does not like about their plan. I thought he had told that to the point where they were unhappy. He thinks they are endangering the ability of Medicare to continue to fully fund what older people need. He believes that abolishing the Federal law that says Medicaid will be there and if Americans are sick and old and poor or badly disabled, their medical care will be protected, that that is a mistake.

He thinks that the extent to which they are undercutting environmental enforcement is a mistake. He thinks cutting out funds that now go to help middle-income and working-class students go to college is a mistake.

Mr. Speaker, my Republican colleagues have a right to disagree. But they why do they insist on shutting down the Federal Government? In fact, we have the Republican Party, with a majority in both Houses, complaining that the majority apparently is insufficient for them to accomplish what the Constitution says to do when we want to change policy. They have, therefore, decided that they will shut down much of the Government. They will refuse.

Mr. Speaker, let us be very clear. Within hours we could pass a continuing resolution that simply said the Government will function at whatever level of appropriation my colleagues on the other side decide, until we agree on other things. Mr. Speaker, they are the majority.

In his last State of the Union, Ronald Reagan denounced the practice of withholding basic funding for the Government as a means of exerting leverage over other policy issues. For the first time in a long time, I wish the Republican Party were true to the legacy of Ronald Reagan. Go back to his last State of the Union. He said we do not have Government by extortion, and that is what we have.

Mr. Speaker, my colleagues' quarrel, they say, is with the President. They think he wants to be too profligate. He is going to spend too much money on those sick, old people. Fine. We can fight about that. They do not think he is going to cut enough taxes for wealthy people. But do not shut the Government down to punish him.

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

Mr. Speaker, we have heard a lot of things in this discussion today, but we have not heard an explanation for why the President has not come forward with a plan to balance the budget in 7 years using the CBO numbers as he committed to do. There is no explanation for that.

It has simply not been forthcoming. The President has failed to keep his commitment. The President's position on this is inexplicable to me. We hear that the President is opposed to draconian cuts in medicare. Well, the draconian cut is an increase of around 7 percent a year over the next 7 years, and the President himself, or the President's wife up on Capitol Hill in the last Congress said that we should slow down the growth of spending in Medicare to a rate of 7 percent. That is what they proposed. Now they say that is a draconian cut and something that is unacceptable and it is keeping them from presenting a balanced budget plan.

Mr. Speaker, I do not understand it. The President says he is against our tax cuts for families. He says that a $500 tax credit for families with children is too much. But when he was serving on the National Commission on Children, he endorsed a $1,000 tax credit per child.

What has happened? What is the difference? I do not understand it. I think the President should go back and take a look at the commitment that he made less than a month ago, and he should follow through on what he said he would do.

I am hopeful today that all the parties will get together and we will have the Government up and running tomorrow, but I also hope that the President will get serious about his commitment to the American people, because this is something that affects the future of this country. It is time we got the job done.

Mr. Speaker, I will now say a little bit about this bill. I am very pleased that we have had the bipartisan support for the bill that we have seen. I will note that.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida [Mr. CANADY] that the House suspend the rules and concur in the Senate amendment to H.R. 660.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CANADY of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the Senate amendment to H.R. 660 that was just considered.

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

There was not objection.

AMENDING UNITED STATES CODE TO LIMIT STATE TAXATION OF CERTAIN PENSION INCOME

Mr. GEKAS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 394) to amend title 4 of the United States Code to limit State taxation of certain pension income, as amended.

The Clerk read as follows:

H.R. 394

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

SECTION 1. LIMITATION ON STATE INCOME TAXATION OF CERTAIN PENSION INCOME.

(a) IN GENERAL.—Chapter 4 of title 4, United States Code, is amended by adding at the end the following:

"§ 114. Limitation on State income taxation of certain pension income

"(a) No State may impose an income tax on any retirement of an individual who is not a resident or domiciliary of such State (as determined under the laws of such State).

"(b) For purposes of this section—

"(1) The term 'retirement income'' means any income from—

"(A) a qualified trust under section 401(a) of the Internal Revenue Code of 1986 that is exempt under section 501(a) from taxation;

"(B) a simplified employee pension as defined in section 408(k) of such Code;

"(C) an annuity plan described in section 403(a) of such Code;

"(D) an annuity contract described in section 403(b) of such Code;

"(E) an individual retirement plan described in section 7701(a)(37) of such Code;

"(F) an eligible deferred compensation plan (as defined in section 457 of such Code);

"(G) a governmental plan (as defined in section 414(d) of such Code);

"(H) a trust described in section 501(c)(18) of such Code; or

"(I) any plan, program, or arrangement described in section 3121(v)(2)(C) of such Code, if such income—

"(i) is part of a series of substantially equal periodic payments (not less frequently than annually) made for—

"(I) the life or life expectancy of the recipient (or the joint lives or joint life expectancies of the recipient and the designated beneficiary of the recipient), or

"(II) a period of not less than 10 years, or

"(ii) is a payment received after termination of employment and under a plan, program, or arrangement (to which such employment relates) maintained solely for the purpose of providing retirement benefits for employees in excess of the limitations imposed by 1 or more of sections 401(a)(17), 401(k), 401(m), 402(g), 403(b), 408(k), or 415 of such Code or any other limitation on contributions or benefits in such Code on plans to which any of such sections apply.

Such term includes any retired or retainer pay of a member or former member of a uniform service computed under chapter 71 of title 10, United States Code.

"(2) The term 'income tax' has the meaning given such term by section 110(c).

"(3) The term 'State' includes any political subdivision of a State, the District of Columbia, and the possessions of the United States.

"(e) Nothing in this section shall be construed as having any effect on the application of section 514 of the Employee Retirement Income Security Act of 1974.''.

"(b) CONFORMING AMENDMENT.—The table of sections for chapter 4 of title 4, United States Code, is amended by adding at the end the following:

"114. Limitation on State income taxation of certain pension income''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received after December 31, 1995.

The SPEAKER pro tempore. The gentleman from Pennsylvania, [Mr. GEKAS] will be recognized for 20 minutes, and the gentleman from Virginia [Mr. SCOTT] will be recognized for 20 minutes.

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

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

Mr. Speaker, I think it would be valuable if we gave a small hypothetical to set the stage for the description of the legislation which we are about to consider. Assume that in State A, in your State, shall we say, Mr. Speaker, an individual works hard all of his working life and then at retirement age qualifies for a certain pension and then moves to another State.

It has come about over the last several years, in fact decades, that after that individual establishes domicile in a residence in another State, your State, maybe we should not use yours, maybe your State would not do this, but it is just for the sake of a hypothetical, your State reaches out across the State lines into the State into which the former resident of your State now resides, and imposes a tax on the pension income of that individual.

For several years we have had a movement within the Congress, both in the Senate and the House, and now we have come to grips with it in a reasonable way. This bill is the answer.

What it says is that when a qualified pensioner, one who has dutifully earned a pension under a qualified system set forth by previous statute and custom moves to another State, it will be beyond the powers of the original State to reach over the State borders and to attach its taxing authority onto that pension. That is the simple explanation of what we tried to do.

Mr. Speaker, there is an additional factor to it when we have a situation in which perhaps it is not a qualified pension, so-called; that is, when an arrangement has been reached between employer and employee where, although it looks like a pension, it is a kind of a one lump-sum settlement for past services rendered, et cetera, and that portion, many believe, should not be outside the purview of the taxing state, even though that individual goes outside the State for the remainder of his life.

So we have certain conditions attached here that unless that unqualified pension looks like a qualified pension with installment payments over a series of years so it really is like a pension, then in those circumstances we will be happy in this bill to accord that same protection to that pensioner as we did for the ones who qualified in a regular way.

So there is no controversy left in this legislation. We have very much appreciated the gentleman from Virginia [Mr. SCOTT] and his colleagues on our committee, who have assented to the general thrust of the legislation.

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

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

Mr. Speaker, the gentleman from Pennsylvania has outlined the need for the bill. Taxes ought to be as fair and equitable as possible, and the fact is that it is virtually impossible in many circumstances to calculate these taxes because people will move from State to State, they will change jobs, and if you move even within the same corporation from one State to another State, and then retire, if the States in which you worked tried to figure out which portion of that pension check was attributable to which State you worked in which you worked there, it would be virtually impossible.

In fact, the only people that are caught up with this tax right now are basically State employees where the State government is writing the check and sending it to another State and they have the money and they are withholding the money. It is very haphazard in its application and it is therefore unfair. I therefore agree with the general purposes of the bill, but I do have one or two reservations.

□ 1300

There are two significant differences between the bill that passed the House last Congress and the bill that is before us today. Last Congress' bill exempted only the first $30,000 of pension income since it was designated to help the modest-income individuals while allowing States to continue to tax their higher-income retirees. That is one point.

The other is that the bill was also limited to what are called qualified pension plans while the bill before us today is not. That is primarily where the problem lies, and some of us have reservations about the bill although we will not oppose it today.

Nonqualified plans, Mr. Speaker, are not recognized as pensions under Federal law and are not subject to any rules, regulations, guidelines or limitation in this use. They are typically used by a small number of highly compensated executives to defer taxes on large sums of compensation.

At the subcommittee hearing, for example, the director of benefits and planning at a large corporation stated that all 76,000 of their employees were in qualified plans while only 400, about one-half of 1 percent, were in nonqualified plans. A professor at the University of Georgia law school pointed out virtually all Americans are eligible for or, in fact, participated in some kind of qualified plan. The potential for tax avoidance by highly compensated individuals who funnel amounts into nonqualified plans in the last years before retirement are simply too great of a risk. These individuals would be sufficiently sheltered by Federal legislation that exempts a normally qualified plan, whatever that happens to be.

Mr. Speaker, the amendment offered in the subcommittee by the gentleman from Rhode Island [Mr. REED] attempted to draw a distinction between the taxation and qualified or nonqualified plans. That amendment passed. The manager's substitute refines that amendment so that those who are in most nonqualified plans can be properly considered.

Mr. Speaker, I believe that we have to monitor this provision of the bill closely to insure that it is not abused. However, I will not oppose the legislation and hope that it may be revised in the Senate.

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

Mr. GEKAS. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois [Mr. HYDE], the chairman of the Committee on the Judiciary.

Mr. HYDE. Mr. Speaker, I speak in support of H.R. 394, a bill to amend title 4 of the United States Code to limit State taxation of certain pension income.

In recent years, several States have discussed imposing an income tax on the pension income of retired individuals who worked in those States for part or all of their careers, but who no longer reside there. Some States, such as California and New York, currently do impose these ''State source'' taxes.

There is no question but that the States have constitutional authority to impose such a tax. However, State attempts to tax pension income received by nonresidents raise extraordinarily difficult questions of allocation and apportionment. They also pose substantial risks of multiple State taxation of the same income. And more basically, they subject taxes on persons who no longer vote in the taxing jurisdiction, thereby raising charges of unfairness to a population which cannot defend itself in the political arena. Taxation without representation is the cliched phrase.

Mr. Speaker, the substitute amendment before us today is the product of negotiation and compromise between private employer groups and the Federation of Tax Administrators. It represents a middle ground which each can support: in addition to covering qualified pension plans, it includes all mirror image plans because those plans are tied to the underlying qualified plans. This is a significant narrowing of the bill as introduced, which would have granted protection to all pension plans, regardless of whether they bore any relationship to a qualified plan.

Mr. Speaker, I want to commend my colleague, the gentlewoman from Nevada [Mrs. VUCANOVICH], for her leadership and perseverance in moving this legislation forward. I also want to commend the gentleman from Virginia [Mr. SCOTT], the ranking member of the subcommittee, as well as the distinguished and learned chairman, the gentleman from Pennsylvania [Mr. GEKAS], for their leadership on this issue. But it was largely due to the efforts of the gentlewoman from Nevada [Mrs. VUCANOVICH] that this delicate compromise has been reached and the product of negotiation is expected to be expeditiously passed and signed by the President.

Mr. SCOTT. Mr. Speaker, I yield 3 minutes to the gentlewoman from Florida [Mrs. THURMAN].

Mrs. THURMAN. Mr. Speaker, I want to thank the gentleman from Virginia for yielding me this time and his commitment to this bill, as well as the gentleman from Pennsylvania [Mr. GEKAS].

I cannot begin to tell you how important an issue this has become from a Florida perspective. While I was in the Florida Senate, I actually had constituents come to me to find out if there was something I could do about it in the Florida Senate. Needless to say, it was a Federal issue, and we could not do much, but the State of Florida actually was able to say that they could not hit any of their property to try to defend away this, because it became a hardship to where, in fact, some States were actually going retroactively back into some of these pensions to grab these dollars so that they could use them, really causing a major issue for these folks.

So I just want to say that I hope that the Senate takes this bill up. It is my understanding that they, too, will be looking at this and that possibly we, after we passed it last year out of the House, that now the Senate is going to look at this and that we give back to those seniors that have retired in other areas the freedom.

They are not taking anything from the State in which they are being taxed from. Their services are being delivered by an entirely different State. I believe this is a fair way to make this program work.

I just want to thank my colleagues for the work that they have done, and we will certainly let our folks know in Florida that this work has been taken care of.

Mr. Speaker, I rise today in very strong support of H.R. 394, a bill to prohibit State taxation of pensions of nonresidents.

Those of us who have worked on this issue—and I am one who has lived with it from the time I served in the Florida Senate—well, we sometimes wondered if this day would ever come.

I know the seniors in my district affected by this very unfair situation were beginning to doubt this would ever be corrected.

I want to thank Chairman HYDE and Chairman GEKAS, Mr. CONYERS and Mr. SCOTT, and everyone who has worked so hard and so long for bringing us to this moment.

Most Americans probably do not even realize that under present law, certain States with a source tax are able to tax the retirement incomes of retirees who no longer reside in that State.

Amazing! In other words, thousands of seniors across the country receive tax bills from States even though they have not lived in those States for years.

As a Representative of a State which many seniors choose for their retirement years, I can tell you without hesitation that this money grab by source tax States causes unnecessary aggravation and hardship to many people.

Taxing pension benefits of those who live in another State is anti-senior and frankly, anti-American. Your freedom to travel and retire to any part of this great country should not be limited by the tax policies of your former State of residence.

Mr. Speaker, the idea behind this bill makes good common sense. I am only sorry so many people had their incomes reduced in the time it took us to get to this point.

Mr. SCOTT. Mr. Speaker, I yield such time as she may consume to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Speaker, while we discussed the suspension of H.R. 394, it is certainly one on suspension where we have reached compromise. I want to join on record to say this seems to be a very good compromise.

I want to use it as an exemplary kind of compromise we need to work on the budget and want to use it as an opportunity to begin to talk about, as we come to suspension, is it not ideal how people, both sides, can agree on things that are essential that we do not have debate and do not have rancor.

Indeed, in the paper today where we talk about the budget standoff, the issue of Medicaid, whether we have that as a right for poor people, for senior citizens, is also something that we ought to have unanimous consent on.

I want to urge my colleagues, as we begin this discussion about the budget standoff, 250,000 employees are going to be furloughed. That is involuntary. That is a wasteful spending of money when we can take that money and those services and make sure the American people are served well.

Medicaid is an issue that we need to struggle with, both sides, and apparently on the Senate side there is some reasonable thought process that we ought to move forward with the Government and, indeed, this would be an opportunity to do that.

Mr. Speaker, again, suspension, and the American people are watching us as we talk about these bills. Are these bills important? Yes, they are. Are other bills important? Yes. Why can we not continue to some compromise on those big issues?

So, therefore, Mr. Speaker, I want to urge my colleagues that they ought to use this exemplary nature where we come on both sides of our issues around issues that are going to affect millions of Americans.

Finally, Mr. Speaker, I want to tell you this is the Christmas spirit. It is the giving. It is the giving within our means. And certainly it is not a spirit of taking. We should not be taking health care from millions of Americans in the spirit of Christmas.

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

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

First, I am inserting at this point in the RECORD the technical explanation of the legislation that we are contemplating here, as follows:

TECHNICAL EXPLANATION OF H.R. 394

PRESENT LAW

Certain State laws provide that some or all retirement income is included for State income tax purposes if the income was earned within the State, even though the individual resides outside the State when the retirement income is actually received. Some States achieve this result through general rules that tax income earned within the State, whereas others have explicit provisions regarding retirement income.

EXPLANATION OF H.R. 394

H.R. 394 amends title 4 of the United States Code (entitled ‘‘Flag and Seal, Seat of Government, and the States’’), to prohibit any State, including any political subdivision of a State, the District of Columbia, and the possessions of the United States, from imposing income tax on any retirement income of any individual who is not a resident or domiciliary of the State. For this purpose, retirement income includes any income from a qualified retirement or annuity plan, a simplified employee pension, a tax-sheltered annuity plan, an eligible deferred compensation plan of a tax-exempt or State and local government, an individual retirement arrangement, a governmental plan, a trust created before June 25, 1959, and that is part of a plan funded only by employee contributions, and certain retired or retainer pay of a member or former member of the uniformed services. The term retirement income also includes income from a nonqualified deferred compensation plan, provided such income is (1) part of a series of substantially equal periodic payments made over (a) the life or life expectancy of the recipient (or the joint lives or life expectancies of the recipient and the recipient's beneficiary), or (b) a period not less than 10 years, or (2) a payment received after termination of employment under a plan, program, or arrangement (called a ‘‘mirror plan’’) maintained solely for the purpose of providing benefits in excess of limitations on contributions or benefits in the Internal Revenue Code on qualified retirement plans. The provision has no effect on the application of the provision in the Employee Retirement Income Security Act of 1974 (‘‘ERISA’’) that generally preempts State laws.

Effective date.—H.R. 394 is effective with respect to amounts received after December 31, 1995.

EXPLANATION OF MIRROR PLANS

A mirror plan is a nonqualified retirement plan maintained by an employer solely for the purpose of providing benefits in excess of certain limits on contributions and benefits contained in the Internal Revenue Code (‘‘Code’’) which apply to qualified retirement plans. The benefits provided under a mirror plan are those benefits that would have been provided under the terms of a qualified retirement plan, but for the application of the following limits on contributions and benefits:

(1) Code section 401(a)(17): limits the amount of annual compensation that may be taken into account under a qualified retirement plan for purposes of computing benefits and contributions to $150,000.

(2) Code section 401(k): limits the amount of elective deferrals (contributions at the election of the employee) that may be made by a highly compensated employee to a qualified cash or deferred arrangement (commonly called a ‘‘401(k) plan’’) according to a nondiscrimination test based on the amount of elective deferrals made by nonhighly compensated employees.

(3) Code section 401(m): limits the amounts of employer matching contributions and after-tax employee contributions that may be made to a 401(k) plan on behalf of highly compensated employees according to a nondiscrimination test based on the amount of such contributions made on behalf of nonhighly compensated employees.

(4) Code section 402(g): limits the annual amount of elective deferrals that may be

made to a 401(k) plan (or a similar arrangement) generally to $9,240 for 1995 (adjusted for inflation in $500 increments).

(5) Code section 403(b): limits the amount of annual contributions that may be made to a tax-sheltered annuity (maintained by certain tax-exempt entities and public educational organizations) generally to the excess of the product of 20 percent of compensation times the participant's years of service over the amount contributed in prior years. In addition, contributions to a tax-sheltered annuity are subject to annual limit of $9,500.

(6) Code section 408(k): limits the amount of elective deferrals that may be made by a highly compensated employee to a simplified employee pension (maintained by smaller employers) based on the amount of elective deferrals made by nonhighly compensated employees.

(7) Code section 415: limits the amount of annual benefits that may be paid from a defined benefit plan generally to the lesser of $120,000 or 100 percent of the participant's average compensation for the highest three years of compensation, and limits the amount of annual contributions that can be made to a defined contribution plan to the lesser of $30,000 or 25 percent of compensation.

Second, I want to briefly add my little voice to the debate on health care. The President, as I recall, in previous times has proposed that the Medicare spending be slowed, and that is what the Republicans have said.

The President has said we should have a tax cut for the middle class, echoed by the gentleman from Missouri [Mr. GEPHARDT], and the Republicans have said the same thing.

So, if someone is cutting someplace, it must be everybody is cutting, if that is the right word to use. But in the meantime, we believe that we are on the right track to balance the budget.

Mrs. SMITH of Washington. Mr. Speaker, I rise in strong support of legislation to eliminate the so-called source tax. This is the single-biggest issue for many of my constituents who suffer from this nefarious tax. Many of my constituents have waited many years for the source tax to be eliminated. I believe the 104th Congress will finally end this tax once and for all.

Having fought this unfair tax at the State level when I served in the Washington State Legislature, I am quite familiar with the long, hard journey that retirees have traveled to see this tax repealed.

The source tax is truly taxation without representation. By levying a source tax, States are able to target the retirement income of nonresidents even though the nonresidents receive no benefits or services in return for the assessed taxes. Thousands of residents throughout my home State of Washington have been burdened by this unfair tax.

Many of these retirees once worked in the neighboring States of Oregon or California and found Washington to be a popular place to retire since Washington did not impose a State income tax. Unfortunately, these retirees have seen a good portion of their retirement income go to another State's coffers. These retirees are paying for another State's taxes and do not even get the benefit of the services that their taxes finance.

While I want to thank everyone who has written or called in support of this legislation, I especially want to thank Jim Dawes of Sequim, WA, for his diligent efforts to repeal the source tax. He has been a tireless advocate on behalf of the countless people in Washington State who are subjected to this tax.

Ms. DUNN of Washington. Mr. Speaker, as a cosponsor of H.R. 394, I am pleased to lend my support to this bill under suspension of the rules. H.R. 394 will eliminate the so-called source tax, a misguided provision of Federal law which allows States to tax retirement income of nonresidents.

The source tax is nothing less than taxation without representation and contradicts a fundamental American principle. Not only is it wrong to allow States to tax the pensions and retirement income of Americans who have moved out of the State, but it is an unfair burden on retirees whose current State also lays claim to the income. I have heard from countless constituents who have relayed their stories of how States across the country extend their arms into the hard-earned pensions of retirees who have moved to Washington State. This is simply unacceptable.

Retirees are currently forced to somehow calculate the portion of taxes to be allocated to each State. Simply put, Mr. Chairman, retirees should not be forced to pay taxes to a State in which they no longer reside and no longer vote. I urge my colleagues to end this practice and suspend the rules and pass H.R. 394 to return fairness to taxpayers in Washington State and across the country.

Mr. HEINEMAN. Mr. Speaker, I rise today to express my strong support for H.R. 394. This legislation will provide some much needed tax relief to our Nation's retirees. Current law allows a State to tax a retiree's pension income even when they no longer live in that State. I believe that is wrong. H.R. 394 will correct this problem.

H.R. 394 prohibits States from taxing the pension income of nonresident retirees. It is unfair for some States to take money away from seniors and retirees who do not even live in that State and may have not lived there for years. This represents taxation without representation and needs to stop.

Time and again I have heard my colleagues say that we should not unfairly burden our Nation's senior citizens and retirees. I agree. As a senior, I believe this Congress needs to stand up for what is right and support this important legislation. If this Congress does not act, some States will continue to tax retirees living in other States. Do not let this injustice continue, support H.R. 394.

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

The SPEAKER pro tempore (Mr. HAYWORTH). The question is on the motion offered by the gentleman from Pennsylvania [Mr. GEKAS] that the House suspend the rules and pass the bill, H.R. 394, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GEKAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 394, the bill just passed.

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

There was no objection.

EXTENSION OF AU PAIR PROGRAMS

Mr. SMITH of New Jersey. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1465) to extend au pair programs.

The Clerk read as follows:

S. 1465

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

SECTION 1. EXTENSION OF AU PAIR PROGRAMS.

(A) REPEAL.—Section 8 of the Eisenhower Exchange Fellowship Act of 1990 (Public Law 101–454) is repealed.

(b) AUTHORITY FOR AU PAIR PROGRAMS.—The Director of the United States Information Agency is authorized to continue to administer an au pair program, operating on a world-wide basis, through fiscal year 1997.

(c) REPORT.—Not later than October 1, 1996, the Director of the United States Information Agency shall submit a report regarding the continued extension of au pair programs to the Committee on Foreign Relations of the Senate and the Committee on International Relations of the House of Representatives. This report shall specifically detail the compliance of all au pair organizations with regulations governing au pair programs as published on February 15, 1995.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey [Mr. SMITH] will be recognized for 20 minutes, and the gentleman from Maryland [Mr. WYNN] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

The au pair program, which is reauthorized by S. 1465, is administered by the United States Information Agency, USIA, and it has been an effective means of giving young people from overseas an educational year in the United States and also providing hard-working American families with many hours per week of high-quality child care.

The au pair program is a win-win situation, and I believe it deserves to be reauthorized.

Several of our colleagues, Mr. Speaker, deserve very special credit for their persistent efforts to get this bill before us. I speak especially of the gentleman from California [Mr. BAKER], who earlier this year appeared before our Subcommittee on International Operations and Human Rights and gave compelling testimony as to the value of this important program. I would also like to single out other strong proponents, including the gentleman from Virginia [Mr. WOLF], the gentleman from Virginia [Mr. DAVIS], and the gentleman from Virginia [Mr. MORAN], and, of course, the gentleman from New York