

offense had occurred. They kept the adultery, and the coverup, a secret among themselves, and Washington, John Adams, Thomas Jefferson, James Madison, and other founding fathers apparently went along. Congress held no hearings, Congress released nothing to the public, and Hamilton's misconduct remained a secret for 5 long years, until Hamilton was long out of office. Then in 1797, a disgruntled former clerk of the House of Representatives leaked Hamilton's secrets to a muckraking journalist and the whole country learned of Hamilton's adultery and the bribe to cover it up. And what happened?

The following year, in 1798, then President John Adams and former President George Washington nominated Alexander Hamilton to be second in command of the new Federal Army. Second in command to only Washington himself. With Monroe, Madison, Jefferson and other founding fathers maintaining their respectful silence, the United States Senate quickly confirmed this confessed adulterer and liar to occupy for a second time one of the highest offices in the government of the United States.

The founding fathers saw a big difference between public service and private conduct, and on the question of impeachment they warned Congress to do the same. They weren't giving Congress a right to decide who's President, they gave us Presidential elections for that.

These, then, are the words of author and historian Richard Rosenfeld on this morning, October 1st, 1998.

#### PASS TAXPAYER RELIEF ACT FOR NEW URBAN POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. ENGLISH) is recognized for 5 minutes.

Mr. ENGLISH of Pennsylvania. Mr. Speaker, in recent days, a lot of people have heard about the Republican tax plan that passed the House as part of a 90-10 plan, which sets aside 90 percent of the existing surplus to save Social Security and also sets aside 10 percent of the surplus to provide needed tax relief and tax reform.

People in the discussions on this tax plan have focused on some of the more prominent aspects of it. It provides marriage penalty relief that would benefit 40 percent of the couples in America; it provides full deductibility for health insurance; it provides a deduction for small savers, up to \$200, that can be written off for individuals, or \$400 for couples, in interest income; it expands access to prepaid tuition plans so that private colleges can set up prepaid tuition plans and allow people with a tax break to prepurchase tuition and bank it for the future, making college much more affordable; the plan allows small businesses an expensing provision, a greater ability to deduct equipment that they purchase; and also provides tax relief for farmers and ranchers.

In my view, as a member of the Committee on Ways and Means, these provisions will go a long way to relieving the tax burden on the middle class and small business owners of this country. However, we have not focused on an-

other aspect of this legislation which will help thousands of people living in the most distressed communities in our Nation and give them hope.

With the 1996 welfare reform law, Republicans began encouraging and empowering individuals, yet we are told by leaders in some of our communities that we need to go further in revitalizing lower-income communities. These communities have been telling us that to truly succeed, it is vital that the government support market-based private economic growth in these areas that are economically depressed. And for that reason the chairman of the Committee on Ways and Means included in his mark a provision relating to the American Community Renewal Project.

The Taxpayer Relief Act would allow the designation of up to 20 renewal communities so that we can offer targeted, aggressive tax cuts and regulatory relief for those communities that need them the most. What we are trying to do is to green line depressed communities for investment, empower the poor, and, at the same time, not create new layers of bureaucracy.

Under this provision, the Secretary of Housing and Urban Development will be able to designate renewal communities, 20 percent of which must be in rural areas. These designations would be effective for 7 years. Areas that have been nominated would have to meet certain criteria to achieve these breaks. One is it would have to have an unemployment rate of at least 1½ times that of the national rate; it would have to have a poverty rate of at least 20 percent; and, in urban areas, at least 70 percent of the households in the area would have to have incomes below 80 percent of the median income households in the metropolitan statistical area.

In other words, these tax breaks are not tax cuts for the rich, but they are targeted for those who most need economic growth. Areas would also have to meet certain population criteria.

This may sound complicated, but it is done to ensure that the areas nominated are truly economically depressed urban areas where Federal dollars can truly make a difference.

When I look around my district, Mr. Speaker, I look at communities like we have in Farrell, Pennsylvania, which is clearly economically depressed, which is financially distressed as far as the municipal financial condition, it has a high poverty rate, but, at the same time, it has a good work ethic and a marvelous sense of community and neighborhood. With the assistance of these targeted breaks, a community like Farrell could definitely benefit, attract jobs, attract investment and empower people and allow them to form capital.

Once designated, these renewal areas are eligible for a variety of incentives, including a 100 percent exclusion from capital gains for certain qualified renewal community assets held more

than 5 years; an additional, additional on top of what is already in the bill, \$35,000 of expensing for small businesses; a work opportunity tax credit to offset the cost of hiring individuals, and a variety of other incentives. It also includes family development accounts for the working poor.

We need to pass this for a new urban policy.

#### PLIGHT FACING FARMERS ACROSS THE COUNTRY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Dakota (Mr. POMEROY) is recognized for 5 minutes.

Mr. POMEROY. Mr. Speaker, I want to address my colleagues this afternoon on an issue that is absolutely vital, not just vital to the State of North Dakota, that I represent, but vital to the rural dimension of this country of ours, and that is the plight facing farmers right across the country due to the collapse of commodity prices.

What has made the problem so particularly acute this year over preceding years is that, as prices have fallen, we have learned the failing of the last farm bill all too clearly. There is no longer a safety net when prices collapse, and the farmers are hitting the deck all across the country.

For years, farm policy in this country recognized that there were a couple of areas of risk that a family farmer could not individually deal with. One of the risks was the loss of production due to an act of God. A hail storm comes along and wipes out the field. It does not matter how good someone is at farming, that is a risk they cannot control.

The other type of risk was the risk of price collapse; depending upon the particular vagaries of the world market in a given period of time. An individual could be the best farmer in the county, but if prices plunged so that at the county elevator they are not even getting the cost of production, they are going to have trouble feeding their family in the winter ahead.

Well, we had a farm bill last time that represented the most significant change in agriculture policy in four decades. I voted against it. I voted against it because I believed it left farmers with bare exposure to these risks and was vitally unfair in that important respect. This afternoon I want us to focus in particular on the aspect of price protection, because this is the single largest peril facing family farmers this fall.

As many of us read about the growing financial difficulties in Asia, we did not really understand what that would mean to our economy. Well, let me tell my colleagues, the first aspect of our economy to get this square in the face was agriculture, because 45 percent of the agriculture exports in this country went to Asia. They quit buying our Ag

exports and prices have fallen dramatically. Exports to Asia are down 30 percent. Our major customers walked away from 30 percent of what they had previously bought from us. Imagine the impact on price.

This was made even worse by the fact that across the world production of farm commodities was quite strong. So we have way more supply than we used to have, and the result is a lot of supply, slack demand, and prices tanking.

Now, unlike preceding years, where we had the U.S. Department of Agriculture there to help farmers through these tough times, provide some cushion, we no longer have that safety net. We just have farmers taking it and taking it without any relief whatsoever.

Let me try to put this in some perspective. Two years ago, as this farm bill just came into effect, the price of wheat was \$1.66 per bushel above what it is today. Average price at the county elevator this month in North Dakota is \$2.70 a bushel. We used to provide price protection down to \$4 a bushel. I am not suggesting going back to the old farm bill, but I am suggesting we have to have some protection for farmers when prices collapse. For a farmer to get \$1.66 a bushel less is just catastrophic.

What are we thinking of doing about it in this particular Congress? We are putting together a disaster bill that will be wrapped into the Ag appropriations bill. We may be voting on it as early as tomorrow. But here is where it falls short. The relief it provides to farmers, in light of these collapsed prices, is nominal, insignificant, does not make them whole, will not keep them on the farms.

Let me give my colleagues the hard reality. \$1.66 collapse in prices on wheat. The farm bill relief proposed by the Republican majority will help farmers to 13 cents a bushel. Their price plunge is \$1.66 a bushel; we are going to help them up to 13 cents a bushel. That does not cover the cost of production. That does not cover the cost they have sunk into their crop. That is not going to get the job done for our farmers.

It is not just wheat that is in trouble. The relief for corn will be 7 cents a bushel. The relief for soybeans will be 2 cents a bushel. This is not help. We issue a press release: Big Ag relief package coming through Congress. It is almost worse than nothing because it falls so far short of what is required.

My colleagues, stand with me and help us build a relief package for our farmers that actually means something and will help them get through the winter.

#### FEDERAL GOVERNMENT CANNOT DO ANYTHING ECONOMICALLY OR EFFICIENTLY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, the headline in Aviation Week magazine last week said, "NASA plans \$660 million station bailout for Russia." The sub-head said, "Payments would be part of \$1.2 billion U.S. fix. Completion slips to 2005."

It seems that our Federal Government cannot do anything in an economical or efficient manner.

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The station I am speaking of is of course the Space Station, and the original full cost estimate in 1984 was \$8 billion.

This is another old Washington trick. Drastically low-ball the estimate on the front end. However, no one should be fooled by this any more. It is now estimated that total costs of the Space Station will reach as high as \$180 billion, more than 20 times the original cost estimates.

Now NASA wants six shuttle flights per year at a cost of \$477 million per flight and no telling what else. But billions in cost overruns, years of additional delays, and now \$660 million to bail out the Russians, it is all simply too much for a project that is draining huge amounts from other more worthwhile, cost-effective research.

Then, Mr. Speaker, the Federal Reserve has apparently just encouraged and presided over another bailout, one of the largest private bailouts. Due to pressure from regulators, several large banks and investment firms came up with \$3.5 billion last week to bail out a hedge fund called Long-Term Capital. This is probably the worst case or best example of crony capitalism ever.

The partners of this firm include a former Federal Reserve vice chairman and others that Business Week referred to as a "dream team." But this dream team used \$100 billion in borrowed money and made one bad investment after another.

Paul Volcker, the former Federal Reserve chairman, said, "Why should the weight of the Federal Government be brought to bear to help a private investor?" The answer is that it should not.

James K. Glassman, the Washington Post columnist, wrote, "But in America today, there's a double standard. A rule that applies to welfare mothers doesn't apply to politically connected corporations, rich speculators and irresponsible nations. Over and over, when powerful people and institutions get into trouble, the government bails them out."

But, Mr. Speaker, the American people are getting sick and tired of all this. Billions and billions to Russia and other countries. Billions and billions on a very questionable Space Station. Billions and billions to try to stop civil wars in Haiti, Rwanda, Somalia, Bosnia, and now I suppose Kosovo.

I remember reading three or four years ago on the front page of the Washington Post that we had our troops in Haiti settling domestic disputes and picking up garbage. And I re-

member a few months ago on this floor when another Member said in Bosnia we had our troops giving rabies shots to dogs.

Well, Mr. Speaker, the Haitians should settle their own domestic disputes and pick up their own garbage, and the Bosnians should give their own rabies shots; money taken from hard-working Americans to pour down one black hole after another.

Mr. Speaker, many people feel we may be on the verge of a recession or at least an economic downturn in this country. The stock market has gone down over 400 points in just the last two days. We would not be on nearly as shaky economic grounds if liberal big spenders had not caused us to be over \$5.6 trillion in debt at just the Federal level, and then if we had instead followed other very conservative fiscal, monetary, taxing, and regulatory policies.

However, we are on shaky grounds, very thin ice economically, due to very liberal policies of all types, including bad trade deals that favored large multinational corporations at the expense of small and medium-sized American businesses and American workers.

Now we are losing 3 million jobs a year due to our balance of payments deficits, 3 million jobs to other countries. Our unemployment is not yet low, but our underemployment is terrible. We have been replacing good, high-paying manufacturing jobs with minimum wage employment and tourism and restaurants. Many college graduates cannot find employment in the fields in which they trained. We are ending up with the best educated waiters and waitresses in the world.

Mr. Speaker, we need trade and economic and foreign policies that put this country and its workers first once again. We need to put America first even if it is not politically correct or fashionable to say so.

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

[From the Washington Post, September 29, 1998]

#### RECKLESS BAILOUTS

(By James K. Glassman)

The principle behind welfare reform was simple: If you pay people when they don't work, then they don't have an incentive to get a job. The 1996 law cut them off, and since then, millions have left the public dole.

Economists call the principle behind welfare reform "moral hazard." When people are insured, or protected against the consequences of destructive actions, they are more likely to take those destructive actions. Thus, of able-bodied welfare mothers know they'll get monthly checks, they're less likely to work.

But in America today, there's a double standard. A rule that applied to welfare mothers doesn't apply to politically connected corporations, rich speculators and irresponsible nations. Over and over, when powerful people and institutions get into trouble, the government bails them out.

The latest example is a Greenwich, Conn., hedge fund called Long-Term Capital, Ltd. (LTC), which was founded by John Meriwether, a "master of the universe" at