

There was no objection.

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

Mr. Speaker, today the House considers H.R. 1866, the Need-based Financial Aid Antitrust Protection Act of 1997. Beginning in the mid-1950's, a number of private colleges and universities agreed to award institutional financial aid; that is, aid from the school's own funds, solely on the basis of demonstrated financial need. These schools also agreed to use common principles to assess each student's financial need and to give essentially the same financial aid award to students admitted to more than one member of the group.

From the 1950's through the late 1980's the practice continued undisturbed. In 1989, the Antitrust Division of the Department of Justice brought suit against nine of the colleges that engaged in this practice. After extensive litigation the parties reached a settlement in 1993. In 1994, Congress passed a temporary exemption from the antitrust laws that basically codified that settlement. It allowed agreements to provide aid on the basis of need only, to use common principles of needs analysis, to use a common financial aid application form, and to allow the exchange of the student's financial information through a third party.

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It also prohibited agreements on awards to specific students. It provided for this exemption to expire on September 30, 1997.

Under this exemption, the affected schools have recently adopted a set of general principles to determine eligibility for institutional aid. These principles address issues like expected contributions from noncustodial parents, treatment of depreciation expense which may reduce a parent's income, evaluation of rental properties, and unusually high medical expenses. Common treatment of these types of issues makes sense and, to my knowledge, there are no complaints about the existing exemption. H.R. 1866 would make the exemption passed in 1994 permanent. It would not make any change to the substance of the exemption.

The need-based financial aid system serves social goals that the antitrust laws do not adequately address, namely making financial aid available to the broadest number of students solely on the basis of demonstrated need. Without it the schools would be required to compete, through financial aid awards, for the very top students. Those very top students would get all of the aid available, which would be more than they need. The rest would get less or none at all. Ultimately such a system would serve to undermine the principles of need-based aid and need-blind missions.

No student who is otherwise qualified ought to be denied the opportunity to go to one of the Nation's most prestigious schools because of the limited

financial institution of his or her family. H.R. 1866 will help protect need-based aid and need-blinded missions and preserve that opportunity.

Mr. Speaker, I urge the House to suspend the rules and pass this bill.

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

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I express my appreciation to the gentleman from Texas [Mr. SMITH]. I think this is a mistake on the part of the Justice Department, and I am glad that Congress is appropriately stepping in to let universities do as they think best with the funds they have. We should note that this is twice today that we have legislated to say that antitrust rules should not be used in effect to interfere with charity. We did it earlier on the annuity question. Universities that are trying to maximize the extent to which they can help people go to school who could not otherwise afford it deserve a lot of credit.

Mr. Speaker, I admire the willingness of the universities to persevere. I want to particularly say the Massachusetts Institute of Technology it seems to me showed a good deal of courage in this whole incident by not simply bucking under when they were sued. All the universities here, we should understand, the ones involved are fighting on behalf of themselves and other universities for the right to try to address the economic problems of people who could not afford to go to these schools. This is an effort by them to maximize the extent to which they give scholarship aid to people who genuinely need it and for whom it would be a necessity in going to school. They deserve credit for that. What they basically said is they will take on this fight and come to Congress for the right to be charitable in the best sense. So I am glad we are acting.

Mr. Speaker, I appreciate the leadership that the gentleman from Texas [Mr. SMITH], a member of the majority took, in making sure we could bring this forward. I am delighted this is going forward now.

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

Mr. CONYERS. Mr. Speaker, I want to commend Mr. SMITH and Mr. FRANK for their diligent work in bringing this bill to our attention. H.R. 1866 simply makes permanent a limited antitrust exemption for educational institutions.

Congress acted to provide the exemption after court decisions in 1991 and 1994 found that Ivy League schools who were sharing aid information concerning applicants were violating the antitrust laws. The 1994 law is scheduled to expire on September 30 of this year unless Congress first acts to extend it.

Under the terms of the current antitrust exemption, universities are permitted to develop common aid forms and exchange student financial data through a third party so long as they agree to admit students on a need-blind basis. This means that participating schools are able to make maximum use of their avail-

able funds and ensure that the largest number of students are able to receive some form of aid. The law specifically prohibits schools from comparing the amount or terms of specific aid offers made to students.

The 1994 law has worked well. Because of the law, financial aid officers have been able to develop a common set of principles for awarding aid and a common aid form. This has simplified the financial aid procedures for both students and their families as well as the colleges. In part, as a result, last year colleges and universities provided an estimated \$8.6 billion in grants from their own funds, or 30 percent more than the \$6.6 billion in aid provided by the Federal Government. This aid is absolutely vital at a time of ever diminishing Federal resources.

The exemption is narrowly drafted—allowing antitrust enforcers to pursue anticompetitive conduct while protecting socially beneficial activities by colleges—and deserves to be made permanent. I understand that the Justice Department has expressed no concerns with the bill, and I urge the Members to join me in supporting this well-intended legislation.

Mr. SMITH of Texas. Mr. Speaker, I thank the gentleman from Massachusetts [Mr. FRANK], for his generous comments.

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

The SPEAKER pro tempore (Mr. PETRI). The question is on the motion offered by the gentleman from Texas [Mr. SMITH] that the House suspend the rules and pass the bill, H.R. 1866.

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

A motion to reconsider was laid on the table.

REAUTHORIZING PROGRAM RELATING TO ARBITRATION

Mr. COBLE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1581) to reauthorize the program established under chapter 44 of title 28, United States Code, relating to arbitration.

The Clerk read as follows:

H.R. 1581

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 905 of the Judicial Improvements and Access to Justice Act (28 U.S.C. 651 note; Public Law 100-702) is amended in the first sentence by striking "for each of the fiscal years 1994 through 1997" and inserting "for each fiscal year".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Carolina [Mr. COBLE], and the gentleman from Massachusetts [Mr. FRANK], each will control 20 minutes.

The Chair recognizes the gentleman from North Carolina [Mr. COBLE].

GENERAL LEAVE

Mr. COBLE. 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. 1581.

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

There was no objection.

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

Mr. Speaker, I rise in support of H.R. 1581, a bill introduced to reauthorize the existing Federal court arbitration programs established in chapter 44 of title 28 of the United States Code. This bill reauthorizes 20 pilot arbitration programs which have been in existence in U.S. district courts around the country for 20 years.

These programs have been unquestionably successful over the years in resolving Federal litigation in a fair and expeditious manner and improving the efficiency of those Federal courts which participate in the program. The current authorization expires on September 1 of this year, and thus there is some urgency in reauthorizing these very successful programs prior to that date.

I urge my colleagues to vote in favor of this bipartisan bill.

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

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I agree with the gentleman from North Carolina.

Mr. COBLE. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina [Mr. COBLE] that the House suspend the rules and pass the bill, H.R. 1581.

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

A motion to reconsider was laid on the table.

REGARDING COST OF GOVERNMENT DAY

Mr. SESSIONS. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 102) expressing the sense of the Congress that the cost of government spending and regulatory programs should be reduced so that American families will be able to keep more of what they earn.

The Clerk read as follows:

H. CON. RES. 102

Whereas the total cost of government spending and regulations (total cost of government) consumes 36.2 percent of the Nation's net national product;

Whereas the total cost of government now exceeds \$3,520,000,000,000 annually;

Whereas Federal regulatory costs now exceed \$785,000,000,000 annually;

Whereas the cost of government in general and excessive regulations in particular place a tremendous drain on the economy by reducing worker productivity, increasing prices to consumers, and limiting the economic choices and individual freedoms of our citizenry;

Whereas, if the average American worker were to spend all of his or her gross earnings on nothing else besides meeting his or her share of the total cost of government for the current year, that total cost would not be met until July 3, 1997;

Whereas July 3, 1997, should therefore be considered Cost of Government Day 1997; and

Whereas it is not right that the American family has to give up more than 50 percent of what it earns to the government: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that, as part of balancing the budget and reevaluating the role of government, Federal, State, and local elected officials should carefully consider the costs of government spending and regulatory programs in the year to come so that American families will be able to keep more of what they earn.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. SESSIONS] and the gentleman from California [Mr. WAXMAN] each will control 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. SESSIONS].

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

Mr. Speaker, today we are recognizing the Cost of Government Day. Next week, Americans will have more than one reason to celebrate the ideals of freedom and independence. July 3 is the day on which we will be free to work for ourselves instead of the Government because this is the Cost of Government Day in 1997.

From January 1 to July 3, Americans will work to pay for all levels of government, plus the volumes of regulations brought into effect this last year. That is over half the year, or 183 days working to pay for the cost of government.

The total cost of government this year translates into \$13,500 for each man, woman, and child in America. Federal regulations consume at least \$3,000 of that total. It is simply disgraceful to force the hard-working Americans in each of our districts to fork over half of their earnings to pay for government.

I call on all Members to resolve to stop the chronic overspending and overregulating by supporting this cost of government resolution.

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

Mr. Speaker, this resolution has had no hearings before our committee. It was just introduced last Friday. The whole idea of it is that we should not have a waste of taxpayer's money because taxes are too high. Well, this is a pretty silly bill, and, if anything, it is wasting some taxpayers' money by even having it processed.

I would not argue against the bill because there is no harm, I suppose, that could be seen in this legislation. It will have very little impact.

So on our side of the aisle, representing the Democrats on the committee, we never had this before the committee, and this is more a political statement by the Republicans on how they do not want to waste money. To me, it is an ineffective bill that is wasting taxpayers' money to even bring it before us.

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

Mr. SESSIONS. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. DELAY], the author of this resolution.

Mr. DELAY. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I must say, the comments from the gentleman from California [Mr. WAXMAN], do not surprise me a bit, because it is his party that has led us to this point over the last 30 or 40 years, that have controlled this Chamber, that had led us to the point that we have to introduce legislation like this to call attention to the American people what they already know by looking at their bank statements every month and trying to balance their checkbooks and paying their taxes on April 15.

Mr. Speaker, I just wonder how many hard-working Americans really know just how long it takes them to earn enough income to pay for the cost of government. Many Americans mistakenly associate April 15 with the end of their financial obligations to the Government. Some believe Tax Freedom Day is the day which marks the end of their financial obligations to pay for the cost of Government.

But, unfortunately, both of these dates are wrong, because it takes until July 3, more than half the year, to free yourself and your family from the heavy burden of government spending at all levels, plus the cost of regulation.

Now, according to the Americans for Tax Reform Foundation, the cost of this Government this year equals \$3.5 trillion, or 36.2 percent of our country's net national product. Now, that amounts to \$13,500 for every man, woman, and child in America, \$13,500 a year per individual to run this Government.

Mr. Speaker, that means that the average American will work 183 days this year to pay for the government's insatiable spending appetite and the thousands of regulations that emanate from this town every year.

In the last 14 months, over 4,700 new regulations have been issued by Federal agencies of the Clinton administration. The era of big government goes on and on and on. Over 50 percent of a family's hard-earned income goes to the country. Fifty cents out of every hard-earned dollar a family makes goes to the government. No wonder it takes one parent to work for the Government while the other parent works for the family. So, Mr. Speaker, no American should have to work more than half the year to pay the cost of government. We need to commit ourselves to reducing this burden.

This week, when the House passes the Taxpayer Relief Act, we will have begun to make a down payment on providing middle-income American families the tax relief that they need, tax relief that they have not seen in 16 years, since Ronald Reagan was President of the United States.

But I emphasize, Mr. Speaker, this is only a small down payment. We have