

A Federal grantee like General Motors, obviously a private company, would have to account to the Federal Government for every time any of its thousands of employees had any contact with a Federal, State, or local government official about virtually any issue, whether it is local zoning or fuel efficiency standards.

Looking at another well-known and worthy nonprofit organization, Mothers Against Drunk Driving would not be able to carry out its mission if this were to become law, because under the amendment's formula for the maximum allowable government relations expenditures, Mothers Against Drunk Driving could spend only 3 percent of its entire budget on contacts with all levels of government. It would simply cripple MADD's efforts to get stricter Federal, State, and local laws and enforcement against drunk driving.

But do not take my word for this. Let me read to my colleagues from a letter sent out yesterday in behalf of the presidents of 34 major research universities in this country from the Association of American Universities. And I quote:

The Istook-McIntosh-Erich legislation would impose a burdensome, new record-keeping mandate on our universities, some of which receive thousands of Federal grants for diverse purposes. For each grant, this legislation would require detailed and duplicative reports on political advocacy—even if the amount of advocacy did not exceed the prohibited threshold.

Mr. Speaker, I could go on and on, including a recent communication from the Red Cross about this. Let me just conclude by pointing out what our former colleague Mickey Edwards of Oklahoma had to say about this recently: "This is big brother with a vengeance." My colleagues, we should defeat these amendments.

#### AMERICA BETTER OFF WITH BALANCED BUDGET

The SPEAKER pro tempore (Mr. BARR). Under the Speaker's announced policy of May 12, 1995, the gentleman from Ohio [Mr. HOKE] is recognized during morning business for 5 minutes.

Mr. HOKE. Mr. Speaker, I want to address the House this morning about an article that appeared yesterday in USA Today. It was entitled "What Life Would Be Like In 2002 With A Balanced Budget." It is a survey of a number of different economists and analysts and consultants who have been asked about what the impact would be on our economy over a 7-year period of coming into balance with the Federal budget.

It starts out by saying,

Mortgage rates near 5 percent. An economy that purrs along with a steady jobless rate around 5.5 percent. A standard of living that's on the rise again because wages are finally growing at a decent rate. A trade surplus.

Economists are nearly unanimous in their answers that for most people, in fact 80 percent or more, life would be better. Says Michael Erlund, who is

chief economist at consultants MMS International, "I have to believe a rising tide does raise all boats. Probably 80 percent or more would gladly benefit" with a balanced budget that helps bolster the economy.

Todd Buchholz, author and economist who is the author of a book entitled "From Here to Economy" says, "I can tell you things will only get worse if we don't balance the budget or come close to that."

Now why is that? What is at the bottom of this? At the bottom of it is the ability of the Government to borrow in a way that sucks capital out of capital markets that would go to productive activity in the economy.

In other words, if there is a deficit that is running, right now the deficit is about \$164 billion, then it has to borrow that money in the capital markets. That means that that money is not available to be borrowed by individuals for the purchase of homes or consumer goods, or by businesses for capital investment that would create more jobs.

Because we do spend more than we collect, the Federal Government has to borrow from investors to pay its bills. The article goes on by saying it borrows by selling Treasury bonds, notes and bills on which it pays interest. That borrowing, most economists agree, keep interest rates higher than they would be otherwise.

I can tell you that the Chairman of the Federal Reserve Bank, Mr. Greenspan, testified before my committee, the Committee on the Budget, earlier in this year, and said that on average he believed that interest rates would drop 2 percent as the result of balancing the budget.

"The government is tapping into our savings pool," says Nancy Kimelman, chief economist at Investment Advisors Technical Data in Boston. It lures investors' money the only way that a borrower can, by offering tempting yields on bonds.

When you subtract the Government from the competition for investors money by balancing its budget, then the effect would be immediate and interest rates would head down. Here are some of the estimates.

Lawrence Meyer and Associates, which is a St. Louis-based economic consulting firm, estimates that by 2002 short-term interest rates would be close to 3 percent, as opposed to 5.4 percent today, and long-term rates would be just about 5 percent, versus 6.2 percent today.

With rates that low, the economy would surely be far better off. Businesses would invest more because they could borrow more at lower rates. Investment in computers, in buildings and equipment, would boost productivity even further.

There is another issue at stake here besides all of these economic benefits that would inure not only to the economy generally but to individual people, both in terms of lower interest rates that they would pay for mortgage pay-

ments and car payments and school tuition payments as well as the capital formation aspects that create a lot more jobs and a lot more opportunity. The other issue that I want to talk about with respect to a balanced budget is the one that goes to the question of how we define what Government should be, what its appropriate role is, and what its appropriate role ought to be in the American scene.

The way that this idea of a balanced budget comes into play with respect to that is that the most perfect way, the most compelling way, the most clarifying way to define as a people what we believe government's role ought to be is what we as a people are willing to pay for it on a pay-as-you-go basis. So that if we say to each other, to ourselves, look, we are only willing to spend what we are willing to pay for, then that is the most perfect way to define what this Government should be and should do. It also has the added benefit of not putting on our children the borrowing that we enter into and engage in today. It very perfectly defines what we ought to be as a government.

#### DEFEAT ISTOOK AMENDMENT TO LOBBY REFORM BILL

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. MENENDEZ] is recognized during morning business for 5 minutes.

Mr. MENENDEZ. Mr. Speaker, I rise to express my outrage with the Istook amendment we will be voting on that will impede with the fundamental right of Americans—particularly nonprofit organizations to advocate with their Government—their Representatives.

Let me first make it clear that I find this whole censorship effort reprehensible. But what makes it truly despicable is that it is specifically crafted to deal only with certain kinds of grants from the Government—the kind that go to people they do not like. People who might dare to oppose their extremist agenda.

What I mean is this: Mr. ISTOOK's own testimony on behalf of his original amendment cited two Supreme Court decisions in which the court specifically stated that there are two kinds of Federal benefits that put taxpayer dollars in an organization's pocket: Grants, and tax exemptions and deductions. The Supreme Court came right out and said it point blank. Both Mr. ISTOOK's original and more controversial amendment and the one he offers here today allegedly rely on these decisions. But when it came time to put this amendment down on paper, he decided he was only interested in one kind of benefit—the grants—completely ignoring the court's specific finding that tax-exemptions are a form of subsidy which have much the same effect as a cash grant. What a curious oversight. The court names just two

things—just two—but when Republicans wrote the bill, they managed to forget half of that short list.

What is the effect of this oversight? The American Heart Association is restricted. The American Red Cross is restricted. The Girl Scouts are restricted. They are restricted because they get grants. But the Speaker's network of think tanks and pet projects—such as the Progress and Freedom Foundation, Earning by Learning, National Empowerment Television and the like—can take tax-deductible donations and keep their money tax-free. And do they take money? Yes, millions from the Speaker's political supporters. And what do they do with it? They videotape Mr. GINGRICH's speeches and sell them. They use the money to produce a weekly television show starring the Speaker. In short, the Speaker uses their activities to promote his political agenda—and it is all done on the taxpayer dollar. All tax-exempt.

What did the Supreme Court say about that? Mr. ISTOOK has told us that they said tax-exemptions were the same as cash grants. If so, then why is there no mention of tax-exemptions in this amendment? The Progress and Freedom Foundation gets no grants, so this amendment will not stop them from sending every Member a so-called "briefing" on why the telecommunications industry needs reform, and coincidentally that it should be reformed in precisely the way Speaker GINGRICH suggests. But the Supreme Court, and more importantly Mr. ISTOOK, said their money is just as much "welfare for lobbyists" as a grant is.

All of you have received numerous briefings from the National Center for Policy Analysis supporting Medical Savings Accounts, an idea which actually wormed its way into the bill which cut Medicare by \$270 billion. Has anyone figured out why? The Republicans said they were impressed by the savings these accounts could achieve. But the CBO says these accounts will actually cost the Government \$3.5 billion. Of course, the savings were based on numbers produced by the think tank itself, and were then used to lobby Members. This think tank, by the way, is a tax-exempt organization. Distribution of their briefings was essentially lobbying. That means that the National Center for Policy Analysis lobbied Members with taxpayer dollars.

But what does this amendment do about it? Nothing. Why? Does it have anything to do with the fact that the National Center for Policy Analysis is heavily funded by a major backer of the Speaker's Progress and Freedom Foundation, the shadowy GOPAC organization, and others of the Speaker's funds?

Consider also that this big-time financial backer is also the CEO of the Golden Rule Insurance Co., the country's biggest marketer of medical savings accounts. In other words, a big financial backer of the Speaker's has used his tax-deductible contributions

to fund a tax-exempt lobbying campaign designed to result in legislation that would bring huge profits to his company. Later this week, they will try to rake in still more by including medical savings accounts in the Federal employee health benefits plan. Ironically, the hearing on the subject will be before the Government Reform and Oversight Committee—the very committee which has written and promoted the Istook language. Does this bother anyone?

It bothers me, but it apparently does not bother the supporters of the Istook amendment. They do not protest while big money buys out American politics, piece by piece. In fact, they now offer legislation designed to facilitate the process.

This Istook amendment is a sham. It deserves defeat. Let us not stop the Association for Retarded Citizens, the YMCA, and other voices of the little guy from advocating with their Government while we let fat cat special interests lobby to maintain huge profits, and then write off the expenses as tax deductions.

#### NO UNITED STATES TROOPS DEPLOYMENT TO BOSNIA

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Illinois [Mr. MANZULLO] is recognized during morning business for 5 minutes.

Mr. MANZULLO. Mr. Speaker, the United States Congress will within a very short period of time take up the very delicate issue as to whether or not American fighting troops should be positioned in the country that we know as Bosnia and Herzegovina. For the past 3 years, our President has, without consulting Congress, made a commitment that somehow he is going to send 20,000 to 25,000 American troops to Bosnia and Herzegovina.

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Now we find ourselves at this point in American history where this body has to make a reasoned decision as to whether or not we should put these young men and women in harm's way. We have to take a look at the historical background of this country as we know it.

One can go back 1,000 or even 1,500 years to see continuous fighting on either side of the Balkans as the various tribes from the areas that we know as the former provinces of Yugoslavia, now independent nations, have risen up, engaged each other in mortal combat, then been quiet for a period of time only to have these types of prejudices flare up again and result in killing.

The question is this: Does America have such a strategic interest in Bosnia and Herzegovina so as to commit our young men and women into combat? And that other question is this: If there is, indeed, a peace treaty, then why should our young men and

women, as part of a NATO force, be sent in heavily armed for the purpose of killing to keep the peace?

As I examined last night the very thick document that sets forth the memorandum of understanding among the parties to this horrible conflict, several points stood out, and I think the American people have a right to know the terms upon which American troops would be sent into this country.

Let us take a look at the nature of the country that will be set up. There will be an elected house. There will not be a president; there will not be two presidents; there will be three presidents. Can you imagine a constitution that has a troika for a presidency and is able to rule? And, incidentally, each of these presidents have to come from each of the three warring factions, the Moslems, the Croats, and the Serbs. So now you take one of each, put them into a government and say, "You rule."

What is even more ironic is that in the constitution that will be set up is called the country of Bosnia and Herzegovina, and yet it is legally split, one country that is already split, and this is supposed to be a peace agreement.

How is this peace agreement formed? Well, a demilitarized zone is set up. American troops have to pour in, and the language of the agreement says that the troops will use whatever force is reasonably necessary in order to carry out the peace plan. So that if the warring factions do not clear out of the DMZ, then after some type of a warning, presumably NATO forces will be called upon to shoot in order to secure a peace.

Mr. Speaker, I ask the question: What type of peace is this? And that is not all. The agreement says that within a year the troops are to be withdrawn.

So everybody gets together for a year, possibly acquiesces in a DMZ zone, and then knowing at the end of the year they can pull out only to have the fighting resume.

But there is more to it than this.

Mr. Speaker, I would encourage my colleagues to examine very closely the agreement before they vote in favor of this type of peace plan.

#### MOVE RESPONSIBLY AND PASS THE BUDGET

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from the Virgin Islands [Mr. FRAZER] is recognized during morning business for 1 minute.

Mr. FRAZER. Mr. Speaker, I rise to urge my colleagues on both sides of the aisle to come together. The time is now for us to represent our constituents in a responsible manner.

We all agree that a balanced budget is possible. The manner in which we get there is our dilemma. We need a balanced budget that is fair and equitable. This equality is based on a set of