

CBO COST ESTIMATE OF HOUSE OF REPRESENTATIVES RECONCILIATION BILL REGARDING AGRICULTURE AND CONSERVATION—Continued

[In millions of dollars, by fiscal years]

Section	1996	1997	1998	1999	2000	2001	2002	1996–2002
1404 End Farmer Owned Reserve	0	-17	-17	-17	-18	-18	-18	-105
1405 Cap EEP spending	-279	-482	-281	-130	0	0	0	-1172
1406 Business Interruption Insurance Program	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Total	-1016	-1851	-1851	-1857	-1858	-2501	-2508	-13442

¹ These provisions could have some direct spending impact, but the level is either likely below \$500,000, of indeterminate.

Note.—Assumes effective date of November 15, 1996. some estimates would change with later effective date.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the Committee estimates that enactment of the Chairman's recommendations of the Committee on Agriculture with respect to the reconciliation bill for fiscal year 1996 will have no inflationary impact on the national economy.

OVERSIGHT STATEMENT

No summary of oversight findings and recommendations made by the Committee on Government Reform and Oversight under clause 2(l)(3)(D) of rule XI of the Rules of the House of Representatives was available to the Committee with reference to the subject matter specifically addressed by the Chairman's recommendations of the Committee on Agriculture with respect to the reconciliation bill for fiscal year 1996.

No specific oversight activities other than the hearings detailed in this report were conducted by the Committee within the definition of clause 2(b)(1) of rule X of the Rules of the House of Representatives.

SHARING THE PAIN OF ALZHEIMER'S

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. LEVIN. Mr. Speaker, on October 18, 1995, the Alzheimer's Town Meeting in Troy, MI, will give family members who care for Alzheimer's patients a chance to share with others the physical and emotional challenges they face daily.

They will have the opportunity to learn more about the options and resources available to them. And they will be able to share experiences with sympathetic listeners who know too well the devastation of the disease.

Alzheimer's does not discriminate. In America, 1 in 10 people know someone suffering from the disease. In metro Detroit, 60,000 people have Alzheimer's. Their families know that caring for an Alzheimer's patient is a supreme challenge. The tireless effort put forth by caregivers is remarkable and an example for all.

These caregivers have been called the hidden patients of Alzheimer's, and I agree. I commend the Alzheimer's Association for making this effort available and for raising consciousness about Alzheimer's in the metro Detroit area.

We must continue our fight against this painful disease. Through research, financial aid for Alzheimer's families, and a health care system that works for Alzheimer's victims, we can provide the best possible support for everyone affected by the ravages of Alzheimer's.

THE 11TH ANNUAL GREAT LAKES CONFERENCE ON EXPORTS

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. ROTH. Mr. Speaker, on September 15, I held my 11th Annual Great Lakes Conference on Exports. We had 1,043 attendees, making this the largest exports conference in the Midwest.

Our opening speaker this year was C. Michael Armstrong, chairman and CEO of Hughes Electronics, and the Chairman of President Clinton's Exports Council.

As the chairman of the Trade Subcommittee of the House International Relations Committee, I have worked very closely with Mike. His insights have been invaluable to the committee as we have tried to increase U.S. exports.

I'd like to share some of those insights with you today. Following is the text of the address Mike Armstrong gave at the Exports Conference.

If we are to remain competitive, improve our balance of trade, and move strongly ahead into the 21st century, we need to listen to CEO's like Mike Armstrong. I urge you all to take heed of his advice.

THE EXPORT IMPERATIVE: PUBLIC POLICY AND PRIVATE ENTERPRISE FOR THE NEW CENTURY

(By C. Michael Armstrong, Chairman & CEO, Hughes Electronics)

Thank you for that very warm Wisconsin welcome. This conference, drawing so many high-powered participants not simply from Wisconsin but from across the Great Lakes region, is testament to the energies and insight of Congressman Toby Roth. The knowledge and pro-active approach he brings to the public debate about the market system and exports is critical to the future of this country.

Gatherings like this are instructive for another reason as well—as an indicator of the kind of collective, collaborative, effort we must have to turn economic opportunity to advantage. In the context of the local economy, some of you may be seated down the row this morning from a competitor. But in the context of the global economy, even competitors share a common interest in a system that permits and promotes economic opportunity and puts American firms on an equal footing with companies from other countries.

The theme of this year's conference captures the challenge we face: "Going global" is, quite simply, where the growth is. Companies, and ultimately countries, that refuse to recognize this reality, no matter how powerful, no matter how well-positioned, are destined to decline. By the same token, even small companies that grasp this reality will reap world-class rewards. I'll say here what I say to every businessman and Congressman I speak with: America's economic destiny is as an Export Superpower.

For my company, the export imperative is already the dominant fact of our economic life: Today, our competition, our customers, our standard of quality, are all global. I've tried to translate my experiences, at IBM, at Hughes and as Chairman of the President's Export Council into an advocacy of pro-export policies that will not only define the growth of our country, but will define the opportunities and standard of living for our children and our children's children.

That's the mission that shapes my message this morning: The change in mind-set—in public policy, and in the private sector—we need to see for this country to fulfill its economic destiny. For this to happen, we must act on three critical issues: Where government policy is hurting us, it has to stop; where government can help, it has to start; and where the private sector lacks reach or competitiveness, it has to change.

If I may, let me start with a snapshot of the importance of exports to the American economy. Take the current projections of 2½ percent growth for the U.S. economy—a steady, but unspectacular rate. Now, compare that 2½ percent to the growth rate for American exports which is 10 percent plus. Even during the 1990-91 recession, exports continued to grow putting a floor under a downturn I know all of us thought was deep enough. Each year export growth adds about \$30 billion dollars to our GDP.

Now numbers like that can be distant from the day-to-day we deal with, they're almost unreal: So let me bring it a bit closer to home—at the average manufacturing wage nationwide, export growth, each year, is good for 1 million new jobs. Last year, right here in Wisconsin, 2,300 companies exported \$7 billion dollars worth of goods, supporting 192,000 American jobs. And statewide, export earnings are up 19 percent from the year before.

And it's the same story in the other states represented here today. Last year in Minnesota, exports accounted for \$10 billion dollars and 158,000 jobs; in Illinois, \$24 billion dollars and 440,000 jobs; in Michigan, \$36 billion and more than half-a-million jobs. And in every one of your states 95 percent of the businesses active in export are small to mid-size companies of 500 employees or less. That's the reality and the strength, of America's export economy.

However, for just a moment, imagine our economy without export growth. Our country would red-line almost instantly, plunging into recession. With export growth gone, we'd see unemployment head for double-digits, and a downward economic spiral historic in proportion and its affect on all of us. It's a nightmare scenario none of us want to look at much less live through.

The bottom line is, exports are the economic engine of our country and their importance is growing. Lets look ahead from where things are today to the world as we'll know it twenty years from now. A combination of demographics and development will join to spark an economic boom in the nations we once termed the Third World: 12 developing countries with a total population of 2.7 billion people—more than 10 times the

population of the United States—will account for 40 percent of the world's export opportunities. Some may see this developing world emergence as a shift away from American economic dominance to a zero-sum future in which their sunrise is our sunset. I see it a different way. I see it as a whole new world hungry for the goods and services American companies can provide. I see it as long-term sustainable prosperity for the U.S., if more of us get off our domestic duff and into global markets.

But to crack those markets, to translate that opportunity into American exports and American jobs, will take more than American ingenuity and enterprise. It's going to take a shift in government policy as profound as the technological revolution taking place around us.

So let's start with public policy. Just what government support and policy is necessary for the United States to be globally competitive?

Here, I'm going to depart from the prevailing wisdom that puts a pox on both Houses as well as 1600 Pennsylvania Avenue—by asserting there is a constructive role government must play when it comes to exports.

First, we need to keep and extend export financing. There are opportunities for export that entail unique risks, deals where commercial banks with their balance sheets rightly fear to tread alone. We need adequate government-backed export financing. We need the Ex-Im Bank and OPIC—the U.S. Overseas Private Investment Corporation—to step in where political risk, or competitive country government involvement inhibits our opportunity. Government financing in international markets is not a form of foreign aid, it is a competitive imperative.

Second, we've got to improve export advocacy. I know some of the folks in Washington have declared war on the Commerce Department. I want to propose something short of a scorched-earth solution. All of us want to see non-essential government functions eliminated—and yes, we want to see the fat trimmed on federal spending—but we need to preserve a cabinet-level Commerce or Trade Secretary to give voice and substance to global export advocacy and policy. We need to retain an International Trade Agency that helps U.S. companies the way other governments back our foreign competitors. And fortunately today we have a very effective Secretary of Commerce who provides real help in growing this country's exports.

Third, and this is key for many of the companies represented at this conference, we need more national export support for small business. Support that helps the company in the industrial park down the street find and sell to new customers around the world. What makes the American economy thrive is the little guy with the big idea—the seed from which great things grow. For most of our history, small business has been a home-grown affair. But that's changing: It's becoming possible in America to be an export entrepreneur.

For example, the U.S. Commercial Service with its regional offices across the U.S., and links to every U.S. Embassy, is helping small American firms make the foreign contacts that lead to foreign contracts; that turns entrepreneurship into global business.

If you are not using these resources today, you should be. I do.

If these are 3 ways government can help us—our government is also hurting us. We ought to demand that government apply to its actions the physicians' Hippocratic Oath: "First, do no harm."

I'll limit myself this morning to one example, I think the most egregious example, of the way government policy is crippling our competitiveness, costing us jobs and limiting

our growth: I'm talking about the impact of the old, Cold War-era export controls.

This is a case where bureaucracy simply can't keep pace with technology. It is a fact of life in the Information Age: Technology travels. The space between generations of technology is contracting, and the speed with which technology penetrates the marketplace is accelerating, making a mockery of borders and bureaucratic barriers of all kinds. In too many cases, export controls that limit U.S. firms, that keep us on the sideline, simply invite other countries to capture the market. It's a sad fact for those of us in the satellite and communications business that U.S. Government export controls constitute the single most significant competitive advantage our European competitors possess.

Ladies and gentlemen, that's wrong and it's got to change.

We've got to pass an Export Administration Act that clears away out-moded, antiquated export licensing that penalizes American companies.

Now, if we had a Congress filled with Toby Roths, this issue would be resolved tomorrow. But given the reality, we've got to keep educating, agitating, and pressing for change before the world passes us by. In just the 90s, these outdated export policies have cost my company several billion dollars and thousands of jobs. You and I must demand a new, realistic and competitive Export Administration Act.

So far I've focused on what government can and cannot do to promote export growth. But that brings me to my final issues this morning: The point where public policy ends and private sector responsibility begins.

Because the fact is, we can clear away counter-productive restraints and regulations and we can sustain and strengthen public sector assistance but there is a limit to what government can do, a line that separates what business must do for itself.

No policy, no program, no political fix can overcome a lack of American competitiveness. That's the responsibility of you and I, American management, and no one else.

And while there are some encouraging signs that American management is adapting and restructuring for global competitiveness, there is one significant indicator. I would submit, that says our house is not yet in order. Our problem is relatively weak investment in R&D, an important indicator that an enterprise is pursuing leading-edge and looking long-range. In 1994, the U.S. economy invested just 1.9 percent of GDP in civilian R&D. Our 1.9 percent compares to 3 percent for Japan and 2.7 percent for Germany: And remember in 1984, both of those countries were in recession.

While private investment would be aided by a permanent flat R&D tax credit, it is management's ultimate responsibility to invest, to train and to re-engineer our capabilities. Our shareholders, our customers and our employees will not, and should not, let us point the finger or pass the blame somewhere else. We simply must have the courage to challenge ourselves to change, and the conviction to invest to stay ahead of our global competitors.

And if this conference proves anything, it demonstrates there is plenty of courage and conviction right here in this room.

I know from talking to Toby Roth that there are companies in this room exploiting global economic opportunities to their advantage. No matter how many employees they may have, that's no small accomplishment. I cite and compliment all today that are on this path—in the spirit of challenge to all of us; A challenge to be aggressive and enterprising in making the global market your customers.

And that, ladies and gentlemen, is my message:

First, we must all recognize the growing importance of exports in our increasingly global economy—and that America's economic destiny is as an Export Superpower.

Second, we must translate that export imperative into modern export public policies out of Washington.

And third, businesses in America should be assuring their competitiveness, investing in their conviction and pursuing global markets.

WELCOME TO PRESIDENT JUAN CARLOS WASMOSY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. LANTOS. Mr. Speaker, today Members of Congress will have the opportunity to meet with His Excellency Juan Carlos Wasmosy, President of the Republic of Paraguay, who is visiting the United States.

Mr. Speaker, President Wasmosy is the first civilian constitutional President of Paraguay in over half a century, and he has worked diligently to move his country and society along the path of democracy, social justice, and market economic development after years of the dictatorship of General Stroessner. As my colleagues know, the Stroessner regime permitted a number of leading Nazis, including Josef Mengele, to find refuge in Paraguay. I am delighted to report that under President Wasmosy important changes are being made in Paraguay's policies.

As my colleagues also know, terrorism has been a particular concern of mine. President Wasmosy has been a good ally in the effort to deal with Middle Eastern terrorists. Earlier this year, President Wasmosy courageously withstood pressure to release seven individuals arrested in Paraguay in connection with the bombing last year of the Jewish Community Center in Buenos Aires, Argentina, which resulted in the death of nearly 100 people. The Paraguayan courts ordered the extradition of these individuals to Argentina. For these actions, Bnai B'rith commended the Paraguayan Government.

Mr. Speaker, I commend President Wasmosy for his conscientious efforts to change the policies and the political culture of Paraguay. The institutionalized negative impacts of the Stroessner dictatorship have left a legacy that is difficult to eliminate. Paraguay still faces difficulties in dealing with international drug traffickers, and we in the United States must intensify our efforts to work with the government of President Wasmosy to eradicate this vicious scourge.

Mr. Speaker, I join my colleagues in welcoming to the Congress His Excellency Juan Carlos Wasmosy, President of the Republic of Paraguay.

CHARITABLE GIFT ANNUITY ACT

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, October 24, 1995

Mr. HYDE. Mr. Speaker, today I am introducing the Charitable Gift Annuity Antitrust