was being elevated to cardinal'' in the Roman Catholic church, a State Department consular official said. ''We had to say no because it wasn't an emergency.''

In many foreign countries, according to Moose and other officials, local laws do not permit the furloughing of local employees. As a result, ''we have to let them come to work, but we can't pay them.'' Worse than that, other officials said, is the fact that visa applicants can see all these furlough-proof local employees at their desks, but are unable to obtain any service because the workers are not permitted to do anything.

''All this is unprecedented. We hope for a solution soon. Otherwise things will just get worse and worse,'' said Pamela Harriman, U.S. ambassador to France.

State Department and Office of Management and Budget officials said the cutoff of visas and passports has cut into airline revenue at a peak travel season because tens of thousands or even hundreds of thousands of prospective travelers had to stay home. Airline industry spokesmen, however, said they have so far noticed little impact.

Some of the impact of the shutdown is more embarrassing than substantive. Harriman and all other ambassadors, for example, have been told they cannot spend money on what is known as ''representation,'' which mostly means entertainment. No luncheons for visiting business executives, no cocktail parties for important locals, no travel to ribbon-cutting and statue dedications.

The shutdown also is undermining morale in the ranks as leaves and long-planned transfers are canceled and work that is being done goes unrewarded, senior officials said.

In Colombia, for example, U.S. consular officials who worked all last week to help families of the victims of an American Airlines crash were treated as ''volunteers'' because there is no money to pay them.

In Washington, newly appointed foreign service officers are planning to meet tonight to commiserate over cancellation of their first deployments.

And morale among State Department and U.S. Information Agency employees at overseas posts is likely to fall further on the next scheduled payday, officials said, because their colleagues from funded agencies, such as Defense and Agriculture, get full paychecks but they do not.

Those concerns, however, pale before impending crises in security and communications, officials said.

''I don't think the system can tolerate this for many more days,'' said OMB Deputy Director John Koskinen, noting that local personnel in many foreign countries ''live paycheck to paycheck. That raises a serious problem for us because a number of those people provide security.''

''The places that really worry us are the ones where the FSNs [foreign service nationals, or local employees] are at the lower end of the pay scale anyway,'' Moose said, citing Cairo, New Delhi and Moscow as examples. He said in many embassies funds used for recreation or commissaries are being tapped to cover the payroll shortfall.

In embassies that have U.S. Marine guards, Moose said, the State Department is responsible for paying for the Marines' food but no longer has the funds to do so. ''Maybe we can get the Corps to carry us on the cuff. It doesn't do a lot for our image,'' he said.

As if to underline his point about image, the U.S. Embassy in Mexico City, where the shutdown has been front-page news, sought to allay fears about the solvency of the government in Washington.

''The embassy wishes to make it clear that this situation arises from the constitutional definitions of how the United States budget is passed into law and does not represent any fundamental inability of the United States of America to pay its bills,'' the statement said.

On Saturday, Moose said, the State Department will run out of money to pay the contractors who run its worldwide communications network. Diplomatic cables, e-mail and secure telephones—the lifeblood of diplomatic communication—could be truncated or cut off, he said.

The restriction on all but emergency travel will not block Secretary of State Warren Christopher and a sizable entourage from flying this weekend to Paris and the Middle East, officials said. One reason is that Christopher travels on an Air Force plane, and the State Department's credit is good with the Air Force.

[From the Washington Post, Jan. 3. 1996]

RIPPLE EFFECT COULD LEAVE AREA REELING

(By Peter Behr)

On a normal day, Duke Chung's Manhattan Bagel shop would serve more than 1,500 bagels to employees of the National Science Foundation and nearby contractors in Ballston. Now he feels like the hole, not the dough.

''Today, it was a little over 200,'' said Chung; who operates the bagel franchise on NSF's ground floor. The building, usually filled with 1,400 workers is closed except for several dozen supervisors, security and custodial workers, he said. ''I used to have 13 employees. Now I have about three. Merry Christmas.''

As the partial federal shutdown enters its third week, the economic damage has begun to spread into many corners of the Washington area, from people who run government

computers to those who supply its desks and bake its morning bagels.

Hundreds of local companies whose federal contracts were frozen when the furlough began Dec. 16 have either sent employee home or may have to do so soon, officials said.

''In the local area there have to be thousand of [contractor] employees who aren't working. It's of that order,'' said Edward H. Bersoff, chairman of BTG Inc., a Vienna information technology company. Bersoff also chairs the Fairfax County Chamber of Commerce.

If it continues, the shutdown could soon threaten the entire region's economy, first through the direct impact of federal furloughs and private-sector layoffs and then through the secondary, ripple effects from loss of local wages, economists said. The shutdown may ''feed on itself,'' said Russel C. Deemer, regional economist with Crestar Bank in Richmond.

Unlike furloughed federal workers, who expect to be reimbursed eventually for time off the job, most employees of federal contractors and vendors will not be paid retroactively.

Companies that avoided layoffs by requiring employees to use vacation and comp days over the period from Christmas to New Year's Day are running out of time, said Olga Grkavac, vice president of the International Technology Association of America in Arlington, which represents about 150 area technology companies.

''Unless something is resolved quickly, we'll see more layoffs,'' she said.

There are no estimates of how many contractors' employees have been sent home-federal departments and agencies whose budgets have not yet been approved provided about one-fourth of the nearly $18 billion in contracts that went to area firms in 1994.

But ''we are starting to see some pretty significant impacts,'' said John F. Dealy, a Washington attorney and business consultant who advises technology companies. The contractors ''aren't able to continue working on projects so they have to lay people off. That's accelerating.''

BTG's Bersoff said he knows of companies that are preparing to cut off or curtail medical coverage for laid-off workers. ''There are second- and third-tier effects of all kinds,'' he said.

The blow already has fallen on hundreds of merchants and suppliers who depend on federal workers and contractors for their business.

Mark Herman, who manages the Au Bon Pain restaurant at Union Station, said he has seen a sharp falloff in breakfast and lunch business since the Bureau of Labor Statistics office across the street shut down two weeks ago.

Until Dec. 16, Christine Webb, a computer systems developer with a Labor Department contractor, worked at keeping the BLS computers going and bought her lunch at Herman's counter. Now, she's home and preparing to file for unemployment benefits.

Soon, some of Herman's employees who have been using up vacation and sick leave will face layoffs too, he said. Moreover, he has no idea how many croissants and sandwich fillings to order for the days ahead. ''It's just totally confusing. It's just nuts.''

Others describe a chain reaction of disruption.

Richard A. Morsell, president of Office Furniture Concepts/Federal Supply Contracts Group Inc. in Chantilly, ships desks and chairs to federal offices around the nation. In the past week, some of those shipments have gone into limbo because the federal doors are closed. ''This stuff is floating all over the country,'' he said.

He said he is out several hundred thousand dollars in shipments on which the government has not made payment and he intends to see that the bills are paid, with interest. But who knows where the invoices are? Somewhere in the mountains of unprocessed paperwork in federal mail rooms, he said. ''I'm going to have to wait a . . . long time while they work through that paperwork and get to us,'' he said.

Meantime, his staff has shrunk from 19 to 11 since government purchases began to slow last summer, he said. ''It's utterly stupid.''

The long-term consequences of the upheaval may hurt local federal contractors for months to come, according to executives such as J.P. ''Jack'' London, chairman of CACI International Inc., an Arlington-based information technology company.

The next batch of contracts his company would compete for may well be delayed by the shutdown. ''It takes people to put those out,'' London said.

[From the Washington Post, Jan. 3, 1996]

JOBLESS AID, TOXIC WASTE CLEANUP HALT

(By Stephen Barr and Frank Swoboda)

Kansas stopped paying unemployment benefits yesterday, the first time a state has turned away claims in the federal program's 60-year history.

The Environmental Protection Agency sent home 2,400 of its ''Superfund'' workers and stopped toxic waste cleanup work at 609 sites across the nation, throwing hundreds of contract employees out of work.

Eleven companies, including Blue Cross, are using $5 million to $6 million a day of their own money, rather than the government's, to process Medicare claims and pay their employees.

With the holiday season over, the impact of the partial government shutdown came into sharper focus as private sector companies and state agencies struggled with the ripple effects from Washington. It also generated more disgust with Washington's ways.

''We've never been through anything like this before,'' said Ronald Frank, executive vice president of Ecology and Environment, a Superfund contractor based near Buffalo that will furlough a ''couple hundred'' workers today. ''I don't think this is the way the system ought to work.''

Stephen Crickmore, the president of AdminiStar Federal in Indianapolis, administers Medicare claims for the government. He has been paying 650 employees out of company reserves since the shutdown started on Dec. 16.

''If they had their own business, would they run that business this way?'' he asked, referring to Congress. For the government to have no plan to ensure that its programs will continue operating, he said, ''seems kind of ridiculous.''

His company, Crickmore said, is ''looking at how long we're going to continue what we're doing at this point, which is subsidizing the federal government.'' Early next week, he said, the company will have to decide whether to furlough employees.

Other companies, however, have started sending workers home. EPA contractors across the country received ''stop work'' orders yesterday, the first wave of several that could jeopardize the jobs of up to 10,000 Superfund workers.

In Houston, Peter Arrowsmith, president of NUS, a Superfund contractor, said his company had started laying off employees and would soon have 125 employees, 15 percent of his work force, sent home without pay.

Michael Tilchin, director of Superfund programs at CH2M Hill Ltd., said ''hundreds of employees'' would be furloughed. His company is helping clean up an old manufacturing plant in Hellertown, Pa., where hazardous wastes have contaminated the ground water.

The job is 95 percent complete and may have an ''unintended consequence,'' Tilchin said. ''In the event the shutdown persists, the costs of shutting it down and restarting it may be larger than the cost of completing the work,'' he said.

Like the other EPA contractors, Frank said his New York-based company would furlough ''a couple hundred'' workers today unless the White House and Congress agreed to end the shutdown.

Administration officials, such as Labor Secretary Robert B. Reich and Health and Human Services Secretary Donna E. Shalala, have said repeatedly that the shutdown would disrupt services to a wide range of Americans, not just federal employees. But Republicans, such as Sen. Phil Gramm (Tex.), have argued that, if anything, the shutdown would show what little role the government plays in the lives of ordinary citizens. Republicans point out that the agencies now closed kept about 480,000 employees on the job to provide services while sending a smaller number—280,000—home.

Yesterday, Reich pointed to the closure of the Kansas unemployment offices as an example of the shutdown's fallout, saying, ''The people who have lost their jobs in Kansas this week are simply out of luck.''

The Labor Department estimated there are between 1,900 and 2,600 new claims for unemployment benefits in Kansas each week. Wayne Franklin, state secretary of human resources in Topeka, said the state did not have the $60,000 a day to keep the unemployment benefits offices open.

Kansas has plenty of money in the unemployment insurance trust fund to pay the benefit claims, but it relies on the federal government to pay the cost of administering the program.

At least 10 other states and the District of Columbia also have exhausted federal funds to administer their unemployment insurance programs, Reich said. District officials said yesterday that 40,000 furloughed federal employees have filed unemployment claims related to the current shutdown. The city, which usually pays about 35,000 claims a year, could issue its first shutdown checks next week.

Reich said officials do not know how long the District offices can stay open. New Mexico, which has a relatively large federal population, also has run out of federal money. ''It is an open question whether they'll be able to continue at all,'' Reich said.

Alaska will try to stay open until Saturday, while Alabama is also using state money to finance the unemployment program through Friday.

In Little Rock, officials with the Arkansas Rehabilitation Services virtually disbanded their state agency for the disabled because the federal money has stopped coming from Washington.

Commissioner Bobby Simpson said he had to furlough 495 of the agency's 603 employees, meaning that 17,000 Arkansas residents with physical and mental disabilities will have no office to turn to for help with job training, special vehicles for commuting to work, and other services. The state rehabilitation office, which has an annual budget of $38 million, receives 76 percent of its funding from the federal government.

''It's ironic because we're in the business of putting people to work, of helping to turn tax users into taxpayers,'' Simpson said. ''We held on as long as we could. . . .''

Despite the problems in some states, reports yesterday by Washington Post correspondents showed that other states were

coping with the shutdown, keeping their services available even when faced with lapses in federal funding.

Michigan, for example, has been using its own revenue to make up for the cutoff of federal funds in crucial programs such as Aid to Families with Dependent Children (AFDC) and Medicaid, said John Truscott, a spokesman for Gov. John Engler (R). ''We can't fund them forever, but for the next couple of weeks we're okay,'' Truscott said.

Wisconsin is preparing to use more of its own funds for those two major programs this week but is counting on an eventual reimbursement from the federal government, said James R. Klauser, the state's secretary of administration. He said AFDC and Medicaid payments range between $25 million and $40 million a week in Wisconsin. ''We look at it every week,'' he said. ''We're comfortable right now.''

California is losing more than $5 million a day in tourism revenue. Officials of Mariposa County, the home of Yosemite National Park, asked Gov. Pete Wilson (R) to declare the county an economic disaster zone, but Wilson turned down the request, saying it exceeded the scope of his authority.

The shutdown also cut into the pensions of about 150,000 retired railroad workers. The retirees, most over 70 years of age, receive a portion of their pension from appropriated funds and the rest from a retirement trust fund. They will lose about two-thirds of an average $130 monthly payment that is paid directly from the treasury; the rest of their annuity from the railroad trust fund will not be reduced.

Federal agencies, meanwhile, continue to struggle to provide services.

Only two of the 15 employees that the Department of Housing and Urban Development has in Flint, Mich., for example, have been allowed to report to work during the shutdown. That has forced the office to delay opening any bids from families or real estate agents for HUD property. Also, none of the roughly 500 families who have home-purchase loans through the field office have been able to get any help, especially those who are drifting further into delinquency.

''The sense of emergency is much higher now than before,'' HUD coordinator Gary LeVine said. ''The three-day shutdown before wasn't so bad. Three weeks is. This is no way to treat the public.''

The PRESIDING OFFICER. The Senator from New York.

NEW YEAR'S GREETINGS

Mr. D'AMATO. Mr. President, first, I extend New Year's greetings to all my colleagues and constituents and wish them and their families a healthy new year.

COMING TOGETHER ON PRINCIPLES

Mr. D'AMATO. Mr. President, as we embark on this new year, I think it might do us all well if we were to put aside the rhetoric of confrontation and attempt to come together on some principles that so many have articulated for so long but have failed to really enact. I do believe there might be a handful—and I say a handful—who do not believe there should be a balanced budget. I have not identified anyone. No one has ever told me they are opposed to that, whether they be Democrats or Republicans.

Over the 15 years now that I have been here, I have seen us work, Democrats and Republicans, to attempt to achieve that. I have seen us pass Gramm-Rudman in an attempt to bring about a balanced budget.

On the campaign trail, it is great fodder to say I am for a balanced budget, I want that, and yet when it comes to doing the business of the people, we have failed to do that. We have failed to achieve it. And the reason is because it is not easy. It is difficult. The reason is that because the same people, our constituents, who, on the one hand, say and demand we do the business of the people, as we should, in a responsible manner, that we cut out the wasteful programs, that we reform systems such as the welfare system that certainly needs an overhaul and should be reformed and turned into a workfare system, when it really comes down to implementing what is necessary to achieve a balanced budget, the same people in many cases are the first to come to us and to beseech us to cut spending, but, by the way, there is a good program and it is in education or it is in the arts or it is as it relates to transportation or drug treatment, all of these good programs that are for seniors and do not cut that program.

Everybody has a favorite program. That is without even touching the area of entitlements that people are afraid to even speak to. The fact of the matter is that if you were to reduce or eliminate the spending in all of the discretionary programs, eliminate any of the moneys that we spend on education, any of the money that we spend on the military, on defense, and all of the money that we might spend in housing and urban development, in mass transit, eliminate it all, that unless we begin to curtail the growth in the entitlement programs, begin to reduce that growth in Medicare, in Medicaid, why, then, it makes no sense, we will continue to operate with huge deficits.

That means we are mortgaging the future of our children and their children and future generations. I suggest that that is not responsible. That is an easy way out. That is what has been taking place for far too long.

So as we embark upon this new year, I hope that maybe we will stop being accusatory, one side blaming the other—all of us know that this is not going to be easy—but attempt to come together and to say, how can we moderate the growth in these programs?

I have heard friends of mine, Democrats, indeed, at the White House, the President, Mrs. Clinton, have talked about slowing the growth in these programs. How is it now that that rhetoric has turned so harsh? How is it now that those who attempt to implement the same suggestions that were put forth by the White House in good faith are now accused of attempting to savage senior citizens?

That is inaccurate. It is not fair. Rather than one side or the other being accusatory, why do we not attempt to build on those things that we agree on? If we agree there is a need to balance the budget, if we agree and we have spoken to doing it within a prescribed period of time, if we have agreed that we would use realistic numbers and not pie in the sky, why do we not begin to do this?

It would seem to me that the people of the United States have every right to be angered at both the administration and the Congress for not resolving these differences in an appropriate fashion by working at it and not by delaying and not by taking extended vacations and not by PR and not by spin doctors, but by coming down honestly to resolve this in a manner that all of us know can and should be done.

So I do not come to the floor for the purposes of blaming one side or the other or pointing a finger toward the administration or saying that all that we have put forth in our balanced budget proposals must be and should be adopted. But certainly within the bounds of those that have been suggested, those suggestions by the administration, and within the bounds that have been put forth by the Congress, there is ample opportunity, there has been and there is now, that if we exert ourselves and exhort ourselves not to try to be one up on the other side, one up so we can aggrandize it and claim credit, then why do we not take a look at what we owe the people?

There are suggestions that make sense. It would call for some collective coming together and some courage to be demonstrated on both sides. The senior Senator from New York, my colleague, Senator MOYNIHAN, has put forth as a suggestion looking at the CPI. The CPI no longer adequately reflects what the true costs are as it relates to goods and products and services and indeed has been estimated as being off by as much as one-third—one-third. We say, what is 1 percent? But 1 percent, if you have a 3-percent increase in the inflation rate, is one-third.

Why not then use legitimate numbers to measure what the cost-of-living increase is, what the cost for the consumer really is? That would take some courage on both parts, on the side of the Republicans and the Republican Congress as well as our colleagues on the Democratic side, and on the side of the White House. But, my gosh, if it is a fact, and if it is true, why do we not come together and say, this is the place to start?

We might be able to save $150 billion. Imagine that. Why can we not have the good common sense, again, collectively, Democrats and Republicans, both in the Congress and in the administration, the Executive, to say this is something we can agree on? If we do it together, that together we can go forward and say this is the right thing to do, why then, that is what we should be expected to do.

I do not know that it should even take such great courage. But if one

side is afraid the other will then run to the various lobbying groups and to the seniors and claim that they are trying to cut back their increased benefits, then let us do it collectively, let us go forward collectively.

There is $100 billion-plus that can be saved. Should it be saved? I suggest that we have an obligation to do that and, again, to do it together. I suggest that we are wrong in postponing the inevitability of what will take place, which is mortgaging the future and saddling future generations with this great burden, which will mean that they will lose the opportunities that we had in terms of home ownership, in terms of jobs, in terms of creativity that otherwise is going to be stifled in this country.

It seems to me that there are areas that we can agree upon. You cannot continue to double the growth of any program every 7 years. It is a simple mathematical proposition that if you increase spending at the rate of 10 percent per annum over 7 years, you come up with the figure of 2. You have doubled whatever that cost is. So in the area of Medicare, if you are spending $100 billion now, and you increase spending by 10 percent per annum, in 7 years it will be $200 billion.

Does that make sense? Of course not. So it would seem to me that together we should begin to say, how can we moderate the growth in various programs? Yes, good programs, necessary programs. Where can we achieve savings? How can we do that?

In the area of taxes and tax relief, does any side really believe one side wants to advance the interests of the wealthy over those of working people, over those of people who are struggling to make a living? It might be good rhetoric politically for one side or the other to charge that, but how does that advance the business of doing what we should on behalf of the people? We detract, and we detract from ourselves. We detract from the process. And people then come and say, ''We need a change. We need to change what is going on. A pox on both your houses.''

I hope we would begin to address, where can we give tax relief? And who is entitled to tax relief? Are working-class, middle-class families with children entitled to that relief?

Mr. President, I thank you for the opportunity of putting forth just some suggestions in a new year, in the spirit of attempting to come together and to do the business of the people. I hope we could all reach out together, Democrats, Republicans, legislative and executive, to do that business.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. BOND). Who seeks recognition?

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

ISSUES WE MUST ADDRESS

Mr. DORGAN. Mr. President, at noon today we began a new session of the 104th Congress. The first order of business, as described by my friend, the Senator from Maryland, Senator SARBANES, is to end this shutdown and get people back to work and pay Federal employees for the work they do.

Someone yesterday on the floor said, ''Well, my constituents cannot understand this shutdown of the Federal Government.''

There is good reason for that, because it is not an understandable kind of thing. It made no sense. It never made any sense for anybody to say to 280,000 Federal workers, ''We prevent you from coming to work, but we're going to pay you for not performing work we won't allow you to perform.''

What kind of logic is that?

And then to say to half a million others, ''We insist you come to work and we won't pay you until we resolve the dispute between the White House and the Congress on the budget.''

What on Earth kind of logic is that? The first order of business is to end this shutdown that has never made any sense.

The second order of business is to reach an agreement on the budget, one that, yes, does balance the budget, does it in 7 years and does it the right way with the right priorities.

There are other things we need to do this year. There are other priorities. At the start of this session a couple of hours ago, I heard a description of some of the successes of the last session and, indeed, there were some successes in the last session. I might say one of the disappointments of the last session for me and many of us who come from farm country was the inability to have enacted into law a 5-year farm program. There is great difference in Congress about what kind of a farm plan we ought to have. There were virtually no hearings, there was no bipartisan markup, very little bipartisan discussion about a farm program this past year. One was cobbled together, posthaste, and put in a reconciliation bill that everyone knew was going to be vetoed.

The result is we now cross into the new year with no 5-year farm program. I think that is unfair to farmers. It is important to tell farmers and their lenders what kind of a farm program we will have this year as they begin planting their crops this spring. My hope is the Congress will turn its attention to this, have a fair debate, have some hearings about a decent farm program, what works to help family farmers in this country. My hope also is while we do that, the Congress will extend the current farm program for 1 additional year. It seems to me that will provide some certainty, at least, with what will happen with respect to 1996, and then it seems to me we ought to decide to write in 1996 a good farm program, one that saves money, yes, but one that saves family farmers and gives family farmers an understanding that there is a safety net so they will have a chance to make a living when international prices go down and stay down.

So I hope the Congress will consider extending the current farm program for 1 year, and I hope the Congress will be serious and the Congress will decide quickly to begin hearings and to begin a thoughtful discussion about what kind of farm program works for the long-term future of family farmers in this country.

I want to mention two additional items. Not very many minutes ago a Member of the Senate stood up and said one of the problems we face is the construction of a national missile defense program. He spoke very persuasively—not for me but very persuasively for his point of view—that we need a national missile defense program.

This is not about partisan politics, it is about fundamental disagreements about how we spend money. Stripped apart, someone who calls for a new national missile defense program is calling for a new spending program of $48 billion. Those who say we ought to tighten our belts and cut Federal spending and then stand up and say, ''By the way, we want to start a new star wars'' —and, by the way, it is star wars, there are space-based components included in the program—a multiple-site national missile defense program, are standing up and saying, ''We want to embark on a $48 billion new program to construct star wars.'' I am just saying that is out of step with what we ought to be doing.

The cold war is largely over. In Russia today, they are destroying missile launchers and destroying warheads as part of the agreements we have on weapons reductions, and then we have people stand up and say, ''By the way, let's begin a new $48 billion program for star wars, and we insist that you order 20 new B–2 bombers for over $30 billion that the Pentagon says they can't afford, don't need, and don't want.''

So I urge us this year to have an aggressive thoughtful debate on those policies as well. If we want to cut spending, and we should, if we want to save money, and we should, if we want to balance the budget, and we ought to, we cannot afford, in my judgment, to order star wars or B–2 bombers the Pentagon says they do not want and this country does not need.

Finally, there is another issue that we have to address in 1996, and that is the issue of jobs. We need to balance the budget because it is the right thing to do and will give us a better economy. I agree with that. But we also ought to care about specific policies in this country that relate to jobs.

Yes, an expanded economy produces jobs. So does a decent trade system. Mr. President, you know something, with all of the angst, with all the nail biting and with all the finger tapping on the desks around here, the shrugging about this, that, or the other thing, the merchandise trade deficit in

this country will exceed the budget deficit this year, and you do not hear a whimper about it on the floor of the Senate.

Let me say that again. We will have a larger trade deficit this year in this country than we will have a budget deficit.

Our trade deficit will be nearly $180 billion. That means jobs have left this country, things are being produced elsewhere. And we have a bunch of economists who are measuring economic progress in this country by what we consume. Every month they flail around and say, ''Gee, America is doing well because we are consuming more.''

The genesis of economic health, it seems to me, the seedbed of jobs and opportunity in the future is not what we consume, but rather what we produce. Do we have good manufacturing jobs in this country?

Among the discussions of trade must be a discussion about NAFTA. I just want to show my colleagues a chart. The red, incidentally, is a trade deficit, trade with Mexico. Before NAFTA, before a trade agreement, a trade agreement which, incidentally, we never seem to be able to win—every time we show up at a negotiating table on trade, we seem to lose—we had a trade surplus with Mexico. We reached a trade agreement, and what happens? Well, we have a deficit with Mexico. This year, that deficit will be $16 to $18 billion. We will have lost about 200,000 American jobs to Mexico.

Take Mexico and Canada together, because that is what NAFTA really is, two countries. Look at the cumulative trade deficit with both countries, which will reach about $40 billion this year. I will during the next 4 or 5 months every month come to the floor to discuss the trade deficit with Japan, over $60 billion and the trade deficit with China, over $30 billion, all of which means fewer jobs and less economic opportunity in this country. It seems to me that we ought to turn our attention in 1996 to the question of who are we and what do we want to be in terms of providing opportunity in the private sector in the form of jobs to the American people.

Do we decide we want to compete with people who make 12 cents an hour and hire 12-year-olds to work 12 hours a day? Not me. That is not fair competition. Yet, the product of child labor flows into this country every day in increasing quantities. The product of labor that makes a quarter an hour making tennis shoes, 30 cents an hour making shirts, 80 cents an hour making shoes, flows into this country every single day, and it displaces American workers who, if they are able to find another job, find a lower-income job. And if they are not able to find another job then become unemployed, or those who are despondent, or those who see somehow a stock market that reaches record highs, productivity on the rise, CEO salaries never higher and discover that American workers get laid off or that 60 percent of American families—who, during dinner at night, discuss their situation —understand that they now make less money than they did 20 years ago when you adjust their income for inflation.

Part of the discussion we must have as a country, Republicans and Democrats, conservatives and liberals, CEO's and workers, the private sector, Wall Street and Main Street, is what about economic opportunity in this country? Will we continue to measure our economic health by what we consume, or will we decide that our productive sector, our manufacturing base, the seedbed with good jobs, with good incomes make a difference to this country? Will we decide to do something about that?

Will we decide to stop and put an end to the insidious, perverse tax provision that says if you close your U.S. plant and move it overseas, we will give you a tax break? That exists in law. I have had a vote on that in the Senate and lost. It is inconceivable to me that we would retain in our Tax Code a provision that says if you will shut your American manufacturing plant down, lay off your workers, and move those jobs to a tax-haven country somewhere else in the world and then manufacture the same product and ship it back in to our country, we will give you a tax break.

It is inconceivable that this Congress does not act to say we stand for American producers and American workers. No, we do not build walls around our country, but we want our country to compete in an economic system where competition is fair.

I hope in the coming months that this Congress will decide that trade deficits matter; that record trade deficits, the highest in the history of the world that this country absorbed in 1995, are intolerable.

Trade deficits that are bigger than our budget deficits are intolerable. This country needs to do something about it. For those who wonder about some of the issues, on NAFTA, which is the one trade issue, there was something released yesterday by Public Citizen. It says that NAFTA has broken promises. It is a rather lengthy, footnoted document. There are many other evidences of the same problem.

My interest in 1996 is that all of us, together, decide that budget deficits matter and we are going to balance the budget; trade deficits matter and we are going to address the chronic trade problems; farm programs matter and we are going to construct a farm program that makes sense for the family farmers of this country.

I yield the floor.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

REFLECTION ON THE PAST YEAR

Mr. THOMAS. Mr. President, I rise to reflect a little bit on the past year but, more importantly, to reflect on it as it pertains to what we do in the coming year. I am sorry this year has ended in the conflict over the balanced budget. That has been one of the principal items of this entire year. We have worked on it almost all year. We worked on it in terms of a constitutional amendment to balance the budget. It failed by one vote. We worked on it then through the appropriations process into a reconciliation balanced budget bill, which changed a great many things. A balanced budget is much more than, of course, simply arithmetic or numbers. It is a fundamental change in the direction this Government takes.

So I am sorry that we ended up with this conflict, and I am sorry that Federal employees have become sort of trapped in it. I hope that that changes soon. I hope more than anything that we are able to complete the work that we started on the balanced budget.

I have been in this body now just for 1 year, and I came, as I think most of us came, in 1994, with a message from home that the Federal Government is too big, it costs too much, and the Federal Government is generally too intrusive in our lives. I believe that, and I think most people believe that.

One of the measurements of good government is the responsiveness, I think, to the voters, and to what people at home have suggested. So this year, then, in terms of those kinds of things, it has been a little frustrating. It has been frustrating in that we have come up to a balanced budget amendment, which I thought was necessary, but we could not quite get there.

We have done a great deal on welfare reform. We passed it in this body with a good vote, and now there has been some change in terms of accepting that reform. Then there is regulatory reform. Almost everybody recognizes that the regulatory system results in overregulation and results in regulation that is not efficient, and that the cost benefits often need to be measured there.

On the other hand, it has been a very fulfilling year, it seems to me. I came to Congress in 1989 when Dick Cheney went over to Defense, and I spent 5 years in the House. During that time, it seems to me, there was very little real consideration of change, little discussion of fundamental change in the way this Government behaves and operates. Instead, we sort of dealt with the policies that had been there for a very long time. There was a good deal—and continues to be—of protection of the Great Society kind of programs, the little tinkering around the edges when they came up for renewal. If they did not work right, if the results were not what we hoped they would be, whenever there was measurement of results—which, frankly, is not often enough —then the chances are that we put more money into the program. We continued to increase spending over this period of time, and the effort was basically to see how much increase there was going to be. If we did

not like the product, we would put more money in it. Welfare is one of the best examples. Of course, more people are in poverty now than when the welfare program started over 30 years ago. The program needs to be changed.

I understand resistance to change. Change is much more difficult than maintaining the status quo. I think that is part of what is happening here. Some are simply concerned about the uncertainty of change. Nobody knows exactly what will happen. Others, of course, have real philosophical differences. There are people in this body and in this country who believe more Government is better, who believe that the answer to questions that exist with respect to jobs and the economy and services is more Federal Government. I do not happen to share that view. Frankly, the majority does not believe that.

But this has been, I think, a very encouraging year, a very exciting year, because we have reformed and reframed the debate. Instead of extending all the programs and talking about tinkering around the edges, we have begun to look at the merits of the programs and ask, ''Is this a program that needs to be carried out by the Federal Government, or is it one that could be better carried out by the State government? Is it accomplishing the purpose for which it was established?'' We are beginning to measure some results, which is kind of an unusual process in the Federal Government. So we have changed the way we look at things. I think that is very helpful.

The debate now has been about holding down spending, not about how much you are going to raise it, but whether we can hold down the rate of spending some. That is a difficult thing to talk about because what do you hear on the floor and in the media? ''They are going to cut Medicare. There will be no more benefits out of Medicare.''

We know that is not true. We know that Medicare, under the proposal, continues to grow at 7.2 percent annually, as opposed to 10 percent, and the spending per beneficiary goes from $4,700 to over $7,000. But we hear it is going to be cut, that we are going to ruin it, exterminate it, because that is the easier conversation. But we have talked about that and we changed that conversation.

Instead of talking about more and more intrusion into State and local government, we are talking about block grants, about the 10th amendment, which says clearly that those things not set forth in the Constitution to be done by the Federal Government should be left to the States and the people. It is pretty clear and simple.

I happen to come from a small State. Some of our needs are quite different than they are in New York. Greybull's welfare problems are different than they are in Pittsburgh. We need to be able to manage it. Instead of talking about how that should grow on the Federal level, we are talking about block grants. We have changed the discussion, and that is healthy.

We are talking about balancing the budget. We have not seriously done that for 30 years. Sure, somebody mentions it occasionally. The President has agreed to it. I will have to admit there have not been results from that yet, but I think that perhaps there will be. To balance the budget in 7 years with CBO numbers is a promise that we have. That is a change.

So, Mr. President, we have not accomplished all that we would like, I am certain. On the other hand, I have to tell you that I am encouraged that we have changed the direction of this body and I think we have changed the framing of the discussion; the purposes have changed. We are going in a different direction. We have not accomplished as much as we would have liked, but we will.

In this coming year, it is very important to continue what has begun. Mr. President, I wish you and my colleagues well as we enter into a new year, representing the people of America. We are, after all, the board of directors, the trustees here. We are responsible to respond to our people. We are responsible to respond to what the voters said. We are responsible to make some decisions, by the way, instead of negotiating for 2 months. I am pretty exasperated with that process, as I know everybody is.

In any event, it is a new year, a good year, and I look forward to some fundamental changes in this country, as I think most people do.

TWO SIMPLE STEPS TO BALANCING THE BUDGET IN 7 YEARS

Mr. MOYNIHAN. Mr. President, the shutdown of the U.S. Government is becoming a crisis. A recent article in the New York Times carried this headline: ''Judge Says Budget Impasse Could Shut Nation's Courts.'' The article reported that:

> A senior judge who represents the policy-making board of the Federal judiciary today warned that the budget stalemate might force the nation's courts to shut down shortly after New Year's Day.

Mr. President, this is unthinkable. It is time to settle, and a settlement ought to be within reach. Here are two simple steps that I propose be taken immediately to break the stalemate and balance the Federal budget in 7 years:

First, drop the tax cut; and second, a 1-percentage point correction in the Consumer Price Index.

Under the President's December 1995 budget as scored by CBO, these two steps get you to a balanced budget in the year 2002. It's as simple as that, It's doable and ought to be done, and it ought to be done now.

Mr. President, I ask unanimous consent that a table entitled ''Two Simple Steps to Balancing the Budget in Seven Years,'' and the article from the New York Times of December 23, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TWO SIMPLE STEPS TO BALANCING THE BUDGET IN 7 YEARS

[By fiscal year, in billions of dollars]

	1996	1997	1998	1999	2000	2001	2002
Deficit under administration's proposal as estimated by CBO	148	162	155	148	145	130	115
Drop Tax Cut	−3	−13	−14	−16	−22	−24	−25
CPI minus one percentage point	−5	−15	−26	−37	−51	−66	−82
Additional savings on debt service	.....	−1	−1	−2	−3	−4	−6
Deficit Disappears	140	133	114	93	69	36	2

Compiled by Senate Finance Committee Democratic staff from CBO estimates.

January 2, 1996.

[From the New York Times, Dec. 23, 1995]

JUDGE SAYS BUDGET IMPASSE COULD SHUT NATION'S COURTS

(By Robert D. Hershey, Jr.)

WASHINGTON, December 22.—A senior judge who represents the policy-making board of the Federal judiciary today warned that the budget stalemate might force the nation's courts to shut down shortly after New Year's Day.

Gilbert S. Merritt, the chief judge of the United States Court of Appeals for the Sixth Circuit, said in an interview that ''a breakdown in constitutional order'' could occur if money was not authorized soon.

His warning came as an additional 20,000 workers were ordered off the job today, bringing the total number of furloughed Federal workers to 280,000, about one in seven people on the Government's nonmilitary payroll. The partial shutdown reached its seventh day today, surpassing the six-day shutdown that involved 800,000 workers in mid-November and making it the longest on record.

The White House and Congress are trading accusations over who is more to blame for the deadlock. The shutdown results from their inability to agree on several spending bills needed to finance Government operations in the fiscal year that began on Oct. 1. Meanwhile, they are also arguing about legislation to balance the Federal budget by the year 2002.

The White House has issued a six-page list of Government functions suspended by the budget deadlock, ranging from granting farmers special permission to use restricted

pesticides on crops to the reimbursement of banks for Government-guaranteed loans that have defaulted.

Judge Merritt's warning came in a separate statement. The 840 Federal judges would remain available for work, he said, but it is unlikely that the courts would continue to be staffed by clerical, probation and security personnel.

''The judges cannot run the court system alone,'' said Judge Merritt, who sits in Nashville. ''And if the judiciary shuts down, you can't arrest people for Federal crimes because you can't bring them to court.''

Republicans said the White House was to blame for the problems. ''President Clinton shut down the Government,'' said Michele Davis, spokeswoman for Representative Dick Armey of Texas, the House majority leader. ''He vetoed three bills last week that would have reopened'' national parks, museums and monuments, and restored the missing services, she added.

The shutdown of the national parks forced the cancellation today of the first of the annual Bracebridge dinners at Yosemite National Park in California. Bracebridge, an Ahwahnee Hotel tradition since 1927, recreates a Renaissance feast and includes an eight-course meal.

About 1,650 guests, picked by lottery from among 60,000 requests, were turned away after park rangers closed the gates to Yosemite on Wednesday.

Although the Clinton Administration cited various aspects of law enforcement among its examples of lapsed activity, it did not mention the threat Judge Merritt found to the judiciary.

''If this goes into the first week in January, we are going to have a serious problem,'' the judge said in the interview. He spoke as the chairman of the steering committee of the Judicial Conference, the policy-making body of Federal judges.

Chief Justice William H. Rehnquist has long urged Congress to consider a separate financing bill for the judiciary, but there has been no response so far, the judge said. The judiciary is now running on funds it gets from fees, which are not allocated to any specific year's budget and which it is allowed to spend on its own. But this money will soon run out, Judge Merritt said.

The White House list included such highly visible examples of service loss as 23,000 passport applications not being accepted on the average day, 383,000 daily visitors affected by the closing of the national parks and 92,400 people in Washington denied admittance to the Smithsonian museums, the National Zoo and the National Gallery of Art.

Among other effects of the shutdown on the list were these:

Suspension of activity involving sales of timber from national forests.

No processing by the Federal Housing Administration of 2,500 home purchase loans and refinancing.

Suspension of civil enforcement actions by the Environmental Protection Agency, except for Superfund cases, that yield an average of $3 million a day in fines or injunctive relief against polluters.

No processing of 20,000 applications a day for student loans or Pell grants.

Blockage of more than $92 million a day in foreign sales because of the closure of the center that licenses exports of military items and sensitive technology.

In a related development, the Bureau of Labor Statistics said that publication of the Producer Price Index and the Consumer Price Index, scheduled for Jan. 11 and Jan. 12, respectively, would be delayed about a week even if furloughed employees returned to work by Tuesday. And employment figures for December scheduled to be made public on Jan. 5, will be delayed if workers do not return by Tuesday.

''The absence of this information potentially could create a degree of short-term paralysis in decision making with resulting long-term adverse effects on the nation's economic well-being,''' said Commissioner Katharine G. Abraham. ''For example, companies could delay investment or hiring decisions, causing a decline in output and national income.''

THE BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, almost 4 years ago I commenced these daily reports to the Senate to make a matter of record the exact Federal debt as of close of business the previous day.

In that report of February 27, 1992, the Federal debt stood at $3,825,891,293,066.80, as of close of business the previous day. The point is, the Federal debt has increased by $1,162,604,087,046.50 since February 26, 1992.

As of the close of business Tuesday, January 2, the Federal debt stood at exactly $4,988,495,380,113.30. On a per capita basis, every man, woman, and child in America owes $18,936.41 as his or her share of the Federal debt.

THE 1995 BUDGET AND APPROPRIATIONS PROCESS

Mr. DASCHLE. Mr. President, as 1996 begins, and the 2d session of the 104th Congress convenes, we need to take a close look at the record of this Congress' first year. In reviewing that record, one stunning failure stands out above all others. The majority in 1995 presided over perhaps the most bungled budget and appropriations process ever seen in Congress. The majority failed to meet every budget deadline set by law, and every deadline they set for themselves.

Rather than react responsibly to bring order to this process, Republicans instead chose to shut down the government twice. The most recent shutdown, now in its 19th day, is by far the longest in history. Both of these shutdowns have been unnecessary, wasteful of taxpayer funds, and have inconvenienced thousands of Americans who paid their taxes only to have basic services denied them.

Let there be no mistake: Despite some of the rhetoric we have heard, the responsibility for the shutdown falls squarely on the shoulders of Republicans in the House of Representatives. Nothing makes that clearer than the action by the Senate on January 2 to approve a continuing resolution that would fund the Government until January 12. The other body could take up and enact that legislation in a matter of minutes. Yet because of objections by self-proclaimed revolutionaries in the other body, the shutdown continues. These extremists plan to hold the Government and its workers hostage to force the administration to accept a budget that has already been rejected by the President and the American people.

A brief review of the botched budget process this year explains how Congress got into this mess. The Budget Act requires the Senate Budget Committee to report a resolution by April 1. The majority missed that deadline. The Budget Act requires Congress to complete a budget resolution by April 15. Again, the majority missed that legal deadline. By June 15, the Budget Act requires Congress to complete action on a final budget reconciliation bill. Today, over 6 months later, we are still discussing that legislation at the White House. In fact, they did not even complete work on the budget resolution until June 29.

The majority has missed every legal deadline for the appropriations process, as well. By June 10, the Budget Act requires the House Appropriations Committee to report all 13 appropriations bills. The majority failed to report even one of them by that date. By June 30, the Budget Act requires the House to complete action on all 13 appropriations bills. They had completed only two. By October 1, the beginning of the fiscal year, all 13 appropriations bills are supposed to be enacted. On October 1, 1995, Congress had sent only two of them to the President.

Not only has Congress failed to meet its legal responsibilities. It is now failing to meet its constitutional responsibilities to properly fund the Government. Last year was not the first time the President differed with Congress on appropriations bills. When Democrats controlled Congress and Republicans controlled the White House, Democrats handled Presidential vetoes very differently than the majority does today. In 1990, President Bush vetoed the District of Columbia bill twice, and he also vetoed the foreign operations and Labor/Health and Human Services bills. He again vetoed the District of Columbia bills in 1992 and 1993, and the Labor/HHS bill in 1992. In each of these cases, Congress approved a continuing resolution to avoid a shutdown while Congress and the President worked out differences over these bills.

There is no reason that Congress cannot again this year approve stopgap funding while Congress and the President negotiate differences over outstanding appropriations bills that should have been completed long ago. In fact, the President has indicated that, with relatively minor changes, he would quickly sign the bills he has vetoed, and the Government could be put back to work.

Mr. President, I ask unanimous consent that at the conclusion of my statement, the veto messages of the President regarding the VA/HUD, Commerce/State/Justice, and the Interior appropriations bills be printed in the RECORD.

As these messages make clear, agreement is within reach if extremist riders are removed and limited funding for high-priority programs is restored. The only reason that this has not been done already is that certain leaders in the

other body seek to impose their radical agenda on America by holding these bills hostage. The Founding Fathers, in writing the Constitution, expected more responsible behavior from leaders in Congress, and did not anticipate that Congress would renege on its basic obligation to maintain the functioning of Government because one faction expected to gain partisan advantage.

Mr. President, I would ask my colleagues to review these veto messages, and begin working to bridge the differences by negotiating in good faith, and stop using coercive tactics to extract advantage. I hope very much that the House will act today on the clean continuing resolution approved by the Senate yesterday. Ending the irresponsible shutdown would be a good demonstration of leadership, and would clearly add a positive note to the bipartisan negotiations over balancing the budget that are now taking place.

There being no objection, the messages were ordered to be printed in the RECORD, as follows:

To the House of Representatives:

I am returning herewith without my approval H.R. 2099, the ''Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996.''

H.R. 2099 would threaten public health and the environment, end programs that are helping communities help themselves, close the door on college for thousands of young people, and leave veterans seeking medical care with fewer treatment options.

The bill includes no funds for the highly successful National Service program. If such funding were eliminated, the bill would cost nearly 50,000 young Americans the opportunity to help their community, through AmeriCorps, to address vital local needs such as health care, crime prevention, and education while earning a monetary award to help them pursue additional education or training. I will not sign any version of this appropriations bill that does not restore funds for this vital program.

This bill includes a 22 percent cut in requested funding for the Environmental Protection Agency (EPA), including a 25 percent cut in enforcement that would cripple EPA efforts to enforce laws against polluters. Particularly objectionable are the bill's 25 percent cut in Superfund, which would continue to expose hundreds of thousands of citizens to dangerous chemicals and cuts, which would hamper efforts to train workers in hazardous waste cleanup.

In addition to severe funding cuts for EPA, the bill also includes legislative riders that were tacked onto the bill without any hearings or adequate public input, including one that would prevent EPA from exercising its authority under the Clean Water Act to prevent wetlands losses.

I am concerned about the bill's $762 million reduction to my request for funds that would go directly to States and needy cities for clean water and drinking water needs, such as assistance to clean up Boston Harbor. I also object to cuts the Congress has made in environmental technology, the climate change action plan, and other environmental programs.

The bill would reduce funding for the Council for Environmental Quality by more than half. Such a reduction would severely hamper the Council's ability to provide me with advice on environmental policy and carry out its responsibilities under the National Environmental Policy Act.

The bill provides no new funding for the Community Development Financial Institutions program, an important initiative for bringing credit and growth to communities long left behind.

While the bill provides spending authority for several important initiatives of the Department of Housing and Urban Development (HUD), including Community Development Block Grants, homeless assistance and the sale of HUD-owned properties, it lacks funding for others. For example, the bill provides no funds to support economic development initiatives; it has insufficient funds for incremental rental vouchers; and it cuts nearly in half my request for tearing down the most severely distressed housing projects. Also, the bill contains harmful riders that would transfer HUD's Fair Housing activities to the Justice Department and eliminate Federal preferences in the section 8, tenant-based program.

The bill provides less than I requested for the medical care of this Nation's veterans. It includes significant restrictions on funding for the Secretary of Veterans Affairs that appear designed to impede him from carrying out his duties as an advocate for veterans. Further, the bill does not provide necessary funding for VA hospital construction.

For these reasons and others my Administration has converyed to the Congress in earlier communications, I cannot accept this bill. This bill does not reflect the values that Americans hold dear. I urge the Congress to send me an appropriations bill for these important priorities that truly serves the American people.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *December 18, 1995.*

To the House of Representatives:

I am returning herewith without my approval H.R. 1977, the ''Department of the Interior and Related Agencies Appropriations Act, 1996.''

This bill is unacceptable because it would unduly restrict our ability to protect America's natural resources and cultural heritage, promote the technology we need for long-term energy conservation and economic growth, and provide adequate health, educational, and other services to Native Americans.

First, the bill makes wrong-headed choices with regard to the management and preservation of some of our most precious assets. In the Tongass National Forest in Alaska, it would allow harmful clear-cutting, require the sale of timber at unsustainable levels, and dictate the use of an outdated forest plan for the next 2 fiscal years.

In the Columbia River basin in the Pacific Northwest, the bill would impede implementation of our comprehensive plan for managing public lands—the Columbia River Basin Ecosystem Management Project. It would do this by prohibiting publication of a final Environmental Impact Statement or Record of Decision and requiring the exclusion of information on fisheries and watersheds. The result: a potential return to legal gridlock on timber harvesting, grazing, mining, and other economically important activities.

And in the California desert, the bill undermines our designation of the Mojave National Preserve by cutting funding for the Preserve and shifting responsibility for its management from the National Park Service to the Bureau of Land Management. The Mojave is our newest national park and part of the 1994 California Desert Protection Act—the largest addition to our park system in the lower 48 States. It deserves our support.

Moreover, the bill would impose a misguided moratorium on future listings and critical habitat designations under the Endangered Species Act. And in the case of one endangered species, the marbled murrelet, it would eliminate the normal flexibility for both the Departments of the Interior and Agriculture to use new scientific information in managing our forests.

Second, the bill slashes funding for the Department of Energy's energy conservation programs. This is short-sighted and unwise. Investment in the technology of energy conservation is important for our Nation's long-term economic strength and environmental health. We should be doing all we can to maintain and sharpen our competitive edge, not back off.

Third, this bill fails to honor our historic obligations toward Native Americans. It provides inadequate funding for the Indian Health Service and our Indian Education programs. And the cuts targeted at key programs in the Bureau of Indian Affairs' are crippling—including programs that support child welfare; adult vocational training; law enforcement and detention services; community fire protection; and general assistance to low-income Indian individuals and families.

Moreover, the bill would unfairly single out certain self-governance tribes in Washington State for punitive treatment. Specifically, it would penalize these tribes financially for using legal remedies in disputes with non-tribal owners of land within reservations.

Finally, the bill represents a dramatic departure from our commitment to support for the arts and the humanities. It cuts funding of the National Endowments for the Arts and Humanities so deeply as to jeopardize their capacity to keep providing the cultural, educational, and artistic programs that enrich America's communitties large and small.

For these reasons and others my Administration has conveyed to the Congress in earlier communications, I cannot accept this bill. It does not reflect my priorities or the values of the American people. I urge the Congress to send me a bill that truly serves the interests of our Nation and our citizens.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *December 18, 1995.*

To the House of Representatives:

I am returning herewith without my approval H.R. 2076, the ''Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1996.''

This bill does not meet the priorities and needs of our Nation and people. It would undermine our ability to fight the war on crime; decimate technology programs that are critical to building a strong U.S. economy; and weaken our leadership in the world by drastically cutting funding for international organizations, peacekeeping, and other international affairs activities.

First, the bill represents an unacceptable retreat in our fight against crime and drugs. It eliminates my COPS initiative (Community Oriented Policing Services) to put 100,000 more police officers on the street. Already, this initiative has put thousands of police on the street, working hand-in-hand with their communities to fight crime. The block grant that H.R. 2076 would offer instead would not guarantee a single new police officer. That's not what the American people want, and I won't accept it. As I have said, I will not sign any version of this bill that does not fund the COPS initiative as a free-standing, discretionary grant program, as authorized.

The bill also eliminates my ''drug courts'' initiative. And it unwisely abandons crime prevention efforts such as the Ounce of Prevention Council and the Community Relations Service. I am also disappointed that the funding levels in the bill fall short of my request for the Drug Enforcement Administration, and OCDETF (Organized Crime Drug

Enforcement Task Force). This is no time to let down our guard in the fight against drugs.

Second, the bill constitutes a short-sighted assault on the Commerce Department's technology programs that work effectively with business to expand our economy, help Americans compete in the global marketplace, and create high quality jobs. As we approach a new, technology-driven century, it makes no sense to eliminate an industry-driven, highly competitive, cost-shared initiative like our Advanced Technology Program (ATP), which fosters technology development, promotes industrial alliances, and creates jobs. Nor does it make sense to sharply cut funding for measures that will help assure our long-term growth and competitiveness—such as our National Information Infrastructure grants program, which helps connect schools, hospitals, and libraries to the information superhighway; the GLOBE program, which promotes the study of science and the environment in our schools; the Manufacturing Extension Partnership, which helps small manufacturers meet the hi-tech demands of the new marketplace; Defense Conversion; or the Technology Administration. And I oppose the bill's harmful cuts for the Census Bureau and for economic and statistical analysis.

Third, I am deeply concerned that this bill would undermine our global leadership and impair our ability to protect and defend important U.S. interests around the world—both by making unwise cuts in funding for international organizations and peacekeeping activities, and by cutting programs of the State Department, the Arms Control and Disarmament Agency, and the United States Information Agency. These cuts would impair our ability to support important activities such as the nonproliferation of weapons, the promotion of human rights, and the control of infectious disease like the Ebola virus.

Moreover, sections of the bill include inappropriate restrictive language, including language limiting the conduct of U.S. diplomatic relations with Vietnam, that I believe infringe on Presidential prerogatives. And I cannot accept the provision that would cut off all funding for these agencies on April 1, 1996, unless the State Department Authorization Act and related legislation had been signed into law.

Fourth, the bill includes three additional provisions that I cannot accept.

It cripples the capacity of the Legal Services Corporation (LSC) to fulfill its historic mission of serving people in need—slashing its overall funding, sharply limiting the administrative funds LSC needs to conduct its business, and imposing excessive restrictions on LSC's operations. LSC should be allowed to carry on its work in an appropriate manner, both in its basic programs and in special initiatives like the migrant legal services program.

Section 103 of the bill would prohibit the use of funds for performing abortions, except in cases involving rape or danger to the life of the mother. The Justice Department has advised that there is a substantial risk that this provision would be held unconstitutional as applied to female prison inmates.

The bill also includes an ill-considered legislative rider that would impose a moratorium on future listings under the Endangered Species Act by the National Oceanic and Atmospheric Administration and other agencies. That rider not only would make bad policy, it also has no place in this bill.

Finally, I would urge the Congress to continue the Associate Attorney General's office.

For these reasons and others my Administration has conveyed to the Congress in earlier communications, I cannot accept this bill. H.R. 2076 does not reflect my priorities or the values of the American people. I urge the Congress to send me an appropriations bill that truly serves this Nation and its people.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *December 19, 1995.*

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DEWINE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEDICAID

Mr. DEWINE. Mr. President, we all hope that agreement can be reached very shortly on the budget. I would like to take a few minutes of the Senate's time this afternoon to talk about one particular part of that budget controversy and that is Medicaid. I would like to caution the negotiators, caution all of us on both sides of the aisle, that as we debate and negotiate on Medicaid, we really need to stay focused on the fact that this is not just a question of money. The argument is not over just money. It is not just a question of finding a dollar amount that we can all agree on, a dollar amount that we can compromise. There are also very important policy issues that we simply must deal with. The policy issues are, in a very real sense, even more important than the dollars that are involved.

If we merely reduce the Federal contribution to the States to furnish Medicaid but at the same time do nothing to structurally fix Medicaid, then I believe we will have failed, and that failure will have devastating consequences. Instead, I believe we must seize this opportunity to fix Medicaid by removing the wasteful, inefficient, and administratively burdensome parts of the current program. If we do that, then we will improve Medicaid but, more important, we will improve poor people's health care.

So this debate is not just about money. It is not just about federalism. It is not just about State sovereignty. It is about the poor and how best to serve them, how best to develop constructive and viable alternatives that will meet their health care needs. Because the reality is, if given the flexibility, if given the freedom, the States can devise programs that cost less and at the same time provide better health care for the poor.

I would like this afternoon, therefore, to review for just a few moments where we are currently on Medicaid, where our proposal and the President's proposal would take us. Today, under the status quo, under what has become an open-ended entitlement program, the Federal Government can give States an unlimited amount of money to look after the health of their poor so long as States do two things. First, States have to provide the poor within their boundaries with a Federally-prescribed set of services. That is, States are told what health care to give their poor and how to give it to them, how to deliver the services. Second, States have to contribute to the costs of Medicaid from their budgets based on a Federal formula.

The fact that unlimited funds have been made available to this program has also meant that there has been no incentive to remove the inefficiencies that exist, nor to come up with new or better ways to serve the health care needs of the poor. This has resulted, in turn, in ever-increasing expenditures on Medicaid by both the Federal Government and by the States. Between 1988 and 1994, 6 years, State spending on Medicaid has increased by 160 percent. During the same years, Federal spending on Medicaid has increased 170 percent. Or, to look at it another way, in 1987 States spent on the average 10 percent of their own budgets on Medicaid. Last year, they spent almost 20 percent.

In a conversation I had this morning with my Governor, the Governor of the State of Ohio, George Voinovich, he told me that in just a few years, unless changes are made, Ohio will be spending 40 percent of its total budget for the cost of Medicaid.

Federal Medicaid spending has grown from 2.7 percent of total Federal outlays to 5.6 percent during this same period of time. So, today, we have a Medicaid Program that is growing too fast and does not provide the best health care for the buck. So we have set out to change this, to cut Federal spending growth—not Federal spending, but to cut the rate of growth, and to cut it in half; and, at the same time, to improve the delivery of health care services to the poor. We proposed a reduction in the current Federal contribution to Medicaid. But, under our plan, we also gave States more flexibility than ever before in determining how health care services should be provided to poor people.

These two changes, fewer dollars from Washington, slower rate of growth, but more flexibility for the States, those two have to go hand-in-hand. You cannot have one without the other, because States cannot deliver health care with fewer dollars if they must do so under the current bureaucracy-laden, expensive system. On the other hand, if we let States be creative, they can spend less and at the same time provide better services.

Allowing States the flexibility to reform and redefine Medicaid means that our proposal is not just a proposal about money. While it is a proposal that sometimes tells the States what services to provide, for the most part it leaves the States to find innovative ways to provide these services. It leaves it up to the States. States are given this flexibility because we believe the States can devise better and

more cost-effective ways in which to deliver health care services. If I could, let me give the Members of the Senate an example, an example I think is very instructive.

Let us take a child on Medicaid who has severe asthma, and who is hospitalized on an average of every 2 to 3 weeks every summer, usually for 3 to 4 days at a time. Medicaid pays for this child to be in the hospital at a cost, tremendous cost, per day. But Medicaid does not—let me repeat—does not allow a State to send a case worker over to that child's home and install an air-conditioner in that child's bedroom to prevent these recurring asthma attacks. An air-conditioner could well save the child from what are very scary breathing problems. I will say my wife, Fran, and I have experienced this with our own children. There is nothing scarier than to have a child who cannot get her breath. A simple thing such as an air-conditioner could save that child from that agony and that family from that agony and, at the same time, save taxpayers thousands and thousands of dollars. Yet, under the current law, this sort of preventive measure is not permitted. This sort of preventive measure is not permitted under current Medicaid law.

Giving the States more flexibility will allow them to be innovative, bold, imaginative, and will provide people with real services that matter—and that in many cases will be cheaper.

Let me give another example, Mr. President. Under today's Medicaid Program Medicaid beneficiaries who suffer traumatic brain injuries are required to be institutionalized in nursing homes, if they want the money, and if they want the help. So if an 18-year-old is involved in a car accident and is left comatose, he or she may be treated in a rehabilitation center until the car insurance is exhausted. But then that 18-year-old would be placed under current law in a nursing home. Imagine if instead this 18-year-old could be treated at home with services specific to his or her needs with community-based services aimed specifically at brain injuries. He may well recover, return to school, get a job, and live a full life. And, Mr. President, it would cost a lot less.

Mr. President, I ask unanimous consent that my time be extended by 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DEWINE. Mr. President, let us consider another example, a 15-month-old baby girl born with short bowel syndrome. The teenage parents can find child care an overwhelming prospect. Under Medicaid today that infant would almost inevitably be sent to an institution. What if nursing services could instead be provided for that baby at home along with training and support for the young parents? That little girl could grow up with parents in a more stable home environment, and live the sort of life that children are meant to live. And again, Mr. President, it would cost less.

Here is another example. If today an 85-year-old woman has osteoperosis, cancer, psoriasis, she would likely end up in a nursing home. But what if the States could instead establish full health programs that include monthly nursing visits and weekly physical therapy? She could be mobile, hopefully keep her condition from deteriorating, and stay at home.

Another example: As we all know, under the current Medicaid system many, many poor children get ordinary care in emergency rooms. That is where they go for that type of care. But that really is not the place for building long-term doctor-patient relationships. Let us give States the flexibility, and they will develop their own managed care plans for the poor. So these children could go to their own primary care physicians where the doctors will know them, their names, and their medical history. That will certainly ensure better health care. But some may say, but cannot States really do all of these things now? Well, in any one of these scenarios a State could go hat in hand to Washington and maybe, just maybe, get permission, get a waiver, to help their citizens in these alternative innovative, and, yes, responsive ways. But States do not have the ability to address these local situations in their own communities without permission from Washington. That is the law today. They have to go to Washington hat in hand. They have to beg for permission to do it. Why should we have a system in which we must waive the rules in order to simply do what is right?

We instead free States so that they could respond compassionately to their poor, and in the long run provide them with better care while cutting the inefficient and duplicative cost of Medicaid.

So, Mr. President, I believe it is a mistake to look only at the money side of the Medicaid question. The President proposes to cut the rate of growth of Federal contributions but make no structural changes—let me repeat, make no structural changes—and require States to make up the monetary difference. It does not increase State flexibility, and it ties the hands of Governors and State legislators so that States are left paying more toward Medicaid but given an insufficient voice in determining how those funds are spent.

Mr. President, it will take more than this to achieve what I am sure both President Clinton and I ultimately want, and what we all want for the poor of this Nation: Better affordable health care for the poor. Unfortunately, the President's proposal has shifted the debate away from substantive Medicaid reforms to simply a numbers debate.

It must be reiterated again and again that we are not just debating how large or small the Federal contribution to Medicaid should be. To characterize the debate in this way emphasizes a fundamental misunderstanding of Medicaid, and a fundamental misunderstanding of what this debate is all about. We cannot sit down to the negotiating table to simply split the differences on the Federal contribution level and call it a day. We cannot just sit down and say Republicans are at this figure, Democrats are at this figure, let us split the difference and all go away happily. That is not going to solve the problem. And in fact, Mr. President, as I think I have outlined to demonstrate this afternoon, that may be the worst of all possible worlds. If we end up splitting the difference between the two sides but yet make no change in policy and keep the policy the way it is today, it simply will not work. The States cannot make it work. We will be dealing the States a hand that they simply cannot play. And the people who are going to suffer are not just going to be the Governors, the State legislatures, and the taxpayers of each State. The people who are going to suffer are the poor who depend on Medicaid for their health care. That is who is going to suffer.

Mr. President, to approach it in this simplistic way, to make this just a numbers debate, would be, I believe, to take the easy way out and leave unaddressed the problems currently facing Medicaid today—the inefficiencies, the exorbitant costs. Given the flexibility, States could begin to address. In fact, to split the difference and call it a day would leave the States with a devastating bill to meet these legal obligations. As I stated earlier, my State of Ohio would have to spend 40 percent of its total budget on Medicaid—40 percent. Ohio already devotes 30 percent of its budget to Medicaid today, and this increase would come in just the first 10 years. That is huge, and this percentage will continue to grow.

Mr. President, in conclusion, let me say that States will be forced to pull money away from other programs if this path is followed. Which State programs would we have our Governors cut? Education? Public health and safety? I think not. This runaway proposal would squeeze out all else, and it simply cannot be tolerated.

Mr. President, the only solution would be bankruptcy for the States or increase State taxes to raise money to pay for the ever-increasing legal obligations of the States under Medicaid. This would certainly be one back-door way of increasing taxes that I do not think anyone in this Chamber would approve of. We cannot reduce the Federal contribution to Medicaid while at the same time keep the costly, inefficient, and counterproductive requirements of Medicaid and then simply walk away.

We cannot walk away from the 18-year-old accident victim, nor walk away from the 15-month-old infant of the overwhelmed teenage parents. We

cannot walk away from an 85-year-old woman with osteoporosis and cancer. Mr. President, we do not believe in simply abandoning people. Any Medicaid Program that comes out of these negotiations that we negotiate or vote for should not do that either.

I thank the Chair. I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. BOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DEWINE). Without objection, it is so ordered.

(Mr. STEVENS assumed the Chair.)

CHANGING THE SYSTEM

Mr. BOND. Mr. President, I wish to say that I think we have had some very useful discussions today, although obviously the substantive discussions and negotiations are, we hope, going on elsewhere. But I wish to begin by reemphasizing what my distinguished colleague from Ohio has just said in the past few minutes about the importance of changing the system.

I had the privilege of serving as chief executive of the State of Missouri for 8 years, and I was convinced, as were almost all of my other colleagues who were Governors at the time, Republicans and Democrats, that we could do a far better job in handling many of the programs partially funded by the Federal Government if we did not have all of the strings and restrictions and red tape put upon us. That is why we have moved in this session of Congress to change the programs themselves, to make them more effective and efficient, not just to save money. Obviously, we cannot continue to spend, particularly on entitlement programs like Medicare and Medicaid, at the ever-increasing rates of growth, without destroying these very programs, bankrupting the Government, and destroying our economy. But it is not enough, as has been pointed out by my colleague from Ohio, merely to cut the amount of money that we are turning over to the States. If we tell them, ''You have to keep spending the money the way we tell you but we are not going to give you as much as you have been getting, or not as much as an increase as you have been getting,'' then we risk disaster. We need fundamental changes—allowing the States to develop responsive and responsible, effective and caring programs to meet the needs of those who are recipients of the programs, within these budgetary constraints.

Mr. President, in my second term as Governor, we fought and fought and fought to get waivers from the Department of Health and Human Services, now HCFA, so we could start a managed-care program for Medicaid, so we could give the providers selected by the Medicaid recipient the opportunity to do the best job they could of keeping that recipient healthy.

It made a tremendous amount of difference. More emphasis was placed on keeping people healthy, on preventive health care, on regular checkups, on routine well-baby care that kept the recipients well, kept them out of the hospital, kept them from lost time. The result was that we saved some money but people on Medicaid in my State were a lot happier, and healthier, with the program. And those examples, those experiments are being carried out in every State in the Nation. If we only could change the program so that State legislators and Governors who are just as concerned as the Members of this body about taking care of those in need could make those innovations, I am convinced we can do it.

Now, we have had, as I have said, much discussion about differences in policy, differences in policy that lie at the base of this balanced budget debate, but part of the problem is, I think, some of the facts are being misstated. We have heard earlier today about how Federal employees are being held hostage; that it is an unheard of shutdown of the Federal Government.

It seems to me, Mr. President, in the time I have been here when there was a Democratically controlled Congress and a Republican President, there were shutdowns in the Federal Government when Congress and the President did not agree. To say that it is unheard of is not true. I believe even during the period of the Carter administration, when there was a Democratic President and a Democratic Congress, there were a number of periods of time when there was no budget or continuing resolution in place. As a matter of fact, some of my colleagues, on a bipartisan basis, today were talking about how the Democratic majority in Congress in 1990 toughened up the Anti-Deficiency Act to make it more painful, more painful for the executive branch to try to continue to operate in the absence of a continuing resolution, and, yes, it appears that some of those chickens have come home to roost now.

But let us make clear one thing. Part of this responsibility, the responsibility that some of the agencies of Government are shut down, is on the back of the President. I can speak from personal experience, having managed the bill that funds veterans, housing, environment, space, emergency management, and other areas—the VA–HUD and independent agencies appropriations bill. We passed the bill. We passed the bill that made over 12 percent cuts from last year's original appropriations.

Now, during the summer of last year, in a rescission bill, the Congress, with the President's signature, rescinded some of those funds from the previous year because that bill, VA–HUD, was making too many promises that could not be kept in out-years. When you make a promise in housing, for example, to provide housing over a number of years, you have to appropriate the budget authority up front, but then each year as you carry out that commitment, the expenditure of that authority—the outlays—are scored against the aggregate budgetary limitations for that year.

So we have had to cut back significantly, and the President agreed when he signed the rescission bill that we would cut back on the commitments in VA–HUD. So it was with surprise that when we tried to negotiate with the White House to find out how we could change the fiscal year 1996 appropriations bill to accommodate their needs and their desires, the only thing we got from Mr. Panetta, who was up here on the Hill, was a statement that, well, we just need to spend $2 billion more, just give us $2 billion more.

I explained to him, as every Member of this body who is familiar with the appropriations process knows, we cannot give $2 billion more. We have to stay within the budget. But I suggested that if they were willing to work with us, we could make adjustments within the dollars available and send the President the bill, he could sign that bill, and then to the extent he is able to reach a later agreement which might put more money into the various appropriated accounts, we could come back by a supplemental appropriation or a continuing resolution to add money to the Veterans' Administration, Housing and Urban Development, Environmental Protection Agency, National Aeronautics and Space Administration, the National Science Foundation, and all of those agencies.

What happened? Well, frankly, the President vetoed the bill. The President vetoed the bill because we did not spend as much money as he wanted. That is understandable. Everybody who likes government likes to spend more money. But if you don't want to cut spending in domestic appropriated accounts, you have to find someplace else to take it. You could, for example, cut back on the money going into entitlement programs like Medicare and Medicaid. Actually, we have a very good example of that. The President and Mrs. Clinton back in 1993 and 1994, as my colleagues will recall, came before the Congress—you probably have seen film clips of them recently—and said we really must slow the rate of growth of Medicare to 6 to 7 percent a year.

Mr. President, they were correct because as the Clinton trustees of Medicare and Social Security have said, if we do not reform part A of Medicare, it is going to go broke, it is going to run out of money in the year 2002.

The President was right when he said we have to slow the rate of growth. But not only do we have to slow the rate of growth, just as my friend from Ohio said, we have to change the structure of Medicare; we have to change the structure of Medicare because a top-down Government price-fixing program in health care has not worked.

It is important that we give senior citizens choices, choices so they can choose from among private plans which will have to manage the costs effectively and give the recipients, the Medicare recipients, the kinds of services they need if they are to compete.

The President and Mrs. Clinton were very clear when they came before the Congress and said it is not a cut when you say we are going to slow the rate of growth to a reasonable amount of 6 to 7 percent. How interesting it is to hear now representatives of the President, the ads run by their supporters, saying Medicare is going to be slashed because the Republican Congress proposes to let it grow by 7.2 or even 7.4 percent.

Mr. President, we have to save Medicare. If you are talking about just cutting a little bit of money out of Medicare, you are not going to really save it; you are just going to squeeze it down and make it more difficult for Medicare recipients to get doctors and hospitals and other health care providers to give them the kind of services they need. You need to change the program and you need to slow the rate of growth in the program. You tell me how much you want to slow the rate of growth of the Medicare Program, and we can probably tell you how long past 2002 you will keep the program healthy, how long before it will go bankrupt.

Mr. President, I ask unanimous consent that I may be granted another 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOND. I thank the Chair.

Mr. President, as I was saying, how long do you want to keep Medicare healthy? Personally, I would like to see Medicare kept healthy, not only for those who are on Medicare right now, but those who will be coming on, people my age and people younger.

We are going to have to make changes to slow the rate of growth. One proposal to save $70 to $80 billion was estimated only to save it for maybe 2 more years. I do not think, Mr. President, we ought to go through all this battle and all this heartache and say that Medicare will not go bankrupt in 2002, it will go bankrupt in 2005. We can do better than that. We have to implement real reforms which will assure the financial solvency of this critical program well into the foreseeable future.

I hope we would stop the posturing and stop the ads and stop the claims that Medicare is being savaged. It begins to appear to me, Mr. President, that there is something else at work here. The President of the United States told the American people in the campaign and told us in the State of the Union Message in 1993 he wanted a balanced budget. Then just a month and a half or so ago, before Congress sent him a continuing resolution, he agreed that he would sit down and develop with the Congress a balanced budget reaching balance in the year 2002 on the basis of Congressional Budget Office scoring.

If he is willing to do that, and if he is willing to take a hard look and a responsible look at how we keep entitlement programs from going bankrupt, and how we keep it from destroying us, then there is plenty of room to negotiate as far as I am concerned. If I were a negotiator, I would say, we put it all on the table. I would not put more taxes on the table because we tried the taxes and that did not work. Jacking up taxes in 1993 got only about a third of what we expected out of it.

It is time that we cut. If the President would come forward and deal in good faith, we could reach that agreement in a very short time. But what I am hearing from the press, some of my colleagues who have friends in the White House, the political advisers are saying, ''Great, don't move. Don't move, Mr. President. You've got it just where you want it. You have talked about a balanced budget, but then you can come out and be against all the cuts. You don't have to agree to any of the cuts, just say you're for a balanced budget and then trash anybody who tries to put the details of a balanced budget together. And so long as you don't have to present one, then you're not going to be caught.''

As one of my friends, a Member of this body on the other side of the aisle, has said—and obviously I will not identify him—he said it makes for great campaign rhetoric. It is great political fanfare, but it is a darn poor way to govern.

Mr. President, I suggest that if the President wants to have a balanced budget, if he wants to carry through on his promise, then it is time, as we say in Missouri, to show me, come forward and say where you are going to make these necessary cuts. The White House is not doing that.

I mentioned earlier that with respect to the small little appropriations bill I handled, veterans, HUD, independent agencies, they originally requested $2 billion, about $1.9 billion-plus. We have just received their latest request. Guess what? That latest request goes up to $2.5 billion. This is not negotiation. This is moving in the opposite direction.

Mr. President, if anybody is negotiating with somebody who keeps taking steps farther and farther away from agreement, you will find out that is not negotiation, that is political game playing. Unfortunately, until we see any movement in the other direction, I have to say that this President apparently does not want a balanced budget.

Dismiss all the rhetoric. His requests are for more spending in domestic areas. His requests are for less cuts in entitlement programs. Frankly, every time that the Congressional Budget Office has scored his proposal—and the Congressional Budget Office is the one who he said must judge those proposals—it shows that he misses in the neighborhood of two to three hundred billions of dollars.

Mr. President, there is some talk about adding a few billion dollars more to domestic discretionary. Unfortunately, under the congressional budget resolution that will achieve a balanced budget by the year 2002, have to cut nondefense discretionary from $270 billion in 1996 to $258 billion in 1997. That is a 4.4-percent decrease—a $12 billion expenditure reduction. If you are going to be putting more money in this year, you are going to make it a bigger cliff to fall off of next year.

I would caution our negotiators not to go down that path of building in more spending now when we are going to have to have greater cuts next year and more program disruption.

We could come to an agreement. I think there are lots of areas where we could agree. I will tell you that I am beginning to think that the only place that we can make an agreement is working with our colleagues in Congress. I have had the pleasure of working with the Senator from Maryland, Senator MIKULSKI. We have some policy differences, but those policy differences can be accommodated.

I know that there are groups working together on a bipartisan basis, Senators BREAUX and CHAFEE and others, Senator NUNN and many others, who are working to come up with a balanced budget, because I believe there are people in this body on both sides of the aisle who believe it is in the best interest of this country to get the Government back to work, to get the employees of the Federal Government doing what they are supposed to do, and put forward a responsible bipartisan plan to move this country toward a balanced budget in the year 2002.

The Kerrey-Danforth commission, headed by Senator KERREY from Nebraska and my former colleague, Senator Danforth from Missouri, pointed out how difficult the entitlement problems are. Unless we start dealing with those entitlement problems, we are not going to reach that result.

So, Mr. President, it has been with only a slight degree of hope and a great deal of concern that I have watched the proceedings today. We have to find some areas of compromise. Unless we see the President willing to come forward and tell us where cuts are going to be made—real cuts; not phony cuts, real cuts—then we are going to have to work within this body, and I hope we can find bipartisan cooperation in the House, to come to agreements on how to get spending under control, how to provide the vital services that are necessary, that must be provided, but to do so in a responsible way that does not cost our children and our grandchildren another $1 or $2 trillion worth of debt.

Mr. President, this is a vitally important issue. The issue of the budget is going to define not only what our children face in the future, but our economy in the short term. I look forward

to working with Members of this body and ultimately Members of the other House in seeing if we cannot fashion what the President has been unwilling to come forth and produce, and that is a balanced budget.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REMOVAL OF INJUNCTION OF SECRECY—TAX PROTOCOL WITH THE KINGDOM OF THE NETHERLANDS (TREATY DOC. NO. 104–23)

Mr. COCHRAN. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Tax Protocol for the Kingdom of the Netherlands (Treaty Document No. 104–23), transmitted to the Senate by the President on January 3, 1996; and ask that the treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

I transmit herewith for Senate advice and consent to ratification, the Protocol between the Government of the United States of America and the Government of the Kingdom of the Netherlands in Respect of the Netherlands Antilles Amending Article VIII of the 1948 Convention with Respect to Taxes on Income and Certain Other Taxes as Applicable to the Netherlands Antilles, signed at Washington on October 10, 1995. Also transmitted for the information of the Senate is the report of the Department of State with respect to the Protocol.

The Protocol amends Article VIII (1) of the Convention to limit the exemption from U.S. taxation of interest on debt instruments to interest paid on instruments issued on or before October 15, 1984, by a U.S. person to a related controlled foreign corporation that was in existence before October 15, 1984.

I recommend that the Senate give early and favorable consideration to the Protocol, and give its advice and consent to ratification.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *January 3, 1996.*

COMMENDING J. KEITH KENNEDY

Mr. COCHRAN. Mr. President, I send a resolution to the desk commending J. Keith Kennedy for his service as Republican staff director of the Appropriations Committee and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 208) commending J. Keith Kennedy.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, this resolution commends J. Keith Kennedy, who has served as the Republican staff director for the Appropriations Committee for 15 years, having assumed that position 15 years ago today.

Keith is a very valuable member of the Senate staff, upon whom we have all relied at one time or another.

I know my colleagues join Senator HATFIELD and BYRD in wishing Keith continued success in his position—we will continue to rely on his sound counsel.

Mr. HATFIELD. Mr. President, I rise to congratulate and to convey my appreciation to a member of my staff, J. Keith Kennedy. Today marks the 15-year anniversary of Keith's service as the Republican staff director of the Senate Appropriations Committee, serving either in the majority or in the minority as fortune permitted. Mr. Kennedy has steered the staff with a firm, but gentle hand at the helm, through the often choppy waters of legislative process. Such continuity has provided the Senate with the type of institutional memory that keeps us from remaking some of the mistakes of the past. In this capacity, Mr. Kennedy has worked to uphold the position of the Senate in negotiations with three administrations—those of Presidents Ronald Reagan, George Bush, and Bill Clinton, five OMB directors—David Stockman, James Miller, Richard Darman, Leon Panetta, and Alice Rivlin, and a House of Representatives under both Democratic and Republican majorities. During that time, he helped implement the Reagan revolution of the early 1980's when many of us were still trying to get our sea legs in a Senate with a new Republican majority. In the 1990's, he has played a key role in charting a course out of fiscal excesses of earlier years.

Keith has served the Senate with distinction and honor for over 23 years. I have come to rely on him as a trusted adviser, policy expert, and friend.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 208) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 208

Whereas J. Keith Kennedy has served as majority or minority Chief Clerk and Staff Director of the Committee on Appropriations since January 3, 1981;

Whereas he has ably served the Senate in various other roles since September of 1972;

Whereas he has served as clerk of the Legislative Branch Appropriations Subcommittee, in which capacity he has endeavored to provide for the welfare and benefit of the entire U.S. Senate and its employees;

Whereas he has overseen the modernization and streamlining of the day-to-day operations of the Senate Appropriations Committee;

Whereas he has ably represented the interests of the Appropriations Committee and the Senate in all budget negotiations since 1981;

Whereas he has upheld the high standards and traditions of the Senate with abiding devotion; and

Whereas he has earned the respect, affection and esteem of the United States Senate: Now, therefore, be it

Resolved, That on this fifteenth anniversary of his tenure, the Senate express its commendation, appreciation and gratitude to J. Keith Kennedy for his continuing service and for jobs well done.

CONGRATULATING BRETT FAVRE FOR WINNING THE 1995 NATIONAL FOOTBALL LEAGUE MOST VALUABLE PLAYER AWARD

Mr. COCHRAN. Mr. President, I now ask unanimous consent that the Senate turn to consideration of Senate Resolution 207, a resolution submitted earlier today by myself and Senator LOTT.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 207) to congratulate Brett Favre, a native of Kiln, Mississippi, for winning the 1995 National Football League Most Valuable Player Award.

Whereas Brett Favre, a native of Kiln, Mississippi, is a professional football player with the Green Bay Packers;

Whereas Brett Favre has demonstrated extraordinary skills as an athlete and has proven himself a leader and top performer in the National Football League;

Whereas Brett Favre has been named the Most Valuable Player of the National Football League for 1995: Therefore, be it

Resolved, That the Senate of the United States congratulates Brett Favre for the outstanding season he has had as quarterback of the Green Bay Packers and for being named the Most Valuable Player of the National Football League for 1995.

Mr. COCHRAN. Mr. President, it is with much pride that I submit a resolution congratulating Brett Favre for his outstanding accomplishment in being named the Most Valuable Player of the National Football League for 1995. Brett is a native of my State of Mississippi.

He grew up in the Kiln community near the Mississippi Gulf Coast and starred as a student and athlete at Hancock Central High School. He first received national attention as quarterback for the University of Southern Mississippi, where he led his team to victories over such nationally ranked powers as Florida State University, University of Alabama, and Auburn University.

This year, Brett Favre set a National Football Conference record of 38 touchdown passes and 4,413 total yards passing during the regular season. This is the third highest number of touchdown passes in a season in NFL history. He threw three more touchdown passes in Sunday's 37 to 20 first round playoff victory over the Atlanta Falcons.

Ironically, Brett was chosen for MVP over another outstanding Mississippian and NFL star, Jerry Rice. Jerry Rice is generally considered the best wide receiver and pass catcher in modern history. His accomplishments were noted when he was named MVP of the Super Bowl in 1987.

Brett Favre's rise to the top of his profession in four seasons is a testament not only to his ability, but to his courage and determination to excel. Brett Favre has proven himself a leader and top performer in every capacity and his achievements during the 1995 season were awesome.

I urge the Senate to join me in giving special recognition to this exceptionally talented young man and congratulating him upon receiving one of the highest honors awarded in his profession.

I ask unanimous consent that the article about him and his award that appeared in the Clarion Ledger, January 2, 1996, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Clarion-Ledger, Jan. 2, 1996]

FAVRE REACHES TOP—EARNING NFL MVP HONORS CAPS A LONG CLIMB FOR THE KID FROM KILN

(By Mike Knobler)

Billy Ray Dedeaux remembers a time he told his fourth-grade class to play touch football. One boy made a tackle, and Dedeaux paddled him for it.

Dedeaux had no way of knowing the boy was simply preparing himself to become the world's best football player. And that's exactly what Brett Favre has become.

Favre was named the National Football League's MVP Monday in a landslide vote over fellow Mississippian Jerry Rice. Favre, the Green Bay Packers quarterback, got 69 of a possible 88 first-place votes from a panel of sports writers and broadcasters. Rice, the San Francisco 49ers receiver, got 10.

''It means everything,'' said Favre, who just completed his fifth—and by far his most successful—regular season in the NFL. ''It's like winning the Super Bowl, except it's an individual honor. It's the National Football League, which means it's the best player in the whole world. In this game. And that's awesome.

''Think about all the great players you play with and play against. It's overwhelming. It's hard to even explain how much that means to win that and say, 'God, MVP of the league.'''

Back home on the Gulf Coast, Favre's family and former teachers were pleased with the honor but not surprised. They'd been hearing and reading for weeks that he was a leading candidate for the award.

''At first, when they started talking about it, you didn't think too much of it,'' said Bonita Favre, Brett's mother ''But as the year went on, it didn't seem out of reach.''

The MVP award carries with it the promise of more endorsement contracts and more money for Favre, 26. That means more work for his family in Kiln.

Bonita pays all the bills and takes care of all the accounts for Brett's three businesses: Favre Enterprises, Favre Agricultural Enterprises and Favre Property Management. There are lawyers and accountants to help, but Bonita handles the day-to-day finances.

Irvin, Brett's dad, runs the agricultural business, a 45-acre Black Angus farm behind the Favres' house. Scott, Brett's brother, runs the real estate business, which owns residential and commercial property in Mississippi and Tennessee.

Brett handles the football.

''Being the MVP won't change Brett,'' Irvin said. ''It'll change his lifestyle a bit. This'll complicate matters more. In the offseason, if you add all the days up (for his current endorsements and charity appearances), it'd be a little over a month. How much that'll increase and how much he wants that to increase, I don't know. He won't really have any off time. He'll be a busy man, and Brett doesn't really like that.''

Brett set an NFC record with 38 touchdown passes and threw for 4,413 yards. He guided the Packers to an 11–5 record and their first NFC Central title in 23 years.

The Packers beat the Atlanta Falcons in the opening round of the playoffs and face the 49ers Saturday at San Francisco. Gladys Haas will be watching that game on TV.

''I love to watch him throw that ball,'' said Haas, Favre's kindergarten teacher. ''His father said to me one time after things were going real nice for him, 'Gladys, you started all of this.' He was a dear youngster just like all kindergartners are. Even at that age, I'd say he was an up-and-going youngster.''

Favre was already a football prodigy by the time he got to Dedeaux's class at Hancock North Central Elementary School. Favre won a Punt, Pass and Kick contest in Biloxi. Dedeaux watched Favre advance from PeeWee to high school to Southern Mississippi to the pros.

''Any teacher dreams of a star student,'' Dedeaux said, ''Brett and many others have made that dream come true. He's a go-getter. He's always been very competitive, even in elementary school.''

Former high school math teacher Richard Streiff remembers Favre as the A student who sat in the center of the front row in class. he also remembers Favre as an unlikely candidate to become an MVP quarterback in the NFL.

''I never dreamed he'd be a quarterback,'' Streiff said. ''I thought he'd wind up as a defensive back at one of the major universities.

''He's an excellent young man. I can't say enough nice things about him as student and as a person.''

Favre has a new teacher these days: Packers coach Mike Holmgren. Favre admitted he owes much of his success to Holmgren. Holmgren admitted he owes much of his success to Favre.

''He does everything you can ask from a quarterback, and he's still young and learning,'' Holmgren said.

Last year, Favre nominated Dedeaux for the NFL's teacher of the month award. Dedeaux won and received $2,500, plus $5,000 for the school Favre returns each spring and signs autographs for sixth graders.

That gives Dedeaux the chance to tell his story about the kid who disobeyed his teacher and went on to greatness.

''Sometimes that's what happens when you become hardheaded and don't listen,'' Dedeaux said. ''He was just making himself tough.''

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 207) was agreed to.

The preamble was agreed to.

REPORT ON THE CONTINUATION OF LIBYAN EMERGENCY—MESSAGE FROM THE PRESIDENT—PM 107

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Libyan emergency is to continue in effect beyond January 7, 1996, to the *Federal Register* for publication.

The crisis between the United States and Libya that led to the declaration of a national emergency on January 7, 1986, has not been resolved. The Government of Libya has continued its actions and policies in support of terrorism, despite the calls by the United Nations Security Council, in Resolutions 731 (1992), 748 (1992), and 883 (1993) that it demonstrate by concrete actions its renunciation of such terrorism. Such Libyan actions and policies pose a continuing unusual and extraordinary threat to the national security and vital foreign policy interests of the United States. For these reasons, the national emergency declared on January 7, 1986, and the measures adopted on January 7 and January 8, 1986, to deal with that emergency, must continue in effect beyond January 7, 1996. I have determined that it is necessary to maintain in force the broad authorities necessary to apply economic pressure to the Government of Libya to reduce its ability to support international terrorism.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *January 3, 1996.*

REPORT CONCERNING EMIGRATION LAWS AND POLICIES OF ROMANIA—MESSAGE FROM THE PRESIDENT—PM 108

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompany report; which was referred to the Committee on Finance:

To the Congress of the United States:

On May 19, 1995, I determined and reported to the Congress that Romania is in full compliance with the freedom of

emigration criteria of sections 402 and 409 of the Trade Act of 1974. This action allowed for the continuation of most-favored-nation (MFN) status for Romania and certain other activities without the requirement of an annual waiver.

As required by law, I am submitting an updated report to the Congress concerning emigration laws and policies of Romania. You will find that the report indicates continued Romanian compliance with U.S. and international standards in the area of emigration policy.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *January 3, 1996.*

MESSAGES FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of January 4, 1995, the Secretary of the Senate, on January 3, 1996, during the adjournment of the Senate, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled bill:

H.R. 2808. An act to extend authorities under the Middle East Peace Facilitation Act of 1994 until March 31, 1996, and for other purposes.

MESSAGES FROM THE HOUSE

At 2:16 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has agreed to the resolution (H. Res. 326) informing the Senate that a quorum of the House is present and that the House is ready to proceed with business.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–1750. A communication from the Secretary of the Judicial Conference of the United States, transmitting, a notice relative to funding of the Judiciary; to the Committee on Appropriations.

EC–1751. A communication from the Chairperson of the Defense Environmental Response Task Force (DERTF), Office of the Under Secretary of Defense, transmitting, pursuant to law, the annual report for fiscal year 1995; to the Committee on Armed Services.

EC–1752. A communication from the Deputy Chief (Programs and Legislation Division), Office of Legislative Liaison, Department of the Air Force, transmitting, pursuant to law, a notification relative to the contracting of work currently performed at Newark Air Force Base (AFB), Ohio; to the Committee on Armed Services.

EC–1753. A communication from the Director of the Office of Management and Budget, the Executive Office of the President, transmitting, pursuant to law, the report on appropriations legislation within five days of enactment; to the Committee on the Budget.

EC–1754. A communication from the Chairman of the Civil Tiltrotor Development Advisory Committee (CTRDAC), Office of the Assistant Secretary of Transportation, transmitting, pursuant to law, the final report; to the Committee on Commerce, Science, and Transportation.

EC–1755. A communication from the Secretary of Energy, transmitting, pursuant to law, the annual report on the state energy conservation program for calendar year 1994; to the Committee on Energy and Natural Resources.

EC–1756. A communication from the Deputy Associate Director for Compliance, Royalty Management Program, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, notice of the intention to make refunds of offshore lease revenues where a refund or recoupment is appropriate; to the Committee on Energy and Natural Resources.

EC–1757. A communication from the Deputy Associate Director for Compliance, Royalty Management Program, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, notice of the intention to make refunds of offshore lease revenues where a refund or recoupment is appropriate; to the Committee on Energy and Natural Resources.

EC–1758. A communication from the Comptroller General of the United States, transmitting, pursuant to law, the report on the Trans-Alaska Pipeline Liability Fund; to the Committee on Energy and Natural Resources.

EC–1759. A communication from the Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report of a Presidential Determination relative to the Assistance to support Nigeria and other states participation in the peacekeeping mission in Liberia; to the Committee on Foreign Relations.

EC–1760. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, the report of the texts of international agreements, other than treaties, and background statements; to the Committee on Foreign Relations.

EC–1761. A communication from the Executive Director of the Japan-United States Friendship Commission, transmitting, pursuant to law, the annual report for fiscal year 1995; to the Committee on Foreign Relations.

EC–1762. A communication from the President of the National Safety Council, transmitting, pursuant to law, the report on internal controls and financial management systems in effect during the fiscal years ending June 30, 1995, and 1994; to the Committee on the Judiciary.

EC–1763. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the report on the Office of Minority Health; to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MURKOWSKI, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 1371. A bill entitled the ''Snowbasin Land Exchange Act of 1995'' (Rept. No. 104–201).

INTRODUCTION OF BILLS AND JOINT RESERVATIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CRAIG:

S. 1515. A bill for the relief of Benjamin M. Banfro; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. COCHRAN (for himself and Mr. LOTT):

S. Res. 207. A resolution to congratulate Brett Favre, a native of Kiln, Mississippi, for winning the 1995 National Football League Most Valuable Player Award; considered and agreed to.

By Mr. DOLE (for himself, Mr. HATFIELD, and Mr. BYRD):

S. Res. 208. A resolution commending J. Keith Kennedy; considered and agreed to.

SENATE RESOLUTION 207—RELATIVE TO BRETT FAVRE

Mr. COCHRAN (for himself, Mr. LOTT, Mr. FEINFOLD, and Mr. KOHL) submitted the following resolution; which was considered and agreed to:

S. RES. 207

Whereas Brett Favre, a native of Kiln, Mississippi, is a professional football player with the Green Bay Packers;

Whereas Brett Favre has demonstrated extraordinary skills as an athlete and has proven himself a leader and top performer in the National Football League;

Whereas Brett Favre has been named the Most Valuable Player of the National Football League for 1995: Now therefore be it

Resolved, That the Senate of the United States congratulates Brett Favre for the outstanding season he has had as quarterback of the Green Bay Packers and for being named the Most Valuable Player of the National Football League for 1995.

SENATE RESOLUTION 208—COMMENDING J. KEITH KENNEDY

Mr. DOLE (for himself, Mr. HATFIELD, and Mr. BYRD) submitted the following resolution; which was considered and agreed to:

S. RES. 208

Whereas J. Keith Kennedy has served as majority or minority Chief Clerk and Staff Director of the Committee on Appropriations since January 3, 1981;

Whereas he has ably served the Senate in various other roles since September of 1972;

Whereas he has served as Clerk of the Legislative Branch Appropriations Subcommittee, in which capacity he has endeavored to provide for the welfare and benefit of the entire U.S. Senate and its employees;

Whereas he has overseen the modernization and streamlining of the day-to-day operations of the Senate Appropriations Committee;

Whereas he has ably represented the interests of the Appropriations Committee and the Senate in all budget negotiations since 1981;

Whereas he has upheld the high standards and traditions of the Senate with abiding devotion; and

Whereas he has earned the respect, affection and esteem of the United States Senate: Now, therefore, be it

Resolved, That on this fifteenth anniversary of his tenure, the Senate express its commendation, appreciation and gratitude to J. Keith Kennedy for his continuing service and for jobs well done.

AMENDMENTS SUBMITTED

FEDERAL EMPLOYEES LEGISLATION

DOLE (AND WARNER) AMENDMENT NO. 3114

Mr. DOLE (for himself and Mr. WARNER) proposed an amendment to the bill (S. 1508) to assure that all Federal employees work and are paid; as follows:

In lieu of the House amendment, insert:

SEC. 2. EXCEPTED EMPLOYEES UNDER NORMAL LEAVE POLICY.

Federal employees considered excepted from furlough during any period in which there is a lapse in appropriations with respect to the agency activity in which the employee is engaged shall not be considered to be furloughed when on leave and shall be subject to the same leave regulations as if no lapse in appropriations had occurred.

SEC. 3. ELIGIBILITY FOR UNEMPLOYMENT COMPENSATION.

Beginning on January 2, 1996, any federal employee who is excepted from furlough and is not being paid due to a lapse in appropriations shall be eligible for unemployment compensation benefits with no waiting period for such eligibility to accrue. With respect to any person who is eligible for such benefits by reason of the preceding sentence, any such benefits received shall be subject to repayment in the same manner and to the same extent when eligibility by reason of the preceding sentence ceases as if such cessation were an end to the period of unemployment.

TITLE II

That the following sums are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units of Government for the fiscal year 1996, and for other purposes, namely:

SEC. 201. (a) Such amounts as may be necessary under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1995 for continuing the following projects or activities including the costs of direct loans and loan guarantees (not otherwise specifically provided for in this joint resolution) which were conducted in the fiscal year 1995:

All nutrition services for the elderly under the account heading ''Aging services programs'' under the Administration on Aging in the Department of Health and Human Services;

All grants to states for child welfare services, authorized by title IV, part B, subpart 1, of the Social Security Act, under the account heading ''Children and families services programs'' under the Administration for Children and Families in the Department of Health and Human Services;

All Federal Parent Locator Service activities, as authorized by section 453 of the Social Security Act, under the account heading ''Children and families services programs'' under the Administration for Children and Families in the Department of Health and Human Services;

All State unemployment insurance administration activities under the account heading ''State unemployment insurance and employment service operations'' under the Employment and Training Administration in the Department of Labor;

All general welfare assistance payments and foster care payments, as authorized by law, funded under the account heading ''Operation of Indian programs'' under the Bureau of Indian Affairs in the Department of the Interior;

All projects and activities necessary to accommodate visitors and to provide for visitor services in the National Park System, the National Wildlife Refuges, the National Forests, the facilities operated by the Smithsonian Institution, the National Gallery of Art, and the John F. Kennedy Center for the Performing Arts; and

All projects and activities necessary to process passports, notwithstanding section 15 of the State Department Basic Authorities Act of 1956:

Provided, That whenever the amount which would be made available or the authority which would be granted under an Act which included funding for fiscal year 1996 for the projects and activities listed in this section is greater than that which would be available or granted under current operations, the pertinent project or activity shall be continued at a rate for operations not exceeding the current rate.

(b) Whenever the amount which would be made available or the authority which would be granted under the Act which included funding for fiscal year 1996 for the projects and activities listed in this section as passed by the House as of the date of enactment of this joint resolution, is different from that which would be available or granted under such Act as passed by the Senate as of the date of enactment of this joint resolution, the pertinent project or activity shall be continued at a rate for operations not exceeding the current rate or the rate permitted by the action of the House or the Senate, whichever is lower, under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1995.

(c) Whenever an Act which included funding for fiscal year 1996 for the projects and activities listed in this section has been passed by only the House or only the Senate as of the date of enactment of this joint resolution, the pertinent project or activity shall be considered under that appropriation, fund, or authority granted by the one House at a rate for operations not exceeding the current rate or the rate permitted by the action of the one House, whichever, is lower, and under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1995.

SEC. 202. Appropriations made by section 201 shall be available to the extent and in the manner which would be provided by the pertinent appropriations Act.

SEC. 203. No appropriation or funds made available or authority granted pursuant to section 201 shall be used to initiate or resume any project or activity for which appropriations, funds, or other authority were not available during the fiscal year 1995.

SEC. 204. No provision which is included in the appropriations Act enumerated in section 201 but which was not included in the applicable appropriations Act for fiscal year 1995 and which by its terms is applicable to more than one appropriation, fund, or authority shall be applicable to any appropriation, fund, or authority provided in this joint resolution.

SEC. 205. Appropriations made and authority granted pursuant to this title of this joint resolution shall cover all obligations or expenditures incurred for any program, project, or activity during the period for which funds or authority for such project or activity are available under this joint resolution.

SEC. 206. Unless otherwise provided for in this title of this joint resolution or in the applicable appropriations Act, appropriations and funds made available and authority granted pursuant to this title of this joint resolution shall be available until (a) enactment into law of an appropriation for any project or activity provided for in this title of this joint resolution, or (b) the enactment into law of the applicable appropriations Act by both Houses without any provision for such project or activity, or (c) September 30, 1996, whichever first occurs.

SEC. 207. Expenditures made pursuant to this title of this joint resolution shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

SEC. 208. No provision in the appropriations Act for the fiscal year 1996 referred to in section 201 of this joint resolution that makes the availability of any appropriation provided therein dependent upon the enactment of additional authorizing or other legislation shall be effective before the date set forth in section 206(c) of this joint resolution.

SEC. 209. Appropriations and funds made available by or authority granted pursuant to this title of this joint resolution may be used without regard to the time limitations for submission and approval of apportionments set forth in section 1513 of title 31, United States Code, but nothing herein shall be construed to waive any other provision of law governing the apportionment of funds.

TITLE III—DISTRICT OF COLUMBIA

That the following sums are hereby appropriated, out of the general fund and enterprise funds of the District of Columbia for the District of Columbia for the fiscal year 1996, and for other purposes, namely:

SEC. 301. (a) Such amounts as may be necessary under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1995 for continuing projects or activities including the costs of direct loans and loan guarantees (not otherwise specifically provided for in this title of this joint resolution) which were conducted in the fiscal year 1995 and for which appropriations, funds, or other authority would be available in the following appropriations Act:

The District of Columbia Appropriations Act, 1996:

Provided, That whenever the amount which would be made available or the authority which would be granted in this Act is greater than that which would be available or granted under current operations, the pertinent project or activity shall be continued at a rate for operations not exceeding the current rate.

(b) Whenever the amount which would be made available or the authority which would be granted under the Act listed in this section as passed by the House as of the date of enactment of this joint resolution, is different from that which would be available or granted under such Act as passed by the Senate as of the date of enactment of this joint resolution, the pertinent project or activity shall be continued at a rate for operations not exceeding the current rate or the rate permitted by the action of the House or the Senate, whichever is lower, under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1995: *Provided*, That where an item is included in either version or where an item is included in only one version of the Act as passed by both Houses as of the date of enactment of this joint resolution, the pertinent project or activity shall not be continued except as provided for in section 311 or 312 under the appropriation, fund, or authority granted by the applicable appropriations

Act for the fiscal year 1995 and under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1995.

SEC. 302. Appropriations made by section 301 shall be available to the extent and in the manner which would be provided by the pertinent appropriations Act.

SEC. 303. No appropriation or funds made available or authority granted pursuant to section 301 shall be used to initiate or resume any project or activity for which appropriations, funds, or other authority were not available during the fiscal year 1995.

SEC. 304. No provision which is included in the appropriations Act enumerated in section 301 but which was not included in the applicable appropriations Act for fiscal year 1995 and which by its terms is applicable to more than one appropriation, fund, or authority shall be applicable to any appropriation, fund, or authority provided in this title of this joint resolution.

SEC. 305. Appropriations made and authority granted pursuant to this title of this joint resolution shall cover all obligations or expenditures incurred for any program, project, or activity during the period for which funds or authority for such project or activity are available under this title of this joint resolution.

SEC. 306. Unless otherwise provided for in this title of this joint resolution or in the applicable appropriations Act, appropriations and funds made available and authority granted pursuant to this title of this joint resolution shall be available until (a) enactment into law of an appropriation for any project or activity provided for in this title of this joint resolution, or (b) the enactment into law of the applicable appropriations Act by both Houses without any provision for such project or activity, or (c) September 30, 1996, whichever first occurs.

SEC. 307. Notwithstanding any other provision of this title of this joint resolution, except section 206, none of the funds appropriated under this title of this joint resolution shall be expended for any abortion except where the life of the mother would be endangered if the fetus were carried to term or where the pregnancy is the result of an act of rape or incest.

SEC. 308. Expenditures made pursuant to this title of this joint resolution shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

SEC. 309. No provision in the appropriations Act for the fiscal year 1996 referred to in section 301 of this title of this joint resolution that makes the availability of any appropriation provided therein dependent upon the enactment of additional authorizing or other legislation shall be effective before the date set forth in section 306(c) of this joint resolution.

SEC. 310. Appropriations and funds made available by or authority granted pursuant to this title of this joint resolution may be used without regard to the time limitations for submission and approval of apportionments set forth in section 1513 of title 31, United States Code, but nothing herein shall be construed to waive any other provision of law governing the apportionment of funds.

SEC. 311. Notwithstanding any other provision of this title of this joint resolution, except section 301, whenever the Act listed in section 301 as passed by both the House and Senate as of the date of enactment of this joint resolution, does not include funding for an ongoing project or activity for which there is a budget request, or whenever the rate of operations for an ongoing project or activity provided by section 301 for which there is a budget request would result in the project or activity being significantly reduced, the pertinent project or activity may be continued under the authority and conditions provided in the applicable appropriations Act for the fiscal year 1995 by increasing the rate for operations provided by section 301 to a rate for operations not to exceed one that provides the minimal level that would enable existing activities to continue. No new contracts or grants shall be awarded in excess of an account that bears the same ratio to the rate for operations provided by this section as the number of days covered by this resolution bears to 366. For the purposes of this title of this joint resolution the minimal level means a rate for operations that is reduced from the current rate by 25 percent.

SEC. 312. Notwithstanding any other provision of this title of this joint resolution, except section 206, when ever the rate for operations for any continuing project or activity provided by section 301 or section 311 for which there is a budget request would result in a furlough of Government employees, that rate for operations may be increased to the minimum level that would enable the furlough to be avoided. No new contracts or grants shall be awarded in excess of an amount that bears the same ratio to the rate for operations provided by this section as the number of days covered by this resolution bears to 366.

SEC. 313. Notwithstanding any other provision of this title of this joint resolution, except sections 306, 311, and 312, for those programs that had high initial rates of operation or complete distribution of funding at the beginning of the fiscal year in fiscal year 1995 because of distributions of funding to States, foreign countries, grantees, or others, similar distributions of funds for fiscal year 1996 shall not be made and no grants shall be awarded for such programs funded by this title of this resolution that would impinge on final funding prerogatives.

SEC. 314. This title of this joint resolution shall be implemented so that only the most limited funding action of that permitted in this title of this resolution shall be taken in order to provide for continuation of projects and activities.

SEC. 315. The provisions of section 132 of the District of Columbia Appropriations Act, 1988, Public Law 100–202, shall not apply for this title of this joint resolution.

SEC. 316. Notwithstanding any other provision of this title of this joint resolution, except section 306, none of the funds appropriated under this title of this joint resolution shall be used to implement or enforce any system or registration of unmarried, cohabiting couples whether they are homosexual, lesbian, heterosexual, including but limited to registration for the purposes of extending employment, health, or governmental benefits to such couples on the same basis that such benefits are extended to legally married couples; nor shall any funds made available pursuant to any provision of this title of this joint resolution otherwise be used to implement or enforce D.C. Act 9–188, signed by the Mayor of the District of Columbia on April 15, 1992.

TITLE IV—VETERANS AFFAIRS

That the following sums are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations and other organizational units of Government for the fiscal year 1996, and for other purposes, namely:

SEC. 401. ENSURED PAYMENT DURING FISCAL YEAR 1996 OF VETERAN'S BENEFITS IN EVENT OF LACK OF APPROPRIATIONS.

(a) PAYMENTS REQUIRED.—In any case during fiscal year 1996 in which appropriations are not otherwise available for programs, projects, and activities of the Department of Veterans Affairs, the Secretary of Veterans Affairs shall nevertheless ensure that—

(1) payments of existing veterans benefits are made in accordance with regular procedures and schedules and in accordance with eligibility requirements for such benefits; and

(2) payments to contractors of the Veterans Health Administration of the Department of Veterans Affairs are made when due in the case of services provided that directly relate to patient health and safety.

(b) FUNDING.—There is hereby appropriated such sums as may be necessary for the payments pursuant to subsection (a), including such amounts as may be necessary for the costs of administration of such payments.

(c) CHARGING OF ACCOUNTS WHEN APPROPRIATIONS MADE.—In any case in which the Secretary uses the authority of subsection (a) to make payments, applicable accounts shall be charged for amounts so paid, and for the costs of administration of such payments, when regular appropriations become available for those purposes.

(d) EXISTING BENEFITS SPECIFIED.—For purposes of this section, existing veterans benefits are benefits under laws administered by the Secretary of Veterans Affairs that have been adjudicated and authorized for payment as of—

(1) December 15, 1995; or

(2) if appropriations for such benefits are available (other than pursuant to subsection (b)) after December 15, 1995, the last day on which appropriations for payment of such benefits are available (other than pursuant to subsection (b)).

SEC. 402. Section 401 shall cease to be effective on September 30, 1996.

TITLE V—CLARIFICATION OF CERTAIN REIMBURSEMENTS

"SEC. 501. CLARIFICATION OF REIMBURSEMENT TO STATES FOR FEDERALLY FUNDED EMPLOYEES.

''(a) If a State used State funds to continue carrying out a Federal program or furloughed State employees whose compensation is advanced or reimbursed in whole or in part by the Federal Government—

''(1) such furloughed employees shall be compensated at their standard rate of compensation for such period;

''(2) the State shall be reimbursed for expenses that would have been paid by the Federal Government during such period had appropriations been available, including the cost of compensating such furloughed employees, together with interest thereon due under section 6503(d) of title 31, United States Code; and

''(3) the State may use funds available to the State under such Federal program to reimburse such State, together with interest thereon due under section 6503(d) of title 31, United States Code.

''(b) For purposes of this subsection, the term 'State' shall have the meaning as such term is defined under the applicable Federal program under subsection (a).''

''(c) The authority under this section applies with respect to any period in fiscal year 1996 (not limited to periods beginning or ending after the date of the enactment of this Act) during which there occurs a lapse in appropriations with respect to any department or agency of the Federal Government which, but for such lapse in appropriations, would have paid, or made reimbursement relating to, any of the expenses referred to in subsection (a) with respect to the program involved. Payments and reimbursements under

this authority shall be made only to the extent and in amounts provided in advance in appropriations Acts.''

ORDERS FOR THURSDAY, JANUARY 4, 1996

Mr. COCHRAN. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 11 a.m. on Thursday, January 4, 1996; that following the prayer, the Journal of proceedings be deemed approved to date, the time for the two leaders be reserved for their use later in the day, and there then be a period for morning business until the hour of 12 noon, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. COCHRAN. Mr. President, for the information of all Senators, negotiations will continue tomorrow on the Balanced Budget Act by the year 2002. However, rollcall votes are not expected during Thursday's session of the Senate.

RECESS UNTIL 11 A.M. TOMORROW

Mr. COCHRAN. If there is no further business to come before the Senate, I ask unanimous consent the Senate stand in recess under the previous order.

There being no objection, the Senate, at 3:46 p.m., recessed until Thursday, January 4, 1996, at 11 a.m.

EXTENSIONS OF REMARKS

CORPORATE LEADERS SHOULD CONTRIBUTE TO BUDGET SACRIFICE

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1996

Mr. MILLER of California. Mr. Speaker, the budget discussions are about fundamentally important issues. For instance, nearly 50 Democratic Members of the House who are prepared to make tough budget choices are asking corporate leaders, who have called for fiscal discipline, to declare the sacrifices they are prepared to make for deficit reduction.

After all, we are talking about some of the richest people in the country, paid millions of dollars a year. And the Republican budget bill will make them richer still, thanks to reduction of the alternative minimum tax, lower capital gains taxes and extended tax loopholes. Some, like ASARCO and Chevron, stand to gain billions from royalty-free giveaways of public resources.

Are they prepared to pay a fair share of corporate taxes, which are just one-third the level in 1954 despite a 14 fold increase in profits?

Will they pay their employees wages and benefits that support a family, so that the taxpayers can stop subsidizing their corporations through welfare, food stamps, Medicaid and tax credits—all targeted for big cuts in the Republican budget?

There is something unseemly about some of the richest people in America demanding a budget that preserves their perks and penalize the poor—many of whom they employ.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, December 22, 1995.

DEAR SIR: We have seen the recent advertisement which you signed with 90 other CEOs. I am glad to know that we share a common goal of cutting federal budget deficits. You and the other cosigners of the letter make it clear that as corporate leaders you would like entitlements such as Medicare, Medicaid and Food Stamps which affect the nation's poor and elderly be put on the table. Believe us, those items are on the table and are almost certain to take a major hit in any likely resolution of the current impasse.

While it appears you are willing to offer up substantial sacrifice on the part of the nation's poor and elderly, it is not clear what you are willing to put on the table. We would like to know if Corporate America in general and your corporation in particular are willing to play a role beyond offering sacrifice on the part of others. These are some questions which illustrate the possible contributions which corporate America might consider.

CORPORATE TAX BURDEN

During the 1950s Corporate America paid a much bigger share of the cost of government. In 1954, corporate taxes accounted for 30% of all federal revenues. Corporations will pay only 11% of the taxes collected by the federal government this year despite the fact that corporate profits have increased 14 fold in the intervening years. If the same share of profits were paid in taxes this year as in 1954, the federal deficit would be eliminated in one year with no cuts required in Medicare or any other program. Are you willing to accept a larger share of the federal tax burden, a share more in line with that which corporations bore in the 1950s (a period remembered as a time of growth and prosperity for rich and poor alike)?

ACCEPTING A MINIMUM TAX (REGARDLESS OF LOOPHOLES)

A central proposal in the House Republican budget is to eliminate the Alternative Minimum Tax for corporations such as yours. This would allow numerous large and profitable corporations to exploit tax loopholes and pay no federal taxes whatsoever. Would you commit your corporation to continue to pay the current minimum tax level regardless of the loopholes, deductions and exemptions that the Republicans promise to enact?

WORKER HEALTH BENEFITS

A major cost to the Medicare and Medicaid programs is the additional payments that they and other payers in the health care system must make in order to cover the cost that hospitals, clinics and physicians incur treating the more than 30 million Americans who have no health benefits. Most of these uninsured patients are either employed or are dependents of Americans who have jobs but not health care coverage. How many of your employees do not have full health care coverage? Are you willing to extend coverage to those employees so that the federal government, private individuals and corporations don't have to continue picking up the tab?

PAYMENT OF LIVING WAGES

Millions of Americans who have full time jobs, earn too little money to support their families. As a result, many workers qualify for Food Stamps, the Earned Income Tax Credit and numerous other federal programs. How much do your lowest paid workers make? How many of your workers are a drain on the federal treasury because they are being paid less than the amount required to feed, clothe and provide minimal shelter to their family? What is the current multiple of the salary and benefits received by your lowest paid workers and that paid to you and your senior executives? How has that multiple changed over time? If your company would return to the multiple that it maintained during the 1950s, how much would it allow lower rung wages to rise and how much would that reduce the drain that your employees place on federal programs?

PAYING YOUR FAIR SHARE TO LOCAL GOVERNMENTS

The federal government has attempted to improve the quality of local schools by making direct federal payments to local school districts so that they can hire more qualified teachers, reduce classroom size and toughen academic requirements. Those efforts are now facing substantial cutbacks as the result of various budget balancing proposals. At the same time American corporations are forcing local communities to bid against each other, offering up huge tax concessions to persuade you to locate facilities in their area. Many of those tax concessions come directly out of the budgets of local school districts. Is your company willing to cease such practices and is it further willing to pay the appropriate level of taxes in communities where it is now located without respect to earlier tax concessions made by those communities? That would do a great deal to help build a better trained and educated workforce that in the end would be a real boon to corporate America. Further, it would help offset the decline in federal funds that the schools are likely to experience if this budget package is adopted.

HELPING EMPLOYEES BE BETTER PARENTS

The federal government provides grants to local communities to provide child care simply because many employers refuse to do so despite indications that on site day care improves productivity, employee retention and loyalty. In addition, it helps workers be better parents and that results in a better, stronger society in which corporations can expect to be more profitable. Would you be willing to reduce the need for federal grants for daycare assistance by extending daycare services to a larger share of your employees.

CEASE BUDGET BUSTING LOBBYING ACTIVITIES

Many corporations hire lobbyists that actually encourage the federal government to spend *more*—not less—money, provided that the money will flow into corporate coffers. This year for example corporate lobbyists succeeded in persuading the Congress to spend $7 billion more at the Department of Defense than the Department had requested. Much of this went for new procurement of fancy new weapon systems which the military had not asked for but which will produce fat contracts and subcontracts for many of the Fortune 500. It might help to balance the budget if Corporate executives such as yourself made a commitment not to send lobbyists to Washington to ask Congress to spend money that the Pentagon and other portions of the Executive Branch are not asking for. Would you make that commitment?

A FAIRER DISTRIBUTION OF THE INDIVIDUAL TAX BURDEN

Most senior executives in America's largest corporations benefit from not only the highest salaries of corporate leaders anywhere in the world, but stock option and benefit packages which are worth in many instances millions of dollars a year and have become increasingly generous in recent years. The value of these packages has increased even further as a result of the tremendous run up in stock valuations in recent years. The stock of many companies can attribute their spectacular growth to the wage concessions of their employees. As Business Week pointed out this spring ''the combination of high productivity and tepid wages increases is pushing corporate profits through the roof'' and as every investor or stock option beneficiary knows stock prices move in direct multiples to profits. The Republican budget includes a big cut in capital gains taxation which makes the windfall for corporate leaders such as yourself even greater. But there is another policy option. Since events of the last decade have allowed you and your cosigners to grow far richer than earlier generations of corporate managers at the same time that the lot of most of your countrymen has declined, you could offer to pay more tax rather than less.

You probably won't want to help out in all of the respects listed above. But perhaps

some of these items could be put on the table. Whether or not they are adopted, it would at least make the elderly couple who has to pay more of their Social Security check for Medicare coverage or the working family that has had to assume the nursing home costs of an elderly aunt feel that the decision that they should sacrifice was not made before other possible options were explored.

Sincerely,

GEORGE MILLER.
DAVID R. OBEY.
RICHARD A. GEPHARDT.

P.S.—Another option that you might consider in examining what you might do to help with the budget deficit would be to refrain from deducting from your corporate federal tax payment the advertising cost associated with these ads. Some taxpayers might feel that the advice you are providing on the sacrifices that they might make should be paid entirely by you rather than billing 35% of those costs to Uncle Sam.

MEMBERS OF CONGRESS WHO SIGNED LETTER TO CORPORATE CEO'S, DECEMBER 22, 1995

1. Hon. George Miller.
2. Hon. David R. Obey.
3. Hon. Richard A. Gephardt.
4. Hon. Dick Durbin.
5. Hon. Alcee Hastings.
6. Hon. Rosa DeLauro.
7. Hon. Joseph P. Kennedy.
8. Hon. John Lewis.
9. Hon. Cleo Fields.
10. Hon. Melvin Watts.
11. Hon. Bill Hefner.
12. Hon. Nancy Pelosi.
13. Hon. Patrick J. Kennedy.
14. Hon. Albert Wynn.
15. Hon. Major Owens.
16. Hon. Sam Gejdenson.
17. Hon. Maxine Waters.
18. Hon. Ronald V. Dellums.
19. Hon. Jesse Jackson, Jr.
20. Hon. Tom Foglietta.
21. Hon. Louise Slaughter.
22. Hon. Ron Coleman.
23. Hon. Chaka Fattah.
24. Hon. John W. Olver.
25. Hon. Karen L. Thurman.
26. Hon. Cynthia McKinney.
27. Hon. Eva M. Clayton.
28. Hon. Pat Williams.
29. Hon. Bobby Rush.
30. Hon. Bill Richardson.
31. Hon. Marcy Kaptur.
32. Hon. Lynne C. Woolsey.
33. Hon. Barney Frank.
34. Hon. John Joseph Moakley.
35. Hon. Patsy T. Mink.
36. Hon. William L. Clay.
37. Hon. Jim McDermott.
38. Hon. Lane Evans.
39. Hon. Pete Stark.
40. Hon. Bernie Sanders.
41. Hon. Donald M. Payne.
42. Hon. Maurice Hinchey.
43. Hon. Peter A. DeFazio.
44. Hon. Patricia Schroeder.
45. Hon. David Bonior.
46. Hon. Neil Abercrombie.

BUDGET NEGOTIATIONS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1996

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, December 20, 1995, into the CONGRESSIONAL RECORD.

THE STATUS OF THE BUDGET NEGOTIATIONS

The negotiations between Congress and the President over a balanced budget are now entering a critical phase. Hoosiers tells me they want to get these budget issues resolved. They want Congress and the President to work together to get the government's business done. They do not want government furloughs and they see the threat of default on the national debt as very much to be avoided.

The President and the Republican leaders in Congress agree on the need for a balanced budget in seven years. There are very good economic arguments for a balanced budget, which will reduce interest rates and free up capital to enhance America's global competitiveness, but the real political passion for fiscal responsibility flows from people's opposition to sadding their children with a huge public debt.

Medicare continues to be a major sticking point in negotiations. Congressional leaders have proposed cutting back Medicare by $270 billion, raising premiums and reducing consumer protections for beneficiaries. The President has proposed $124 billion in cutbacks and more modest changes in the program, consistent with the recommendations of the Medicare trustees. While we should go after cutbacks in Medicare in a serious way, we should preserve Medicare to protect older persons.

MEDICAID

Medicaid is another crucial battleground. Medicaid is the insurer of last resort in the health care system today, providing services to poor families and children, and nursing home care for the elderly. The Republican leadership wants to replace the Medicaid guarantee with a block grant; cut projected federal spending sharply on the program; and let the states decide how and on whom the money would be spent. The President wants to preserve the guarantee, but would cut projected costs by capping the annual increase per beneficiary.

Medicaid must be preserved to protect the vulnerable, while made more efficient and effective. The alternative would be more poor people uninsured, and the poor, the states and hospitals that serve the poor would all be stranded.

WELFARE

The current welfare program embodies a federal guarantee of aid to needy single parents and their children. The congressional leadership has proposed eliminating the 60-year-old federal guarantee and turning the program over to the states as block grants. The President apparently supports this basic reform, but has said that the Republican plan bites too deeply into cash assistance, child nutrition, child care and food stamps. He accepts the principle of allowing states to set eligibility requirements and benefit levels, but he would maintain the federal entitlement for the poor.

I support welfare reform that rewards work over welfare and encourages responsibility. Welfare reform should limit the time families could remain on welfare, require parents to support their children, and provide the states with flexibility to set eligibility and benefit levels.

Welfare reform has stalled in Congress because of differences between GOP leaders in the House and Senate over the school lunch program. I agree with those in the Senate who want to keep the entitlement status of the school lunch program. The House leadership, in contrast, wants to turn the program over to the states.

TAX CUTS

Congressional leaders propose to cut taxes by $245 billion over seven years, $140 billion more than the President proposes, but they are now hinting they might be willing to trim the level of cuts and target them more to low and moderate income families, rather than the well-to-do. My preference is to cut the spending first. I would defer a tax cut until the budget is balanced or the deficit is neutralized, and would not increase taxes on the working poor, as proposed in the congressional leadership budget. One other problem with GOP tax cuts is that the revenue losses explode after the seventh year. No sooner would the budget be balanced than the tax cuts would threaten to unbalance it all over again.

SPENDING PRIORITIES

Both the President's and the Republican proposals call for significant savings by cutting domestic spending. I agree with this approach, but also believe that the spending cuts favored by congressional leaders are much larger than needed in order to finance large tax breaks to the well-to-do. I oppose laying the burden of deficit reduction largely on poorer Americans. Other problems with the current proposals are that too much of the savings come from unspecified domestic programs and come late in the seven-year process.

We must exercise care in where we cut. The idea behind eliminating the budget deficit is that savings and investment count—that a balanced budget raises savings which in turn fuel investment. But just as business invests in machinery and equipment, the government must invest in education, research and development, and infrastructure to boost growth in a world of fierce international competition. That means that investments in human and physical capital are necessary and vital ingredients for faster growth in the American economy.

This Congress is not being tough enough in reducing ''corporate welfare.'' The mining industry still gets a huge discount on mining federal lands. California's agribusiness has access to very low-cost federal water. The timber industry enjoys subsidies for cutting in federal forests. And livestock owners, particularly in the West, benefit from minimal grazing fees on federal lands. We need to reduce or eliminate these subsidies, particularly when budget proposals today are clearly skewed against poorer Americans.

CONCLUSION

The key now is that the two parties work together to fashion a compromise that balances the budget in seven years, but in a way that does not devastate key federal programs, particularly Medicare, Medicaid and education. I believe a decent deal is within reach. I have staked out a position with other moderate and conservative House Democrats to achieve these goals, and my sense is that the President and congressional leaders have been moving toward this position. All differences may not be settled before the end of the year, and those which can't be resolved ought to be taken to the voters in 1996. But, in the interim, we should work to compromise in areas where we can.

A POEM DEDICATED BY LYNN MURPHY OF PRINCETON, WV, IN TRIBUTE TO HER FATHER

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1996

Mr. RAHALL. Mr. Speaker, I have received thousands of letters and other manner of communication from my constituents in southern

West Virginia in recent months and recent days, expressing concern over the budget impasse. More recently, their communications have dealt with the Government shutdown and their fears not only for themselves who are Federal employees, but the fears of those who are not, but whose family members rely upon earned Social Security and veterans benefit checks arriving on time.

One such person—Lynn Murphy of Princeton, WV, wrote to voice her concern over the worry she could see in her father's eyes when report after report told him that his Social Security disability and veterans benefit checks might be delayed or fall short of the total benefits due as a result of the budget battles and the longest Government shutdown in our history—a battle still raging in Congress.

While we were able to vote on a measure that assured Social Security and veterans benefit checks would arrive on time and not fall short of their total amount due, when Lynn Murphy wrote her letter and accompanying tribute to her veteran father in the form of a poem, neither she nor her father knew for sure and they were worried.

In Ms. Murphy's poem, she not only pays homage to her father, but speaks to each of us as Members of the House concerning our need to get it together and put a stop to scaring the elderly, our veterans, and others who depend upon benefits of one kind or another for their daily necessities, She calls upon Congress not to forget her father and others like him as they continue to debate a balanced budget.

On behalf of Ms. Murphy's deep and abiding love for her father, I am privileged to commend the poem she wrote in tribute to him and his life, to the reading of my colleagues and all who have access to the CONGRESSIONAL RECORD as we try to make some progress on coming to an agreement to fund the U.S. Government.

Mr. Speaker, the untitled poem by Lynn Murphy follows:

My father fought in two separate wars and still come out with life.
He then worked for the mines, and took my Mom to be his wife.

With my Mom came a family, and my Dad wanted it that way.
No matter how bad my Daddy felt, He was still at work every day.

Finally, my Dad retired at the age of Fifty-five
And with all my Dad has endured in his life, his is lucky to be alive.

So Congress, when you make your decisions, the way you need to do,
remember my Dad risked his life, for others, and for you.

Why shouldn't he get his disability checks from Social Security and the VA?
Those checks pay the bills for he and Mom; he doesn't throw his money away.

I've watched my parents do without to see that us kids had.
And they both were on their feet each day, Although often they felt so bad.

My Dad deserves an honorary award for he is the greatest Dad in the land.
I hope he will always get his checks, and I hope you will understand.

Look to God for answers to questions, that may arise on Capitol Hill.
And think about my Dad who still strives to do God's will.

Let God ease the problems. Have faith and you will see
that everything seems to work out, if it is God's will for it to be.

NEBRASKA CORNHUSKERS: COLLEGE FOOTBALL CHAMPIONS

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1996

Mr. BEREUTER. Mr. Speaker, last night the University of Nebraska Cornhuskers firmly convinced all of America that they are still the No. 1 college football team in the country.

The Huskers' complete domination of the University of Florida Gators in the Fiesta Bowl for a 62 to 24 win was truly one of the most impressive displays of offensive and defensive talent in college football history.

It is also important to note that this awe-inspiring victory was Nebraska's 36th win in a 3-year period, establishing a new record.

The Cornhuskers, under the extraordinary coaching and steady leadership of Coach Tom Osborne, demonstrated remarkable persistence and consistency in their drive toward a second consecutive national championship. Their committed efforts show that the reward of success is won by dedication, teamwork, exceptional conditioning, high motivation, and the superior efforts of Coach Osborne and his coaching and support staff.

As an alumnus of the university and the Representative in Congress from Lincoln, the home of the Huskers, this Member enthusiastically congratulates the University of Nebraska Cornhuskers and Coach Osborne on another well-deserved national championship.

CONGRESSMAN BARNEY FRANK ON ''DEMOCRACY REAFFIRMED IN ISRAEL''

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1996

Mr. LANTOS. Mr. Speaker, I rise today to call the attention of my colleagues in the Congress to an article written by our distinguished colleague from Massachusetts, BARNEY FRANK. It appeared in the Boston Globe on December 25 of last year.

Barney has given an outstanding analysis of how Israel has dealt with the emotional and political aftermath of the tragic assassination of Prime Minister Yitzhak Rabin. His analysis is particularly significant—not only for democratic Israel, but also for industrial societies such as our own and for developing democratic societies in the former Soviet Union and in the Third World—who must deal with the relationship between terrorism and democracy, between violence and freedom. As he said: ''For nearly 50 years, Israel has been the most persistent and successful in demonstrating that democracy is not a luxury to be enjoyed only by societies that are wealthy, secure and well insulated from outside attack, but is a recognition of the fundamental right of men and women to govern themselves freely.''

Mr. Speaker, I ask that the entire article by Mr. Frank be placed in the RECORD, and I urge my colleagues read it and give it thoughtful and careful attention.

DEMOCRACY REAFFIRMED IN ISRAEL

In the emotional aftermath of the searing, tragic murder of Yitzhak Rabin, Israeli society has understandably been deeply engaged in a debate over the role of dissent in a democracy. But the most important aspect of this debate—both for Israel and the rest of the world—is what is not being discussed. No significant elements within Israel are arguing that there should be any serious curtailment of the vigorous, open democracy that has characterized Israel since its beginning. It is significant that Israelis are not questioning their commitment to democracy at this terrible time.

In many societies, the murder of a popular leader in the midst of a delegate set of negotiations involving the security of the Nation would have led to widespread repression of elements in the opposition party, whether or not they were connected to the murder. The sad fact is that in most societies facing the kind of overwhelming physical threats to their existence that Israel has lived with since 1948, democracy would never have flourished in the first place. The mature, pained, thoughtful response of Israeli society to this murder is a reminder of something that would be a grave error to overlook: every condition that has been put forward by repressive rulers in the post-war world to justify the suppression of democracy has been present in Israel since its inception, and the experience of Israel is an eloquent repudiation of the notion that democracy is a luxury to be indulged only by those nations that are prosperous and secure.

From its birth, Israel's existence was threatened by attack from the overwhelmingly larger hostile forces which surround it. While fighting to defend its right to exist, Israel has also coped with the difficult economic problems of a new nation, compounded by the military drain on its resources and its unshakable commitment to absorb large numbers of Jewish refugees from oppression elsewhere in the world. Through all of this, Israel has maintained a commitment to a flourishing, vigorous democracy, governed by leaders chosen in elections as free as those held anywhere in the world, amidst untrammeled—often raucous—free speech.

Among those who have enjoyed the rights of free speech and the ability to participate fully in free elections are members of the Arab minority, some of whom reject the very legitimacy of the state of Israel. But that rejection has never been used to prevent them from participating fully in the electoral process on a one-person/one-vote basis, and those they vote for are seated in parliament with full rights to vote, debate, etc.

There should be nothing remarkable about these facts, and in the United States or much of Western Europe they would not be. But among those nations which have come into being since the end of the war, this pattern is an exception. And it is especially exceptional in nations that have faced severe external threats from heavily armed enemies, have been struggling simultaneously with the difficult task of economic development, have been severely divided internally over some fundamental issues involving the security of the nation and have undergone the difficult social process of absorption of large numbers of migrants, many of whom come ill-prepared at first to deal with the complexities of modern society.

In fact, Israel has now become through the peace process an exporter of democracy in the Middle East. The elections that will soon

be held in the West Bank will be freer and more democratically legitimated than any other elections in the nations surrounding Israel. It is highly unlikely that Yasser Arafat would have decided that elections were the appropriate path to power in the emerging Palestinian entity had that not been a condition laid down by the Israeli government in the ongoing negotiations.

As with our own country, Israeli democracy has not been perfect. There have been lapses, although these have been few compared with the territories. And much of what we know about these occasional lapses comes from the vigorous denunciation of them from people and organizations within Israel, because its democracy is among other things appropriately self-critical.

Israel is not the only new nation that is working hard to demonstrate that democracy is the best way to cope with the multiple dangers in the post-war world. Through the efforts of Nelson Mandela and others, South Africa is also on the list of societies that seek to make this point. But for nearly 50 years, Israel has been the most persistent and successful in demonstrating that democracy is not a luxury to be enjoyed only by societies that are wealthy, secure and well insulated from outside attack, but is a recognition of the fundamental right of men and women to govern themselves freely. When properly understood, it strengthens society and better enables it to cope with the gravest problems.

RECOGNIZING PHYLLIS L. PETERSON

HON. BILL BAKER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1996

Mr. BAKER of California. Mr. Speaker, education is a crucial building block of our society. An informed electorate is critical to effective self-government. An educated work force is vital to a successful economy. And the capacity for knowledgeable decisionmaking enriches our individual lives.

Dr. Phyllis L. Peterson has played an important role in turning these principles into realities for thousands of men and women in the East Bay of San Francisco. For 12 years she has served ably as president of Diablo Valley College in Pleasant Hill, CA, located in the heart of the Golden State's 10th Congressional District, which I represent here in Washington. Overseeing Diablo's growth as a premier community college, she has been nationally recognized for her leadership in preparing young adults both for careers in the job market and for further academic pursuits.

When Dr. Peterson retires later this year, she will leave a legacy of hope and opportunity for the many lives she has touched in her 37 years as an educator. Her development of the Center for Higher Education in San Ramon made education available in an area previously without a higher educational presence. Her leadership enabled Diablo Valley College to grow to its present enrollment of 23,000 students, providing them with a quality, affordable, and accessible education.

In 1993, her peers called on her to serve as head of the Chief Executive Officers of the California Community Colleges. The University of Texas Community College leadership program recognized her as an outstanding community college president and the Association of California Community College Administrators honored her with the Harry Buttimer Distinguished Administrator Award.

These signal honors were bestowed in recognition of Dr. Peterson's commitment to higher education, her capability as an administrator, and her love for students. Dr. Phyllis L. Peterson is an exemplary educator and community leader, and richly deserves our thanks for all she has done to prepare new leaders for our country and our world. I am pleased to call on my colleagues to join me in honoring her today.

CORNHUSKERS WIN ANOTHER NATIONAL CHAMPIONSHIP: A CREDIT TO TEAMWORK AND DEDICATED COACHING

HON. BILL BARRETT

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1996

Mr. BARRETT of Nebraska. Mr. Speaker, last night the 1995 college football season climaxed with an awesome display of athletic ability, teamwork, determination, and brilliant coaching. I refer, of course, to the Fiesta Bowl, in Tempe, AZ, and the Nebraska Cornhuskers' impressive and decisive victory over the Florida Gators.

The No. 1 Huskers rolled over the No. 2 Gators 62 to 24 to win their second consecutive NCAA football championship. The Fiesta Bowl win capped off a second straight undefeated season, and put the Big Red in the record books as the first team in 40 years to win back-to-back, undefeated, undisputed national championships.

While some of the Cornhusker players are receiving the laurels of victory because of their outstanding individual performances in last night's game, the real credit rests with the hard work, dedication, and discipline of the entire Cornhusker squad. The old adage that there is no ''I'' in ''TEAM'' was never more apparent.

Those who watched the game last night saw a team that loves to play the game and plays it better than any other team in the country. The team was both the Husker offense and defense, and the team ran over, around, and through the vaunted Florida Gators.

Cornhusker Coach Dr. Tom Osborne heads a football program in which we in Nebraska take great pride. It is renowned for its success on the field, but also for its program of weight training and physical conditioning. Dr. Tom is a true sportsman and insists his players be the same. He is also an educator, and it shows in his program—Nebraska has had more academic all-Americans than any other program and graduates more than 85 percent of its players.

It takes not only exceptional talent, but also patience, a thick skin, great courage, and character to coach a team of Nebraska's caliber and national exposure. I applaud Coach Osborne's victory in the Fiesta Bowl last night, and I applaud his unswerving determination to support his players and do what he believes best to turn out young men who understand the responsibility of being not only champions on the football field, but also good citizens. It is not always easy; it is not always without its setbacks, but the success and quality of the players he sends into the world each year speaks volumes about the coaching of Dr. Tom and his staff.

I'm confident that in the annals of college football, the University of Nebraska Cornhusker teams of 1994 and 1995 will be heralded as among the best ever to step onto the college gridiron. I'm even more confident that the discipline and hard work needed to achieve that victory will inspire thousands of Nebraskans and Americans in years to come to achieve the best in their families, communities, businesses, and government.

Congratulations, Huskers.

VALUES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1996

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report of Wednesday, December 27, 1995, into the CONGRESSIONAL RECORD.

VALUES

''Peace on earth, good will toward men''—it is a blessing echoed often at this time of year. While we have many reasons to be grateful that we live in the U.S., it is also true that Americans daily face many disturbing realities—crime, drug abuse, illegitimacy—which strike right at the heart of a decent life. A few years ago ''It's the economy, stupid'' conveyed the idea that the economy was paramount on voters' minds; now people are more inclined to blame the nation's problems on the moral decline. Today social issues like crime, welfare, education, and racial preference, and cultural issues like abortion, gay rights, school prayer, flag burning, and television violence have become prominent.

Americans are struggling to restore old-fashioned values to a central place in their lives and to revitalize the family. Parents struggle to raise their children in the face of powerful forces that are sending very different messages to their children than they want to send. Again and again I have been asked by distraught parents to watch a particular movie, listen to a particular piece of music, or watch a television show or video game that encourages casual sex or incessant violence. One parent said to me the other day, ''What in the world is going on?''

What parents tell me they really want in life is a benign environment for raising their children. They express deep concern about the birth rate for unwed mothers and the divorce rate, both of which have doubled in recent decades. They are distressed that more children are being raised with less supervision and fewer resources, putting them at much greater risk for delinquency. Each day I encounter heroic parents who have kept their family together against all the odds.

Concern for moral values has always been a part of American life—from the battle against slavery to the battle against excessive use of alcohol. Yet the debate over our society's moral fiber has picked up recently as Americans increasingly question why they face a host of social problems and how best to deal with them. People are fearful that families and values are disappearing, and they often feel hopeless and powerless. I think the debate is worthwhile and healthy, and indicates that we are on our way to addressing our social ills. People ask me what they can do about declining values. The answer begins with individual responsibility.

INDIVIDUAL RESPONSIBILITY

''The only thing necessary for the triumph of evil,'' said the political leader and writer Edmund Burke, ''is for good men to do nothing.'' Individual responsibility for our own actions and instilling a sense of shared values play a crucial part in solving our country's problems. We need to look for common ground combining the great themes in American values—personal responsibility, freedom, individualism, respect, trustworthiness, fairness and caring. We must return to the ideas of our Founding Fathers who spoke unashamedly of virtue. They understood that without a virtuous people the country does not function well, and that without virtue individuals cannot realize either their own or the common good.

FAMILIES

Central to our efforts to take back our streets, our neighborhoods and our homes is strengthening the family. As Barbara Bush said, ''Your success as a family—our success as a society—depends not on what happens at the White House, but on what happens inside your house.'' Like many Americans, I believe that the breakdown in families is at the root of many of our social ills. I am struck by how, in discussions of wide-ranging public policy questions, we often come back to strengthening the family as the best way to remedy the ills. Questions dealing with values, morals, and character should be addressed first in the family and then in society.

THE COMMUNITY

We need to develop and encourage community institutions that reinforce and strengthen the traditional values. Many familiar institutions work at this everyday—churches, scout groups, service clubs, to name a few. People can contribute in many ways—volunteering at a local Boys or Girls Club, helping out with a church youth group, setting up afterschool programs for ''latchkey'' kids, or supporting the character education programs that have sprung up to help young people think and talk about moral behavior and core values. In the words of the African proverb, ''It takes a whole village to raise a child.''

THE GOVERNMENT

Public officials deal with improving values in a variety of ways—from the White House conference on ways to teach character, the Congress struggling to find ways to keep pornography off the Internet, to public calls for teenage curfews and school prayers. Many politicians push government programs to strengthen values, including family and medical leave, earned income tax credits for the working poor, income tax credits for children, anti-crime efforts, and reforming welfare by emphasizing work and responsibility.

I believe that government can solve few of the core cultural issues that bother most Americans, but it can play an important secondary role. Congress can, for example, support local anti-crime efforts or help states improve anti-drug programs, and we should make sure that in the current budget-cutting climate important programs with proven results are not gutted. Lawmakers must also be careful to look at how broad legislation impacts on families, children, community, and values—for example, making sure we assess whether a certain tax policy would tend to strengthen families or weaken them.

CONCLUSION

In talking with many foreign visitors, I find what grips their imagination about America is not our affluence or military power, or even our clogged freeways and high crime rates. What really impresses them are the values upon which our system is built. These values include not only liberty and individual freedom but also individual responsibility and a sense of community purpose. One visitor said to me the other day that when we as a nation depart from these values, we do so at our peril.

I am encouraged by the increased discussion in our country over character and values, and the consideration of what kind of people we want to be. This country has a marvelous power of self-correction, and my hope is that the process is now underway. A collective effort on the part of individuals, families, communities, and public officials can result in tremendous change. We often think of steps we should take to make America more prosperous. It is even more important to think of ways to make America safe, moral, and just.

A TRIBUTE TO JIM HARKINS

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1996

Mr. RAHALL. Mr. Speaker, as chance would have it, the end of 1995 brought about not only the elimination of the Interstate Commerce Commission but the retirement from the Regular Common Carrier Conference [RCCC] of a friend to many of us, Jim Harkins.

While Jim has had a long and distinguished career in the freight transportation industry, including stints in the railroad industry and with a major shipper, many of us first came to know him in his capacity from 1967 through 1985 as executive director of the Traffic Department of the American Trucking Associations and of the National Motor Freight Traffic Association. It was probably from Jim that many of us who know anything about freight classification learned it.

In 1985, Jim became executive director of the RCCC. In that capacity, he has been an articulate, knowledgeable, and effective spokesman from the less-than-truckload segment of the motor carrier industry.

Although Jim is leaving RCCC, I am sure that we will continue to hear from him on matters related to freight transportation in this country. I also hope that Jim and his wife Lucille will have more opportunity to enjoy a relaxed life in Maryland and Florida with their four children, and of course, their grandchildren.

It has been indeed a great pleasure for this gentleman from West Virginia to have worked closely with Jim Harkins. On behalf of the many members of the Subcommittee on Surface Transportation, and the full Committee on Transportation and Infrastructure, who know Jim, I wish him the best of luck in his future endeavors.

MEDICARE REFORM

HON. DOUG BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1996

Mr. BEREUTER. Mr. Speaker, this Member highly commends to his colleagues the following two excellent editorials which appeared in the Norfolk Daily News on January 2 and 3, 1996.

[From the Norfolk Daily News, Jan. 2, 1996]

MEDICARE OUTLAYS MUST HAVE LIMIT

Medicare was not conceived as a welfare program. But those who now argue for taxpayers to make up any differences between actual costs of Medicare and the premiums that beneficiaries pay are treating it that way.

If a similar philosophy prevails early in the next century when there are too-few workers to sustain benefits at projected levels without turning to Uncle Sam, then Social Security will also be in that ''welfare'' category.

It is important not to accept either of those programs as general welfare obligations of the U.S. Treasury, financed by taxpayers either through higher taxation or by more borrowing. Social Security and Medicare were conceived as programs that would depend on contributions by the beneficiaries themselves, who could afford to pay the equivalent of insurance premiums during their working years, and, in the case of Medicare, pay modest premiums during retirement.

In the case of Social Security, that has worked. It has been a struggle, however, to make sure that political promises to beneficiaries were matched by legislative action to adjust ''premiums''—in the form of payroll taxes—to keep the system solvent. The struggle continues.

More than a difference in total outlays is involved in the contest between the White House plan for Medicare, which proposes spending of $97 billion less than would otherwise be projected and the plan proposed by Republicans in Congress, which projects spending about $200 billion less.

The difference is that the GOP plan puts a ceiling on the outlays, and fixed specific dollar amounts that would not be exceeded. That would bar further tapping of taxpayer resources. The White House plan takes a different approach, though also claiming to slow spending growth. It projects some savings but includes no provisions to enforce them. Greater demands on the system than projected would simply be made up by shifting the extra costs to taxpayers at large.

That has become the traditional way for the prevailing majorities in Washington to handle federal programs: Enact a formula for benefits, then tax or borrow to meet the overall demand. Setting and enforcing a ceiling on expenditures has been something to resist.

If that pattern were to be followed in the future in the government's other major insurance program—Social Security—trillions in debt limits would not be enough. The budgeteers would have to begin thinking in quadzillions. Better to fix limits right now.

[From the Norfolk Daily News, Jan. 3, 1996]

PLENTY OF BLAME TO GO AROUND

At the Social Security Administration office in the Washington suburb of Woodlawn, Md., 100 of the federal workers idled by the budget impasse staged a small demonstration. ''Furlough Newt,'' proclaimed one of the placards displayed. Another said, ''Give Newt the boot, not the loot.'' Still another was less focused on the speaker, but put the blame on Capitol Hill: ''Congress we have a contract with America, too.''

If the majority ruled among the elected policymakers in the federal establishment, the conflict which found the government partially shut down would have been resolved quickly. But a congressional majority is not enough. One man's veto—the President's—can mean that a super-majority is needed in Congress if legislators are to work their will.

Speaker Gingrich has attempted to use the congressional majority's power to get the

Clinton administration to accept a balanced budget in 2002, Medicare reform and modest reductions in taxation—all of them being goals which Mr. Clinton also proclaimed at various times. There is a sharp and continuing dispute about the details, of course.

An objective view of the situation should lead to the conclusion that the contending parties are equally accountable for the failure to reach an agreement, whatever the arguments.

Why should the federal workers only blame Newt when it is obvious that the president could have avoided the shutdown by accepting a compromise? Of course, it would not be seemly for them to be parading in front of the White House with banners calling for Bill, their boss, to give in to Capitol Hill.

Popular opinion, fed by sad stories of the lives disrupted momentarily by the partial federal shutdown, seems to reflect the idea that all the blame should be heaped on Newt and his cohorts. Who elected them, anyway? Only a majority of the voters in their districts, which is as good a claim to legitimate power as the president himself has.

A more presidential president, one willing to acknowledge that there is wisdom on the east end of Pennsylvania Avenue, would have found a way to end this impasse long before it became so disruptive.

TRIBUTE TO A HALF-CENTURY OF HERBLOCK—POLITICAL CARTOONIST AND POLITICAL CONSCIENCE

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1996

Mr. LANTOS. Mr. Speaker, this past Sunday the Washington Post dedicated the Outlook Section of the newspaper to its outstanding editorial cartoonist, Herb Block—Herblock—in appropriate recognition of his 50 years of cartooning for the Post. In 1946 Herb accepted the offer to join the Washington Post, and for the past half-century, we have been blessed or—at least in the view of some—cursed with his wit, his humor, and his principles.

The selection of his cartoons from the past 50 years, which was included in the Outlook Section, brought back memories of the high points and low points of the political history of our Nation. Looking through these cartoons has brought Herb's wonderful gift into dramatic perspective for me. With a few well drawn lines and a few well chosen words, he has the ability to convey the essence of an entire complex political issue and highlight the absurdities and inconsistencies.

But the laughter is never at the expense of the message. This is not humor for the sake of humor, but wit with a point. I admire Herb's humor, but even more I admire his principles. His cartoons always reflect his strongly held point of view, and I must say that most of the time I am in perfect agreement with him.

Mr. Speaker, a few years ago when I was chairman of the House subcommittee conducting the investigation of fraud and mismanagement at the Department of Housing and Urban Development, Herb did a number of delightful and insightful cartoons about the HUD scandal. At that time, I invited Herb to join me for lunch at the Member's dining room. We spent a delightful hour or more talking about his background and highlights of his career. He mentioned then that he generally avoids spending time with those of us whom he cartoons, but I was delighted that he made an exception for me that day. It was an engaging experience that I still remember fondly.

Mr. Speaker, we in the Congress seem to find ourselves the frequent focus of Herb's sharp wit and his sharper pen. This past year, and particularly these past 19 days of Government shutdown, have provided him with abundant material, which he has exploited with this typical skill. In the past few days, as well as throughout the last half-century, Herb's humor and his principled point of view are important in keeping political issues in perspective. If this were Japan, I am certain that Herblock would be officially declared a ''National Treasure.'' He is a national treasure, and I invite my colleagues to join me in paying tribute to him for his contribution to our national political debate and to the strength of our democracy.

Mr. Speaker, Kate Graham—the chairman of the Executive Committee of the Washington Post Co. who has had extensive experience and frequent exasperation with Herb—paid homage to Herblock in a wonderful column in Sunday's Outlook. I ask that her column be placed in the RECORD, and I urge my colleagues to read it.

[From the Washington Post, Dec. 31, 1995]

A TIGER BY THE TAIL—THE TURBULENT PLEASURES OF LIFE WITH HERB

(By Katharine Graham)

My mother had a saying: ''Any man worth marrying is impossible to live with.'' Why does this make me think of my glorious life and times with Herblock, one of the greatest ornaments to The Post and to all of journalism? Underneath his genius for cartooning and writing lies a modest, sweet, aw-shucks personality. Underneath that lies a layer of iron and steel. For the publishers and editors over him—or under him, as it would be more accurate to say—it's like having a tiger by the tail.

Herb started out in his hometown of Chicago doing editorial cartoons for the Chicago Daily News in 1929. Four years later he became a syndicated editorial cartoonist for the Newspaper Enterprise Association Service in Cleveland, where he won the first of his three Pulitzer Prizes.

When World War II came along, Herb went into the Army and produced and edited a feature service for Army newspapers. After the war, Herb was passing through Washington. A chance encounter led to a meeting with my father, Eugene Meyer, who happened to be desperately looking for a cartoonist for The Post. Herb provided a few samples and in return, my father gave Herb a subscription to the paper. ''So you can see how you like us,'' my father explained.

Evidently the attraction was mutual. Herb arrived at The Post the same week that my husband, Phil Graham, arrived in January of 1946. The extraordinary quality of Herb's eye, his insights and sharp comments immediately stood out. When The Post was struggling for its existence, Herb was one of its major assets, as he has been throughout his 50 years here. The Post and Herblock are forever intertwined. If The Post is his forum, he helped create it. And he has been its shining light.

Herb fought for and earned a unique position at the paper: one of complete independence of anybody and anything. Journalistic enterprises run best when writers and editors have a lot of autonomy. But Herb's case is extreme. And because he's a genius, it works.

Since he arrived at The Post, five editors and five publishers all have learned a cardinal rule: Don't mess with Herb. He's just as tough within the confines of The Post as he is in the political world outside.

Herb's independence evolved gradually. In the early years, he made several sketches for the day's cartoon and dutifully submitted them to the editorial page editor to choose. When the editor was away, Herb began showing them to a preferred group of reporters and editorial writers whose opinions he valued. Gradually, the editor's role was dropped altogether.

Of course, this has produced a few tense moments. In 1952, during the Eisenhower-Stevenson campaign, The Post endorsed Ike, but Herb supported Stevenson and continued to jab away at the general. Which point of view do you think made the bigger impression with readers? Finally, Herb's cartoon was dropped by the paper for the last days of the campaign. Since his work continued to be syndicated in other papers, The Post looked silly. The Washington Daily News ran a headline: ''Where's Mr. Block? One of D.C.'s Top Draw-ers Is Missing.''

Even earlier, Phil protested Herb's cartoons on Congress. He feared they made The Post look as though it was ridiculing and undermining the strength of that institution. ''I think we should put that little 'Congress' character back in the ink bottle,'' Phil wrote.

Back came three eloquent pages from Herb including, ''When a majority of Congress fails to act, or acts badly, I think it's fair to be critical of Congress.''

I too sometimes opened the paper and gasped at Herb's cartoons, particularly during Watergate when we were so embattled on all fronts. But I had learned not to interfere. And anyway, most of the time we're on the same wavelength. Even when we aren't, I should confess, I generally find myself laughing uproariously at the cartoon that has caused my apprehension. In this sense, Herb always wins.

Herb studies events and reacts to them in his own way. His point of view is liberal, and his instincts are common-sensical. But his common sense has a special twist. As economist Ken Galbraith once put it: ''While Herb appreciates virtue, his real interest is in awfulness.'' His mind turns to the rascals, the phonies and the frauds. He has pursued them for 50 years without ever flagging except for time taken off for a couple of heart attacks and operations. But these ordeals were probably nothing compared with the distress he has caused a number of other people, such as President Nixon and Sen. Joseph McCarthy. It was Herb who is said to have coined the term McCarthyism, using it on a tar barrel.

Herb's unique ability to crystalize what is right—or, more likely, wrong—about an issue or a person has often influenced the course of events in Washington. Naturally, the strength and impact of his cartoons often provoke strong reactions from readers who disagree. Part of the job of Post publishers is to defend Herb and the paper from these reactions.

''Since Herblock is the most gifted political cartoonist of our times,'' Phil wrote one reader, ''by definition he therefore cannot be an organization man. Being an old reactionary and individualist, I am all for people who simply have to be individualistic. . . . I think—though it will amaze you—that Herblock probably considers himself frustrated and suffocated by our policy.''

I too have written my share of explanatory letters. One, in 1989, said that to cartoon is to caricature, and people who are very gifted at cartooning sometimes offend. ''Most of the time, however, cartoons illuminate or amuse,'' the letter went on to say. I doubt the irate reader was completely satisfied, but the statement, I believe, is true.

As Herb begins his second 50 years at The Post, he has lost none of his dynamic energy and original insight. He is going as strong as ever and, as a matter of fact, has just published his 12th book. It's about his cat Bella and, as usual, it's just wonderful. Herb does caricature the cat, but I don't think Don Graham and Meg Greenfield will hear from her in protest.

In fact, Bella has proven she's more than a match for Herb. For example, she is known to complain about Herb's legendary propensity to live in a rat's nest of old newspapers and magazines, discarded clothes and paint brushes and pencils. ''We cats are neat,'' Bella is alleged to have said, while frowning on those who are not.

Now maybe Herb knows what it feels like to have a cat by the tail. It's a privilege, a pleasure and an honor we all have loved and treasured.

TRIBUTE TO NATIONAL UNIVERSITY OF SAN DIEGO, CA

HON. RANDY ''DUKE'' CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1996

Mr. CUNNINGHAM. Mr. Speaker, it is with great honor that I rise today in celebration of San Diego's outstanding institutions of higher learning. In 1996, National University will celebrate its 25th anniversary. The year-long celebration will officially commence with an academic assembly on Thursday, January 26, 1996.

National University is a nonprofit, accredited institution of higher learning that specializes in meeting the educational needs of adult learners in California. National University is the only university in California offering a unique, one-course-per-month format. The university offers 45 degree programs and a number of teacher credential programs, and its expanding Department of Continuing Education and Educational Services provides nonacademic, customized training and professional development programs to meet the specific objectives of businesses throughout the state. National has a full-time enrollment of approximately 7,800 and 101 full-time faculty members.

The estimated 45,000 alumni of National University have reason to be proud of their affiliation with the university. National has been named one of the best universities in the western United States for two consecutive years by U.S. News and World Report. In 1995 the university received one of six nationwide Creative Restructuring in Higher Education Special Merit Awards from the American Association of University Administrators. Last year, the American Association of University Administrators recognized National's accomplishments through a special award presented at its annual convention. The university also received a Total Excellence in Management Award from the San Diego Business Journal for the excellence of its management.

The university has developed its tone and direction for the next 5 years in ''NU 2000.'' This plan represents a year of discussion and formulation by the people at National. The main objective is to create the premier institution for adult learners by the year 2000. With the continued dedication of its students, faculty, and administrators, the excellent National University will continue maturing into the visionary institution it aspires to be.

NEW YORK CITY VETERANS ARE ANGRY

HON. CAROLYN B. MALONEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1996

Mrs. MALONEY. Mr. Speaker, having just returned from the Christmas recess, I can report that the veterans of New York City are angry. They are angry because the VA budget has been slashed. They are angry because the Government shutdown is affecting services. They are angry because they believe that after all the sacrifices they and their families have made for our country, our Nation is turning its back on them.

I would like to submit for the record a statement put out on December 26, 1995 by Col. Bernard Wray and the United War Veterans Council of New York County. It is indeed sobering reading for those of us who support our Nation's veterans.

NEW YORK VETERANS' COMMUNITY OUTRAGED BY UNNEEDED REDUCTION IN VETERANS' ADMINISTRATION SERVICES TO VETERANS IN NEED!

The United War Veterans' Council of New York County which was first incorporated by Union Veterans of the Grand Army of the Republic in New York County, in 1895, to help aging Civil War Veterans, and which now consists of fifty-five separate Veterans and Patriotic organizations, issues this distress call to all concerned members of the Veterans' Community, and to their families and friends:

Never, during the past 100 years have war veterans, men and women, been treated with the disdain and disrespect that we see in this run-away session of Congress. Now is the time for our 16 million War Veterans and their families to demand full restoration of all VA services, and full restoration to their jobs of all VA service providers!

It should be noted by all veterans, that the House of Representatives cut the VA allocation requested by the President by one billion dollars. This is one twentieth of the 20 billion dollars appropriated by this session of Congress for twenty B–2 bombers, which the Air Force does not even want or need in its aircraft stock.

Now is the Time for all Veterans to step forward in all 435 Congressional Districts, and to spell out in the clearest terms, to all Representatives, regardless of party affiliation, that they will be held to strict accountability at the 1996 elections, should they break faith with the Veterans' community. Full restoration of Veterans' Benefits and Veterans' Health Care is non-negotiable. It was a Contract bought and paid for with the blood, sweat and tears of millions of American Veterans.

Meanwhile, we call for all members of Congress, and their staffs to agree to receive no further pay, while the Veterans and their service providers are being asked to make sacrifices. We also call upon Corporate America to share in the sacrifices of the War Veterans of America on this the 50th Anniversary of Victory in World War II.

Semper Fi'

IN HONOR OF EL MUNDO—CELEBRATING 5 YEARS OF SERVICE TO THE HISPANIC COMMUNITY

HON. ROBERT MENENDEZ

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1996

Mr. MENENDEZ. Mr. Speaker, I rise today to honor El Mundo Hispanoamericano, celebrating 5 years of distinguished and reliable reporting and community service. El Mundo was founded in 1990 with a commitment to report on all aspects of the Hispanic community throughout New Jersey.

El Mundo Hispanoamericano commemorated its anniversary on Wednesday, December 20, 1995. For 5 years, El Mundo has been providing the Hispanic community with vital information about the world around them and their native lands. El Mundo prides itself as an advocate for the Hispanic community, defending issues and interests that are of importance to the people.

They have covered the good news and the bad news. When municipal or State services were not up to par, they wrote about it. When government and individuals did something positive for the community, they wrote about it too. They have served as an integral link between the Government and the community.

Even though, the founders, Ney Bravo and his family, are Ecuadoran, El Mundo reports on all of Latin America. The newspaper covers issues of concern to all immigrants from the Caribbean, Central, and South America. It does so with sensitivity and care. Ethnic newspapers like El Mundo provide a vital source of information to the Hispanic community about their native lands. Such newspapers help a community establish themselves in this great Nation.

It is an honor to recognize El Mundo, a newspaper that provides accurate news coverage to the people I represent. I ask that my colleagues join me in honoring El Mundo for its faithful service to the Hispanic community.

THE GUATEMALAN ELECTIONS

HON. LINCOLN DIAZ-BALART

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1996

Mr. DIAZ-BALART. Mr. Speaker, the participation of citizens in free and fair elections, and their faith in the legitimacy of the subsequent electoral results, are fundamental to all democracies. No participatory democracy is able to survive if its citizens do not have faith in the electoral process. To be able to ensure that democracy continues to take root and flourish throughout the Western Hemisphere, we must do all within our power to encourage the development of conditions that inspire faith in electoral processes throughout the Americas.

To that end, as it attempted to do in Haiti, the Clinton administration should do what it can to ensure to the Guatemalan people, that the second round of elections scheduled to

take place on January 7 in that Central American country is free and fair. By doing so, the Clinton administration would help ensure that the Guatemalan people not only develop trust in their own electoral system, but further appreciate the benefits of living in a democracy.

ALEC COURTELIS, AN AMERICAN HERO

HON. ILEANA ROS-LEHTINEN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1996

Ms. ROS-LEHTINEN. Mr. Speaker, I would like to pay tribute to a true American hero, Miami civic leader Alec Courtelis, who died last week after a courageous 2-year struggle against cancer. My sincere condolences go to his wife Louise, son Pan, daughter Kiki, and sister Danae Voyazis.

As former President Bush said after this unfortunate loss to our Nation and south Florida, "Who says there are no heroes any more? Just look at the life and legacy of Alec Courtelis." Although 68 years old and in a fight for his life with pancreatic cancer, Alec continued his tireless work for the many causes in which he believed.

The story of Alec Courtelis' life is an inspiration for all those who know that the American dream is still a reality for anyone, regardless of their background. An immigrant who came to this country from Alexandria, Egypt, Alec always rejoiced in America's unlimited opportunities. He lived his life by the motto that "nothing is impossible in America."

He emigrated to Miami in 1948, a city that has welcomed many immigrants from around the world. After earning his engineering degree at the University of Miami, his company helped build many prominent commercial and residential developments in south Florida, including the Falls shopping center.

A successful self-made businessman, he gave much back to the Nation and our community which had given this opportunity. He raised funds for the cause of education in Florida, including the University of Miami and the University of Florida College of Veterinary Medicine. As State University Chancellor Charles Reed said, "No one in Florida has made a greater contribution to the betterment of this State than Alec Courtelis."

But the greatest example he set for all of us was in the last years of his life when he showed what real courage is all about. He took the time to give great encouragement to many cancer patients in their fight with this dread disease, showing them that through positive mind-therapy, they could win against this disease.

Like the man in Rudyard Kipling's poem "If," which was used in his funeral services, Alec Courtelis truly showed that:

If you can fill the unforgiving minute
With sixty seconds' worth of distance run,
Yours is the Earth and everything that's in it,
And—which is more—you'll be a Man, my son!

STATEMENT BY UNDER SECRETARY JOE R. REEDER

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1996

Mr. DELLUMS. Mr. Speaker, I rise to bring to your attention and to the attention of my colleagues, an exceptional statement delivered by Joe R. Reeder, Under Secretary of Defense. Mr. Reeder's analysis is one that merits our attention. I herewith submit his statement to be included in today's CONGRESSIONAL RECORD.

WORLDWIDE CONTINUING LEGAL WORKSHOP, OCT. 3, 1995

It is a pleasure to be back in Charlottesville. The first time I came to this city was in the fall of 1976 for the JAG basic course. I was glad it was only for two months because the cavaliers were suffering through some of the worst football in their history.

I also came back and taught a course as a reservist in 1981. The head of their school was Bill Suter, who later became TJAG—and as you know—is now with the Supreme Court.

I look fondly back upon my time in the JAG Corps and have acquired friends and experiences in the corps which will always be special to me.

That is why I was very pleased when Gen. Mike Nardotti asked me to share some thoughts about our Army—where we are now—where we are going—and your role in the challenges we face.

Let me start with the bottom line on America's Army.

Today's soldiers are the most highly motivated, best led, best trained, and best equipped fighting force in the world. No one disputes that—even those who would like to.

Day in, day out, we have soldiers operating in 60 to 100 countries around the world—an average of over 20,000 American soldiers are on operational deployments. That's in addition to the 120K men and women permanently stationed overseas.

If you think back to the changes made over the last 5 years—you see an active army that has gone from 780 thousand to 515 thousand seen its budget nose-dive from $90 billion to just under $60 billion—and at the same time see its missions skyrocket 300 percent.

Those cuts would have severely wounded, if not crippled any other army, or large corporation. But not the U.S. Army.

Thanks to the Army's leadership including many of you in this Room. The Army is as ready as it has ever been—and certainly more ready than we were 5 years in Desert Storm.

In many respects this Army just keeps getting better. One concrete example is "vigilant warrior" in Kuwait last October.

During operation Desert Shield it took almost 30 days for our Armored Forces to arrive in Saudi Arabia. This time, the lead elements of our heavy forces—not 82d Paratroopers or 10th Mountain Division Light Fighters—but tankers from the 24th ID were on the ground in under 72 hrs.

In 2 weeks, 2 brigades of the 24th were in Kuwait and Saudi Arabia, linked up with their prepositioned warfighting equipment. Within 3 weeks, over 30 thousand servicemen were in theater—equipped for war.

Now let me touch on what lies ahead for our army.

I see several major challenges facing their army leadership.

First and foremost, we have to be tougher as our resources shrink. And I do not expect their resource picture to brighten anytime soon.

I read a poll in the Army Times a few weeks ago which proclaimed that two-thirds of the American people believe the defense budget should be reduced further.

There's just not enough money to cover all our needs. Tough choices have to be made.

Secretary Perry's top 3 are clear and unequivocal.

Our first priority is near term readiness. We cannot afford to let this slip. After the Superbowl, the 49ers get an offseason. They can eat, drink and get fat for a few months. That is a luxury your Army does not have.

Our next priority is quality of life—which surprises some people—but I see it as a steel chain link to readiness.

Quality of life directly relates to our ability to attract and retain quality people.

We face the critical challenge of finding and keeping quality people. The soldiers we have in uniform today are the best ever—hands down.

Easily the most important change in the Army in the past 25 years is the quality of our soldiers.

Last year, I had the opportunity to dine with Gen. and Mrs. George Blanchard. As some of you know, Gen. Blanchard was the Army CINC in Europe in the late 70s. He was also my Div Cdr in the 82d ABN Div.

About half way thru the meal, he turned to me said, "Joe, it hurts me to admit this, but I have got to tell you the soldiers today are better than when I served."

I agreed, but asked why he said that. He said for two reasons:

First, the all-volunteer Army and second, the way we treat soldiers today—among other things, their quality of life.

I told him he should not feel bad—because the quality of today's Army is his legacy.

I also told him I had a different perspective, in one respect maybe a better perspective than his. Rather than having lived through that change, I left the Army in the late 70s and was gone 14 years.

Coming back in 1993, I had the benefit of not having watched that process of change in a slow, gradual way, . . . I can tell you the difference was like night and day.

We must continue recruiting and retaining high quality people.

Our third priority is modernization. Modernization dollars have shrunk dramatically. We have been hit harder here than anywhere else.

Your Army, best in the world, but only eight in size cannot afford to lose any more modernization dollars.

We are accepting some risk in this area for two reasons.

One, our superior technology completely outmatches the entire world. We expect that no country will come close to competing with our existing systems for the next 10 years.

And two, we expect to achieve cost savings from BRAC and acquisition streamlining that will allow us to reinvest these savings into our modernization program.

We must always maintain technological superiority. This is one of my greatest concerns.

Anyone who thinks it was decency or goodness that caused Saddam Hussein or General Cedras to back off when faced by American soldiers, lives in a dream world.

In Haiti and Kuwait, lives were saved from the ravages of war—not out of goodness—but out of a knowledge of what our soldiers could and would do if forced to fight.

Technology overmatch—by deterring—saves lives. It saves not only lives—it saves money—by allowing us to maintain a smaller and more effective Army, and avoiding the prohibitive, gut-wrenching costs of war.

In these days of reduced resources, and tough program cuts we must squeeze more out of dollars. We must become more efficient. The dollars we save in efficiencies can and must be plowed back into modernization.

General Reimer, your new chief, believes—and I quote: ''We must find new and innovative ways to help ourselves. We must find smarter ways to do business, streamline our management processes, reduce overhead, leverage outside resources and use what we have more efficiently.''

I can think of no better group to ''help us help ourselves'' than the leadership of the JAG Corps. Because, in the end, your real clients are your soldiers and ultimately, the American taxpayer.

Let me spend a few minutes talking to you, as a lawyer who has been functioning as a client for the past 2 years. I'd like to tell you what lawyers do for me, and what lawyers do for the Army as a whole.

But before I do that, let me tell you that being a client is a real eye-opener. I have learned a great deal in this capacity about what makes clients happy and, sometimes, what frustrates them.

Maybe the best story I've seen on reversal of roles was the movie ''The Doctor,'' starring William Hurt. Hurt played the role of a great surgeon who was very flippant, played acid rock in the operating room, and was not very sensitive to the needs of his patients.

His perspective radically changes when he learned he has cancer of the eye. The balance of the movie—following this discovery—covers his frustration under the cold-blooded treatment of another ''Hot Shot'' doctor.

The last scenes of the movie are ones I will never forget. William Hurt, after recovery, is placed in charge of 10 interns. He orders them to live, for 48 hours, as patients as part of their training. The interns are forced to experience the discomforts of patients including enemas, staff rudeness, and a shocking lack of privacy.

I can assure you my client experiences have been a little more pleasant.

As Mike Nardotti and Bill Coleman can vouch, I use lawyers extensively—every day. They have traveled with me; they have provide traditional legal counsel, advice and representation; and they have assisted in crafting argument on matters of policy having very little to do with the law.

Based on my experiences, I think lawyers could be used more extensively.

The art of good advocacy is something that can be applied anywhere.

Just about everything we write—everything I have seen of any import—is expository. Everything is either asking someone to do or approve something.

Everytime I see an Army document that is asking for something important from OSD, from Congress, or from another agency, I instinctively ask to have counsel review and edit it. I do not believe I have ever failed to get back a product that was measurably better than what I had provided.

Recently I worked in a non-legal capacity, and sometimes, extensively on the rocky mountain arsenal settlement negotiations. My role was restricted to interfacing with the policy-makers of the State of Colorado—Gov. Roy Romer, Lt. Gov. Gail Schoettler, and other policy people.

Both Bill Coleman and Mike Nardotti built a great negotiation team. From the General Counsel's office, Earl Stockdale and Tammy Paragino oversaw the development of the negotiation strategy,. While JAG officers Col. Cal Lederer, Maj. Sharon Riley, Maj. Jonathan Potter, and Capt. Tom Cook played key roles on the negotiating team.

In addition to everything else he did, the quarterback of our rock mountain negotiating team, Col. John Benson, was absolutely superb in knowing when—and he was very sparing—to call me out and dust me off for action.

John's team tackled several complex and controversial issues and masterfully dealt with a wide range of groups that included the State of Colorado, the Fish and Wildlife Service, the EPA, shell Oil, and several local groups.

The efforts of Benson's team led to a cost-savings to the Army of between $1 to 2 billion and brought over 12 years of negotiations to a successful juncture.

A couple of weeks ago we awarded John Benson the legion of merit, and recognized with awards four other attorneys who were instrumental in that landmark litigation and settlement.

In the months to come, Col. Cal Lederer will lead the team in completing final negotiations.

If you forget everything else that I say to you today, the one thought I would hope you would take away—my one request—is that you set your top priority knowing intimately the business of your customers. What are their priorities today?

When I say ''the business of your customers,'' I am not talking only about the legal implications of your client's actions. I am talking about what your client does on a day-in/day-out basis—readiness challenges, maintenance challenges, personnel progression, training, finding efficiencies, and whatever else happens to be the priorities at your particular installation.

I say this because I have had very fine lawyers—lawyers who obviously were capable analytically—who turned out to be of marginal use because they simply did not understand—they did not undertake to develop a rudimentary understanding of—the context of the legal problem.

It is not that they did not want to; they simply did not understand it. It is like a doctor—and there are many fine doctors who behave like this—who is technically superb, but who treats each person to be operated on as a speciment.

I am reminded of the time when my daughter was 10 months old when I was serving in the 82d airborne division. One night, we had to rush her to Womack Army Hospital with a 106 degree temperature, for what turned out to be spinal meningitis. Apart from misdiagnosing her, the doctor who treated her that night, kept referring to her as my ''son.''

Our legal community faces similar challenges in serving our clients. All of us know lawyers in private practice who might prepare a lease that costs $10,000 in legal expenses for a condo that is only $20,000 itself.

What's the problem?—Complete disregard, or lack of understanding, of the context.

I am reminded of a young aggressive Navy attorney.—The prosecutor in famous murder trial a few years ago.

During the trial, a sailor took the stand.

''Would you please tell the court if you recognize either the defendant or the plaintiff?'' asked the prosecuting attorney ''beg your pardon, sir'' said the sailor, ''but would you explain to me what those words mean?''

The prosecutor's eyes narrowed. ''Shame on you! How can you take the stand as a witness in a murder trial and not know those basic terms?''

''Sorry sir''

The prosecutor said, ''Let me rephrase the question. Tell the court where you were when the accused is said to have struck the victim.''

''Well sir, I was abaft the binnacle''

And would you please explain what those words mean''

''Shame on you sir!'' said the sailor. ''How can you work on a case about murder on a ship and not know those basic terms?''

Now, to keep our counsel as lawyers relevant, in addition to keeping track of the context, it also helps to think of our decisions in terms of business consequences. Doctors and lawyers are considered notoriously bad businessmen. And we must change that.

Sid Lanoue, our Surgeon General, is an exception. He has put every hospital on a budget that rewards preventive medicine, and lets hospitals keep savings.

I understand the JAG Corps is moving in the same direction. SJA claims officers are more aggressively recovering money from carriers for damaged household goods—and their office budgets are rewarded with a portion of the recovered money.

One aspect of lawyering that makes good business sense is how a private attorney charges for his time.

One way is the contingency fee—if the client does not win, the lawyer does not get paid.

The other way is billing rates.

I always tried as an attorney, not only to consider the dollar and cent consequences of decisions, and the time value of money—but also the money value of my time.

Ask yourself these questions: ''Would I pay for what I am doing?'' ''Am I giving the taxpayer what they are paying for?''

Everyone has a ''billing rate.''

Governmental bureaucracies are a real challenge to change, especially if attorneys are part of the foot dragging.

No one is better than attorneys at putting up roadblocks or taking them down—telling people they can not do things that otherwise make good business sense. We as attorneys must think about the practical business consequences of our advice.

Last year, the AMC legal community has also begun a program that makes good business sense. They now routinely conduct post-award contract negotiations with unsuccessful bidders.

When people think they have been treated unfairly—they litigate. These debriefings help make contractors understand why they have been treated fairly—and save millions in litigation costs.

Let me just make a couple other observations about being an Army lawyer.

Army attorneys in one respect have a tougher job than their civilian counterparts, who are constrained only by the code of professional responsibility.

Army lawyers, on the other hand, under EC 7–14—must also be fair—must not employ the awesome power of Government to effect an unjust end.

Looking back, I am not proud of everything I did as a Government attorney. I am sure there were times that I was over-zealous. I abided by code but did not always focus on what was just or fair.

Some of those who have never served in private practice may not appreciate the power the Government was available to effect unjust ends.

If I had to do it over again, I would be more oriented to pursue my work because it was just and fair—not solely because I had a legal argument.

Why? Because it's just good lawyering. People who believe they have been wronged usually will not give up easily.

When it comes to fairness, people demand more from their Government than they do from others.

Another aspect of context involves change—especially those changes over which we do not exercise control—shrinking resources, new technology, new missions.

Last May, Judge Frank Posner of the 7th circuit was the keynote speaker at the American Law Institute in Chicago. His speech was critical of the ACI. He chastised the entire body for failing to adapt or to

even acknowledge revolutionary changes taking place in society.

While I did not agree with everything he said, he was right that attorneys cannot function as elite professionals in a vacuum.

Obviously today's world is much more complicated than just a few years ago. It was much easier to give advice. As often as not, SJA advice was more confined to military criminal law and a few community matters.

The end of the Cold War has contributed to changing this.

Commanders now find themselves anywhere in the world—assigned any number of unusual missions.—Reducing street crime on the streets of Port 'A Prince, or guarding refugees in Panama—the different scenarios are endless.

In the past the SJA was always considered part of the special staff. A specialist who could keep to himself. No more the SJA has become a member of the commander's battle staff. He plays a role—like that of the G2—assessing the battlfield—identifying potential legal, and ethical landmines.

In Panama, Haiti, Somalia, and Rwanda our SJAs are one of the most important staff members, helping their commanders avoid these landmines.—Stepping forward and guiding them through these minefields.

It is in this regard I would ask you to do ever more. In this period of resource constraints, we need our attorneys more than ever—to keep stepping forward.

Help us streamline our processes.—Not something lawyers are well-known for doing, but vitally important. Help make the rules and procedures more understandable—more accessible—and more relevant to the needs of your commander.

The law, ethically applied and sensibly interepreted—invariably is fair and makes sense. And your role in interpreting and applying the law, if anything, is more important today than ever before.

Let me close by thanking each of you for what you've done up to now, what you're doing this week, what you must keep doing in order to keep our Army the finest in the world.

IN RECOGNITION OF THE LIFELONG CIVIC ACHIEVEMENTS OF HAMILTON C. FORMAN

HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1996

Mr. DEUTSCH. Mr. Speaker, for the past 50 years in Broward County, one man has been at the forefront of civic progress in South Florida. Whether it was a fight for the preservation of the Everglades or the integration of our schools, Hamilton C. Forman has taken a leading role in finding solutions to our communities' problems. In recognition of these civic accomplishments, the B'nai B'rith Foundation of the United States is awarding Hamilton Forman the Great American Traditions Award on Saturday, January 6.

The Hamilton Forman story began in the rural section of Broward County during the pre-Depression era. His family worked as dairy farmers in an isolated section of the county. Yet, even though Hamilton Forman grew up in a remote section of Broward County, it did not restrain him from devising a clear vision on how he wanted Broward County, his home, to develop. He wanted to create a booming economy in South Florida built around warm weather and migration. With this idea in mind, he invested a good portion of his life's savings in real estate located across the region. By the end of World War II he had amassed hundreds of acres of local real estate and established himself as a role model for entrepreneurial success and civic involvement.

But the achievements of Hamilton C. Forman over the last 50 years cannot simply be summarized by saying that he was instrumental in building a hospital or that he donated money and time to a charitable organization. The primary contribution Hamilton C. Forman has given to South Florida is that he has repeatedly offered his services to the community over the last 50 years. It is this rare example of continued leadership and civic involvement that I wish to pay special tribute to today. Since World War II, Hamilton Forman has chosen to involve himself in a wide array of issues facing our diverse society and I would like to take this time to thank him for this untiring involvement in the welfare of South Florida.

IN HONOR OF MAY AARONSON

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1996

Mrs. MORELLA. Mr. Speaker, I rise today to call attention to my constituent, May Aaronson, of Chevy Chase, MD, who will celebrate her 84th birthday on January 6.

When May was 45, after raising three children and volunteering in many community activities, May Aaronson enrolled in college. She went on to graduate at the top of her class at Howard University and then embarked on a 31-year career at the National Institute of Mental Health in the field of early child development. Her work there has had lasting impact on the health and well-being of countless children, especially at-risk youngsters.

She helped to create a model in-home education program for at-risk preschoolers; she authored a book for young parents on how to raise a healthy infant; and she coauthored and authored measurement tools for parent and child behavior and interaction. In her work for the Department of Health and Human Services she reviewed and oversaw grants in the area of Early Child Development and helped create a national network of information sharing about programs providing services for young children. She also created a screening test, the Children At Risk Screener, to aid in the important task of identifying preschoolers who need early educational, psychological or medical intervention. This typifies her work as it combines her creativity with practicality in designing a test in the form of a game that can be administered in less than 10 minutes.

May Aaronson is also proud of the accomplishments and contributions of her children: Doris Aaronson, a professor of psychology at New York University; David Aaronson, a professor of law at American University; and Jean Rosenfeld, a clinical social worker.

Two years ago, at the age of 82, she retired. As May celebrates her 84th birthday, she studies computer science, and she works as a volunteer on the Montgomery County Hotline, reaching out to those in need.

Mr. Speaker, May Aaronson is a role model for women, for senior citizens, and for all Americans. Please join me in celebrating the birthday of this remarkable woman!

THANK YOU MR. DIJOSEPH

HON. JACK QUINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1996

Mr. QUINN. Mr. Speaker, I rise today in memory of Elma Town Supervisor John F. DiJoseph.

John DiJoseph tirelessly dedicated his life to the enhancement of the Elma community, and proved himself to be extraordinarily available to his constituents, or as he thought of Elma's citizens, friends.

Since 1975, Mr. John DiJoseph has been involved in his community's local politics and various community organizations, including Celebrity Waiters Dinner for the Leukemia Society, Kiwanis, Elma Historical Society, Executive Committee of the New York State Association of Towns, Eric County Association of Town Governments, Elma Conservation Club, Erie County Agricultural Society, Elma Fire Council, Elma Fire Companies, Elma Community Council Services, Saint Vincent de Paul Roman Catholic Church, and others too numerous to mention.

In 1980, John DiJoseph first served the Town of Elma in public office as Councilman, and served in that capacity with distinction until 1986, when he became Town Supervisor. As Supervisor, John DiJoseph will best be remembered by his community, as the Elma Town Board Proclamation so eloquently stated, as someone "to strive to emulate his total dedication to family and to his extended family, and the citizens of Elma."

Mr. Speaker, today I would like to join with the citizens of Elma, and indeed, the entire western New York Community, to honor Mr. John F. DiJoseph, who is survived by his wife, Shirley; his children, John, Jr., Michael, and Norine; his parents, Frank and Mary; his brother, Patrick; and sister, Laureen for his distinguished service to the Town of Elma.

PERSONAL EXPLANATION

HON. JIM LIGHTFOOT

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1996

Mr. LIGHTFOOT. Speaker, due to my son's hospitalization I was unable to be present and voting on January 3, 1996.

Had I been present I would have voted in favor of overriding the veto of H.R. 1530, the National Defense Authorization Act and in favor of overriding the veto of H.R. 2076, the Commerce, Justice, State, and the Judiciary Appropriations Act.

SUPPORT GEPHARDT MOTION

HON. GLENN POSHARD

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1996

Mr. POSHARD. Mr. Speaker, I rise in strong support of the motion to reopen the departments and agencies which have been closed

and to stop holding Federal workers hostage while we negotiate a balanced budget. This will be the third resolution passed by the Senate to put our Federal employees back to work and all have been rejected by the House Republicans.

I represent thousands of Federal workers who provide very important services for hundreds of thousands of taxpayers in the 19th Congressional District and this Nation. Just last week I met with several hundred Federal workers in my district who are being punished for doing nothing more than working for a government agency for which there is no funding authority. These are people who take on the very important responsibility of caring for our veterans at the VA medical center. These are men and women who have the difficult task of running the high security Federal prison at Marion. There are many others who go to work every day with the goal of providing service to the taxpayers of this Nation, including the Forest Service and Fish and Wildlife employees.

And what are they getting for their trouble? They work in agencies which are apparently not important enough to fund through the regular appropriations bills, are too important to keep off the job, but in the final analysis are not important enough to pass a clean funding bill so they can be paid. This is truly outrageous, and I know the people in my district are fed up with the games being played in Washington.

We should come to agreement on those appropriations bills which we can pass to put these agencies back in business. For those where agreement cannot be reached, we should pass a clean continuing resolution and at least let the basic functions of those agencies and departments continue. And we should come to terms on a 7-year balanced budget as scored by the Congressional Budget Office.

I have cosponsored and voted for the ''Coalition'' budget which represents the middleground for both sides in this debate. I would urge the negotiators once again to take a look at our approach—balanced in 7 years, better for Medicare and Medicaid than the leadership plan and rejecting a tax cut which we can't afford—and come to an agreement.

I support the motion to put our people back to work and to pay them for their time and effort. And I urge the negotiating teams to work in a bipartisan spirit to reach agreement on the overriding goal of balancing the Federal budget.

TRIBUTE TO PROF. HAROLD NORRIS

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1995

Mr. CONYERS. Mr. Speaker, I rise today in tribute to Prof. Harold Norris, a gifted attorney and profound humanitarian who imbued generations of law students with a love and a passion for justice. This fall, Professor Norris retired from the Detroit College of Law where he taught constitutional and criminal law for the past 35 years. Professor Norris is far more than just a teacher. He is a tireless crusader for human rights. He is blessed with the soul of a poet, the insight of a historian, the curiosity of a philosopher, and the courage of a warrior.

Law students in his final constitutional law class presented him with a plaque on the Bill of Rights. That plaque illustrates his impact on them and on thousands of other young people. It reads in part:

> While the Bill of Rights grants assurance to the individual of the preservation of liberty, it does not define the liberty it promises . . . only in recent American history has the Bill of Rights been used as a shield in the battle against indignity, abuse, oppression, inequality, unfairness and intrusion. And while the Bill of Rights is the individual's shield against governmental abuse and power, that shield is of little use without a hand to hold it high. Throughout his life Professor Harold Norris has held that shield and taught his students and others to do the same. He has taught us that the Bill of Rights does not implement itself, it is only by the conviction, courage and strength of people who recognize its indispensable protections that the true spirit of its contents are achieved.

Born in Detroit, Harold Norris' early life was shaped by the Great Depression. He was keenly aware of the Depression's devastating impact on the lives of working-class people who desperately sought help and guidance from the Government. That experience helped crystalize his feelings about the importance of justice as a reality, not just a concept.

Over the years, Professor Norris has engaged in ground-breaking work in the areas of civil and human rights. As a delegate to the Michigan Constitutional Convention of 1961, he served as vice-chair of the Committee on the Declaration of Rights, Suffrage, and Elections. He wrote numerous key provisions of the Michigan constitution of 1963, including provisions that prohibited racial and religious discrimination and provisions that created a right to appeal in a criminal case. He was coauthor of the provisions creating a civil rights commission.

He is former chairman of the constitutional law round table of the Association of American Law Schools. He was counsel to the Committee on Constitutional Revision of the House of Representatives of the State of Michigan, and he has been a consultant to the Judiciary Committee of the U.S. House of Representatives.

Professor Norris' passion for the law affected every aspect of his life. At his retirement party, Norris' son, Victor, a Detroit-area attorney, observed that the first gifts given to him and his sister, Barbara, by their father caused us to be the only kids on the block with their own individually framed copy of the Bill of Rights.

Harold Norris received a bachelor of arts degree from the University of Michigan in 1939. Two years later, he earned a master's degree in economics, also from the University of Michigan. In 1942, he joined the Army Air Corps and attended the Harvard Business School program to train statistical control officers. He spent almost 3 years overseas before being discharged in 1946. When he returned home, he enrolled in Columbia University and earned his law degree in 2 years. He and his wife, Frances, had two children, Victor and Barbara, both born during the Columbia years.

In 1948, Harold Norris was admitted to the Michigan bar. For the next 13 years, he engaged in private practice. During that time, he became active in bar associations where, as he recalled in a 1991 magazine interview, ''I helped initiate and secure prepaid legal insurance, the principle of fair employment practice legislation, compulsory automobile liability insurance, and the inclusion of lawyers in the Social Security Act.'' Norris wrote the Michigan Automobile Liability Accident Claims Act.

In addition to his private practice and his work with the bar associations, Harold Norris involved himself with the American Civil Liberties Union where, among other things, he represented teachers and students who were subpoenaed by the House Un-American Affairs Committee. He pushed for one-man, one-vote, and he spoke out on the need for fair and impartial evaluations of citizen complaints against the police.

In 1961, a number of forces converged on Professor Norris and moved him toward the realization of one of his goals: to be a teacher. While serving as president of the ACLU's Detroit chapter, Norris met the late Charles King, deal of the Detroit College of Law, who asked him to join the faculty. in 1961 Norris became a professor at Detroit College of Law; that same year he was elected a delegate to the Michigan constitutional convention. In the classroom and in the political arena, he was able to expand his efforts to help this country live up to its promise of freedom and justice for its citizens.

Despite Professor Norris' awesome accomplishments, he remains an unpretentious man who always makes time to talk to students and friends. He encourages open debate in his classes, and he considers it his mission to spark an unquenchable thirst for justice in his students.

Professor Norris' passion for justice is a natural part of his lifelong search for balance and harmony in the universe. His talent as a writer and social commentator has won him praise in the literary field as well as in the legal field.

As an author, Professor Norris' works include ''Mr. Justice Murphy and the Bill of Rights,'' published in 1965; ''Reflections on Law, Lawyers, and the Bill of Rights, a Collection of Writings 1944–1984,'' published in 1984 and ''Education for Popular Sovereignty Through Implementing the Constitution and the Bill of Rights,'' published in 1991. Included among the collected writings found in ''Education for Popular Sovereignty Through Implementing the Constitution and the Bill of Rights,'' is ''Due Process and the Rule of Law: Earning Citizen Cooperation with Police.'' Presented at a public meeting in Detroit, the speech is as relevant today as it was when Professor Norris gave it in 1961. Detroit police were engaged in a unlawful crackdown on African American citizens. Some 1,500 dragnet arrests resulted in only 40 warrants. Much of the community was outraged over the trampling of individual rights. Professor Norris went directly to the heart of the issue when he wrote:

> We believe that the public has a tremendous interest in law enforcement, but it has an even greater long-range and permanent interest in the rule of law. We hear of promoting world peace through law. We need the rule of law to promote the peace of the Detroit community. Justice through law is the objective of government and law enforcement, not merely the apprehension and prevention of crime. Inscribed upon the portals of the building housing the United State Supreme Court in Washington, are the words

Equal Justice Under the Law . . . the watchwords of our constitutional faith. In other words, it is the purpose of the Bill of Rights and Due Process to make all citizens self-governing and equally secure against any arbitrary and unlawful intrusion, private or public. The Bill of Rights was born in controversy and lives in controversy. Due Process of law is to be observed in emergencies as well as in conditions of safety.

Harold Norris also is a sensitive poet whose work has been praised by Archibald MacLeish and Theodore H. White. White said Norris' poetry is ''infused with an almost forgotten sense of love—love of country and of people, love of America's monuments and places, love of its future and heroes.''

Professor Norris' poem, ''The Liberty Bell'' hangs in the lobby of the Detroit College of Law and in the public lobby of Philadelphia's Independence National Park's Administration Building, the home of the Liberty Bell.

In a moving tribute to civil rights legend Rosa Parks, Norris wrote in part: ''I will walk. My will is responsible. I am this nation. This nation is what I do. It will not be done. Unless I do it. This nation is determination. This nation is conduct. Conduct with a free will. During his career, numerous groups have honored Professor Norris with awards and commendations. Included among these awards are the National Judge Finch Law Day Speech Award from the American Bar Association for his address on ''Law, the Language of Liberty,'' the ''Champion of Justice Award'' by the State Bar of Michigan and the ''Distinguished Warrior for Civil Rights Award'' by the Detroit Urban League.

In 1987, the Michigan supreme court presented him with a citation for his vision, faith, and commitment that have inspired a lifetime of contributions to the jurisprudence of our State. In that citation, he was aptly described as a lawyer, educator, poet, and statesman.

Professor Norris enjoyed a unique and beautiful relationship with his wife, Frances, whose death in 1990 ended a forty-seven year marriage.

Their son, Victor, recently provided one of a most telling and insightful assessment of Professor Norris. Asked to describe his father, Victor said:

''Even if he wasn't my father, I would say that I have never known anyone who on a minute-by-minute, day-by-day basis feels so responsible to his country and to making it a better place to be.''

When Professor Norris' name is mentioned, the most respected and successful lawyers and judges in Detroit say he shaped their law perspective about justice and led them to understand that the Bill of Rights is a living document that must be protected by those who practice both justice and the law.

Harold Norris' presence has made this a better, stronger, and more decent Nation. During a teaching career that spanned four decades, he touched the lives of thousands of lawyers who now carry on his mission of our Nation.

One of Professor Norris' last acts at Detroit College of Law was to create and to help fund the Harold Norris Colloquium, which is an annual even that will explore key issues in the fields of constitutional law, civil rights, and civil liberties.

Detroit, the State of Michigan, and the United States are deeply indebted to Professor Harold Norris—humanitarian, lawyer, teacher, and poet. Because of his appreciation and understanding of the living power of the Constitution and the Bill of Rights, generations of citizens have been able to live with a greater measure of freedom, opportunity, and dignity. I am pleased that my family and his have been friends, neighbors, and leaders in helping define and resolve the issues that yet may make this form of government great.

PASS THE FOREIGN AID BILL

HON. PETER DEUTSCH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 3, 1996

Mr. DEUTSCH. Mr. Speaker, for the past several months, the House Republican leadership have stubbornly help up the entire foreign aid package, including MEPFA and aid to Israel, in order to score political points on a domestic political issue.

Unfortunately, this intransigence has put the three most vital benefits of foreign aid to Israel in serious jeopardy. First, without delivering foreign aid by January 1, the economic stability of Israel could be threatened. The Israeli Government will come dangerously close to defaulting on its financial commitments. Moreover, funding for a variety of social projects in the region will be imperiled including money earmarked for roads, housing and hospitals.

Second, the failure to pass the foreign aid bill will have a serious impact on the American economy. It is a little known fact that 83 percent of all aid to Israel is spent here in the United States creating good jobs for Americans. Without passage of the foreign aid legislation, billions of dollars that would have been injected into the American economy will be lost.

Third, failure to pass the foreign aid bill will endanger the fragile Middle East peace process. Both Israel and the Palestinians rely heavily on American aid to stabilize their domestic economies. Eliminating this funding will encourage extremism in both societies and threaten all of the hard fought progress that has occurred over the last several years.

On a practical level, the United States has a choice between either providing aid to Israel or sustaining a large military presence in the Middle East. I urge the House Republican leadership to negotiate a compromise on this legislation and pass the foreign aid bill. Without some type of action, we are in jeopardy of seriously undermining the peace process in the Middle East.

Daily Digest

HIGHLIGHTS

Second Session of the One Hundred Fourth Congress convened.

Senate

Chamber Action

Routine Proceedings, pages S1–S33

Measures Introduced: One bill and two resolutions were introduced, as follows: S. 1515 and S. Res. 207–208. **Page S30**

Measures Reported: Reports were made as follows:

S. 1371, entitled the ''Snowbasin Land Exchange Act of 1995'', with an amendment in the nature of a substitute. (S. Rept. No. 104–201) **Page S30**

Measures Passed:

Commending Keith Kennedy: Senate agreed to S. Res. 208, commending J. Keith Kennedy. **Page S28**

Congratulating Brett Favre: Senate agreed to S. Res. 207, to congratulate Brett Favre, a native of Kiln, Mississippi, for winning the 1995 National Football League Most Valuable Player Award. **Pages S28–29**

Removal of Injunction of Secrecy: The injunction of secrecy was removed from the following treaty:

Tax Protocol with the Kingdom of the Netherlands (Treaty Doc. No. 104–23).

The treaty was transmitted to the Senate today, considered as having been read for the first time, and referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed. **Page S28**

Messages From the President: Senate received the following messages from the President of the United States:

Transmitting the report on the continuation on the Libyan emergency; referred to the Committee on Banking, Housing, and Urban Affairs. (PM–107). **Page S29**

Transmitting the report concerning emigration laws and policies of Romania; referred to the Committee on Finance. (PM–108). **Pages S29–30**

Messages From the President: **Pages S29–30**

Messages From the House: **Page S30**

Communications: **Page S30**

Amendments Submitted: **Pages S31–33**

Recess: Senate convened the Second Session of the One Hundred Fourth Congress at 12:00:15 p.m., and recessed at 3:46 p.m., until 11 a.m., on Thursday, January 4, 1996. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S33.)

Committee Meetings

No committee meetings were held.

House of Representatives

Chamber Action

Bills Introduced: 1 public bill, H.R. 2841; and 23 resolutions, H.J. Res. 138–155, and H. Res. 325–329 were introduced. **Page H90**

Report Filed: One report was filed as follows: H. Res. 330, authorizing the Speaker to declare recesses subject to the call of the Chair from January 5, 1996, through January 23, 1996; waiving a requirement of clause 4(b) of rule XI with respect to consideration of certain resolutions report from the

Committee on Rules during that period (H. Rept. 104–445). **Pages H50, H90**

Second Session: Pursuant to the 20th amendment to the Constitution, convened at noon on Wednesday, January 3, 1996 for the second session of the 104th Congress. **Page H1**

Notify the President: House agreed to H. Res. 325, providing for a committee to notify the President of the assembly of the Congress. Subsequently, the Speaker appointed Representatives Armey and Gephardt as members of the committee on the part of the House. **Page H2**

Inform the Senate: House agreed to H. Res. 326, to inform the Senate that a quorum of the House has assembled. **Page H2**

Hour of Meeting: House agreed to H. Res. 327, providing for the hour of meeting of the House. **Page H2**

Calendar Wednesday: Agreed to dispense with Calendar Wednesday business for today. **Page H2**

Presidential Message—Loan Guarantees to Israel: Read a message from the President wherein he transmits an unclassified report on the Loan Guarantees to Israel Program—referred to the Committee on International Relations. **Page H2**

Question of Privilege of the House: The Chair ruled that H. Res. 328, relating to the privileges of the House, did not constitute a question of privilege of the House and was not in order. **Pages H2–7**

By a yea-and-nay vote of 206 yeas to 167 nays, with 1 voting ''present'', Roll No. 2, agreed to the Armey motion to table the appeal of the ruling of the Chair. **Pages H6–7**

Presidential Veto Message—Defense Authorization: Read a message from the President wherein he announces his veto of H.R. 1530, to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, and to prescribe military strengths for fiscal year 1996, and explains his reasons therefor—ordered printed (H. Doc. 104–155). **Page H12**

Defense Authorization: By a yea-and-nay vote of 240 yeas to 156 nays, Roll No. 3, the House sustained the President's veto of H.R. 1530, to authorize appropriations for fiscal year 1996 for military activities of the Department of Defense, and to prescribe military personnel strengths for fiscal year 1996 (two-thirds of those present not voting to override). **Pages H12–22**

Subsequently, the message and the bill were referred to the Committee on National Security. **Page H22**

Presidential Messages: Read the following messages from the President:

Romanian emigration: Message wherein he transmits a report certifying the continued Romanian compliance with emigration policy—referred to the Committee on Ways and Means and ordered printed (H. Doc. 104–156); and **Pages H22–23**

National emergency with respect to Libya: Message wherein he transmits his continuance of a state of national emergency with respect to Libya—referred to the Committee on International Relations and ordered printed (H. Doc. 104–157). **Pages H23**

Commerce, Justice, State, the Judiciary: By a yea-and-nay vote of 240 yeas to 159 nays, Roll No. 4, the House voted to sustain the President's veto of H.R. 2076, making appropriations for the Department of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1996 (two-thirds of those present not voting to override). **Pages H23–33**

Subsequently, the message and the bill were referred to the Committee on Appropriations. **Page H33**

Farm Credit Relief: House agreed to the Senate amendments to H.R. 2029, to amend the Farm Credit Act of 1971 to provide regulatory relief, with an amendment—clearing the measure for Senate action. **Pages H33–48**

Further Continuing Appropriations: House agreed to the Walsh motion that H.J. Res. 153, making further continuing appropriations for the fiscal year ending September 30, 1996, be considered as passed. **Pages H48–52**

Earlier, objection was heard to the Walsh motion that the joint resolution be considered as passed by the House. **Page H50**

Quorum Calls—Vote: One quorum call (Roll No. 1) and three yea-and-nay votes developed during the proceedings of the House today and appear on pages H1, H6–7, H22, and H33.

Adjournment: Met at noon and adjourned at 10:51 p.m.

Committee Meetings

RECESS AUTHORITY

Committee on Rules: Ordered reported, by a vote of 8 to 4, a resolution authorizing the Speaker to declare recesses subject to the call of the Chair on calendar day Friday, January 5, 1996 through Tuesday, January 9, 1996 and during three day periods thereafter until calendar day Tuesday, January 23, 1996.

The resolution also waives clause 4(b) of rule XI (requiring a 2/3 vote to reconsider a rule on the same day it is reported) against certain resolutions

reported from the Committee on Rules before calendar day Wednesday, January 24, 1996. The waiver applies to special rules providing for consideration or disposition of any measures, amendments thereto, conference reports thereon, or amendments reported in disagreement from a conference (1) making general appropriations for the fiscal year 1996; (2) including provisions making further continuing appropriations for the fiscal year 1996; (3) including provisions increasing or waiving the public debt limit under section 3101 (b) of title 31, United States Code; and, (4) providing for a balanced budget by the year 2002.

COMMITTEE MEETINGS FOR THURSDAY, JANUARY 4, 1996

Senate

No meetings are scheduled.

House

Committee on Commerce, Subcommittee on Oversight and Investigations, hearing on the Department of Energy: Travel Expenditures and Related Issues, 10 a.m., 2123 Rayburn.

Committee on International Relations, hearing on Haiti: Human Rights and Police Issues, 10 a.m., 2172 Rayburn.

Next Meeting of the SENATE

11 a.m., Thursday, January 4

Senate Chamber

Program for Thursday: After the transaction of any morning business (not to extend beyond 12 noon), Senate may consider conference reports, if available, and any cleared legislative and executive business.

Next Meeting of the HOUSE OF REPRESENTATIVES

10 a.m., Thursday, January 4

House Chamber

Program for Thursday and the balance of the week: Consideration of the President's veto of H.R. 1977, Interior Appropriations for fiscal year 1996;

Consideration of H.R. 2677, requiring the Secretary of the Interior to accept State donations of services of State employees in a period of government shutdown (closed rule, 1 hour of general debate);

Consideration of the President's veto of H.R. 4, Personal Responsibility Act of 1995; and

Consideration of the President's veto of H.R. 2099, VA, HUD and independent agencies appropriations for fiscal year 1996.

Extensions of Remarks, as inserted in this issue

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