

in the country, with over 600,000 members.

The NFIB, of course, with the transformation of the Congress and the ascendancy of the Republican Party and our opportunity to be in the majority and prove to our fellow Americans that we have the ability to govern and that we will, in fact, follow through on our commitments as expressed in the contract to perform and reform the way Washington does business, the NFIB has become a very important part, an integral part of our legislative efforts in Washington.

I just wanted to bring that to my colleagues, because I will take time on future occasions under special orders to go into more detail on each one of these points.

But I do want to stress to my colleagues the legislative priorities of the National Federation of Independent Businesses, as we proceed with the Contract with America for the first 100 days, and then as we develop and deliberate a legislative agenda for the second and third 100 days.

The pamphlet starts out by saying, "America's small business owners have heard enough talk about what is good for the country. Now they want results. And small business owners believe that what is good for Main Street will be good for America."

And that really is the fundamental purpose and mission of the NFIB. They represent Main Street, not Wall Street.

They represent the kind of mom and pop businesses and the small business owners who in fact really are the economic backbone of the communities that we are fortunate enough to represent here in the Congress.

As we know, small business owners last year said no to mandated health insurance. They played a very critical role in helping to defeat President Clinton's health care plan. They rose up from the grass roots and sent a message to Congress that mandates cost jobs. And as a result, they helped us stop the President's health care mandates dead in its tracks.

Again in November, small business owners rallied at the polls, and they turned out politicians who had supported anti-Main Street legislation—that is, in fact, one reason I am again serving in this body—and elected candidates who know the importance of small business to the American economy.

□ 2010

Small business owners sent the message that they want the security to pursue the American dream of entrepreneurship. Let me touch on that point for a moment, because I think that underscores how wrong things have become in America, because in the course of the election campaign I recall meeting with a small business owner, an expert machinist who employed about somewhere in the neighborhood of 6 or 7 people, which frankly

is the average size of the American small business.

He told me on that occasion, he said, "You know, Frank, things have really gone awry in this country, because for the first time in our history, the risks of owning your own small business actually outweigh the rewards." Again, small business ownership is a part of the American dream.

I think we need to change that equation, and when we do, we will know that our economy is moving in the right direction again. If we want to help grow our small businesses—and by the way, study after study has indicated that small and very small businesses give us most of our new job creation in the private sector—if we want to grow these type of businesses and create new jobs, then we need to support five actions:

One, we need a regulatory revolution here in Washington; two, we have to cut and simplify taxes, particularly on entrepreneurs and small business owners, the people who are taking the financial risks to create the jobs and to provide their fellow Americans with economic opportunity; three, we have to make health care available and affordable to small businesses; four, we have to end the legal nightmares and reduce and hopefully, to the extent possible, eliminate the regulatory maze that small business owners have to navigate.

Lastly, a very important subject that we are debating on this floor today, tonight, and tomorrow, we have to force the government to stop spending more of our tax dollars than it takes in. This, Mr. Speaker, is the small business agenda, and it dovetails very nicely, of course, with our Contract With America, which goes to the heart of the concerns of small business men and women across this country.

Mr. Speaker, I commend this little pamphlet, which again I will be talking about on future occasions under Special Orders, to your consideration: the NFIB Small Business Agenda.

THE REFORM OF AMERICA'S WELFARE AND HUNGER PROGRAMS

The SPEAKER pro tempore (Mr. GEKAS). Under a previous order of the House, the gentleman from Oregon [Mr. DEFAZIO] is recognized for 5 minutes.

Mr. DEFAZIO. Mr. Speaker, I rise in this hiatus in the debate for the Balanced Budget Amendment and the unfunded mandates to discuss something that I think is most appropriate. That is the reform of the welfare programs and the hunger programs in our Nation.

Mr. Speaker, I certainly do not rise to say that the current system is perfect. There is a lot of need for improvement and reform. However, the question is, if we look at the Republican Contract for America and we look at their provisions regarding welfare reform and hunger programs, I am afraid

that in a rush to enact that contract, that the Republican leadership has targeted a powerless, pretty much nonvoting population: America's hunger, their children, their families.

What they are proposing is not a solution to hunger and poverty, or a better way to do it, but block grants that may ultimately expand hunger problems in America, and in fact shift costs to the States. This is not reform, this is denial. This is shifting responsibilities from the Federal Government to the State government, something I thought we were going to stop doing around here.

I challenge our new leadership to end hunger and poverty, not the programs that feed hungry families and their children. Republicans are passing the burden of responsibility and the price tag to the States. My State alone, Oregon, under their proposal would be handed the programs for poverty and hunger, currently federally assisted programs, with \$64 million less than in 1996 to solve the problem. How is that going to help the State of Oregon?

However, the Republicans have a solution for that, too. Their unfunded mandates legislation has an effective date of next October. You know why the effective date is next October? Because they know they have hidden bombs in the Contract for America, huge new unfunded mandates for the States, cuts in successful State programs.

However, they don't want to apply the unfunded mandates legislation before or during the adoption of the Contract on America, particularly those provisions that go to welfare and hunger, because they know this is their intention, to shift costs to the States, not to look at a way of improving these programs so we can better combat this problem.

In a nation number one in the industrialized nations in defense spending, national wealth, and the number of billionaires, I think it is a pretty sad commentary on our priorities that we are also number one in child and elderly poverty and hunger.

Many of our anti-hunger programs were enacted in the 1960's and 1970's in response to a documented wide range of problems of malnutrition. These programs have in good part worked. We have decreased the incidence of infant mortality and low birth weight babies. We have improved necessary nutrition food intake, both for our children and elderly, by 20 to 40 percent.

Mr. Chairman, if we want to take, say, the hardest-hearted green eyeshade view of this issue, there is another way to look at it. These programs save the American taxpayers money. They not only improve the quality of life for the next generation, but they save money. Every dollar that is invested in the WIC program saves up to \$4 in Medicaid savings, and a whole lot of other funds for the States in terms of special education programs

and other things that would be necessary if we were dealing with a new epidemic of low birth weight babies.

If we are really talking about investments that make sense, if we are talking about reforms that make sense, then we should be putting more money into this program, not less. However, that is not in the contract.

We often have these academic debates around here, and it sometimes helps to put a little bit of a face on it. My background is in gerontology. I have worked with senior citizens. I have seen seniors—people who have given their whole lives, raised a couple of generations, their kids, their grandkids, and worked and worked and worked, and are living on a small Social Security—I have seen them cry when I brought them a hot meal, because it was the only hot meal that they had had in days.

Are we going to end these programs? Are we going to turn back the clock? The Contract would, or it will say, "Well, we are going to give a block grant to the States, but we are going to cut the funding." How are the States going to pick up that additional burden? If the Contract is honest, then the Contract will adopt the unfunded mandates legislation tomorrow so we know what costs we are shifting to the States next year.

NEW REFORMS BRING BADLY NEEDED DISCIPLINE TO GOVERNMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. LOBIONDO] is recognized for 5 minutes.

Mr. LOBIONDO. Mr. Speaker, we joined together just a few short weeks ago in an initial gift, really, I think, to the citizens of this country by in a bipartisan way coming together to vote on the Congressional Accountability Act. I believe that that can set the stage for the endeavor that we are now embarking on, which would allow us to give another gift to the American people, that of a balanced budget amendment.

Mr. Speaker, my district, the southern part of New Jersey, is rural and agricultural. We have many small businesses. I try to get around to the fire halls, the church halls, for the barbecues, for the breakfasts, to listen to people, to look in their eyes, and to be able to hear what their concerns are.

What they have told me is that they do not understand why Congress does not live in the real world the way they do. They tell me that they live with a balanced budget amendment of their own. They cannot spend more than they take in, not for very long, whether they are individuals or whether they are businesses. They have to live with that discipline.

I come from a small business background. I know what it is like to be able to put that dynamic together, that dynamic that seems to be missing from Government, something that is

obvious, I think, to all of us in this body and to all of America, that we desperately need: We desperately need that discipline.

Now, finally, or once again, I should say, we have an opportunity. We have a great opportunity to be able to give that gift to the American people.

I have a little bit of background as a State legislator from the great State of New Jersey. We live with a balanced budget in the State of New Jersey and it works.

□ 2020

Yes, very often there are some tough decisions that have to be made. There are some tough choices. But that is what life is all about. And America has to make some tough choices. But I think this choice is relatively simple, and I would like to see us join together in a bipartisan fashion to be able to present this to the American people, something I believe they feel is long overdue that would bring Congress back into the real world that they live in.

MAINTAINING EFFECTIVE NUTRITION PROGRAMS IN FACE OF WELFARE REFORM

The SPEAKER pro tempore (Mr. GEKAS). Under a previous order of the House, the gentleman from Texas [Mr. DE LA GARZA] is recognized for 5 minutes.

Mr. DE LA GARZA. Mr. Speaker, as we begin the debate on welfare reform, let their be no mistake that the Democrats on the Committee on Agriculture welcome the opportunity to further reform the Food Stamp Program and the commodity distribution programs.

Those of us who have worked with these programs labored long and hard to make needed changes, but are well aware that there are areas where they can be further improved, as with any other good program. They can be made more responsive to the needs of poor people by encouraging them to attain self-sufficiency, and they can be made more efficient for the States that administer them. This is not to say that we haven't tried. We have.

But our challenge now is to make sure that in making these reforms we do not throw out the baby with the bathwater.

These are complex, well-intentioned, and largely successful programs. The Federal nutrition programs have reduced hunger in this country dramatically and improved the nutritional quality of the diets of poor families. We should not lose sight of that fact by rushing to pass legislation that could threaten the good work of these programs.

STATE CONCERNS

Two aspects of the nutrition block grant proposed in H.R. 4 could seriously threaten the effectiveness of our nutrition programs. First, all but eight States will be given less money in fiscal year 1996 under the block grant pro-

posal than they would receive under current law, and all States would eventually be given less money in the long run. For example, Texas would lose over \$1 billion, which would result in either a reduction in benefits or a denial of benefits to many needy families.

Second, the major nutrition programs, food stamps, school lunch, and school breakfast would no longer be entitlement programs. There would be a cap on the annual appropriations for the block grant. The cap would be adjusted each year for changes in population and food prices, but not for changes in unemployment or poverty. Congress could appropriate less, but not more than the cap.

That means that if there is an increase in poverty due to a recession, States will be unable to expand their nutrition programs to meet the increased need for nutrition benefits. It also means that every year States will need to fight at the Appropriations Committees for scarce funding for their nutrition programs.

AGRICULTURAL CONCERNS

Not only could the nutrition block grant have an adverse impact on the States, but it could also mean that less money is available to support food purchases and agricultural incomes.

Studies have shown that retail food spending might decrease when the same level of assistance is provided in cash instead of in food stamps. USDA estimates that there could be a reduction in retail food sales of between \$4.25 billion to \$10.5 billion. This decrease will result in reduced earnings of food manufacturing and distribution firms. And agricultural producers would, therefore, suffer decreases in farm income. For livestock, vegetables, and fruit producers alone, farm income could drop by as much as \$1 to \$2 billion.

In the short run, implementation of the block grant could result in a loss of 126,000 to 138,000 jobs, and rural areas would suffer the most because of their heavy dependence on the agriculture sector. In the short run, rural areas would lose twice as many jobs as metropolitan communities.

Under the block grant, almost all authorities for USDA to purchase and distribute food commodities to schools and other outlets, like TEFAP, would be eliminated. Although the proposal would add new authority for USDA to sell food commodities to States for food aid purposes, it is not clear how the Department would acquire the non-price-support commodities in the first place. The proposal would, therefore, make it impossible for USDA to stabilize markets for non-price-support commodities in times of surplus production.

Commodity distribution programs that now serve a dual purpose of supporting commodities in times of overproduction and providing those commodities to nutrition programs would no longer be available.