

House of Representatives is going to use the Defense authorization bill as a vehicle to assist the economically ailing airline industry. Mr. Speaker, I submit that we should not.

I do not question the fact that many of our Nation's airlines are in financial difficulty. I do not question whether the U.S. House of Representatives should address this problem and, possibly, provide some relief. But if we are going to aid the airlines, let us admit it up front. Let us conduct hearings on the impact of airline deregulation. Let us analyze the facts. Let us make concrete proposals on that issue and that issue alone. Let us not jeopardize a vital military mission for the sake of expediency on an entirely separate issue.

Granted, the purchase of used 747 airplanes would provide cash for ailing airlines and, possibly, allow them to purchase more efficient aircraft. By the same token the Air Force would be crippled with a fleet of used commercial airplanes that are incapable of performing the defined military mission.

There is another aspect of this proposed purchase that has not been discussed fully. Thirteen of the surplus 747's are not owned by domestic airlines. They are owned by the manufacturer, the Boeing Co. Eight of the airplanes have been traded in by international carriers. Sale of these airplanes would aid the cash-strapped Boeing Co. So, even if we admit that this plan really is an aid package for the airline industry, let us make sure that we fully understand the implications of the proposed procurement.

If adopted, this amendment could achieve many actions. Some domestic airlines would receive cash for surplus airplanes. Those airlines that are not fortunate enough to have excess 747's will have their competitors subsidized. The airplane's manufacturer could sell excess 747's for which they have no other customers.

We can accomplish all this by merely ignoring the fact that we would erode further a seriously deficient airlift capability. To me, the losers, should we take such action as passing the 747 aid plan, would be the American taxpayer and our military personnel whose very lives will depend upon our ability to get necessary firepower and equipment where it needs to be and in time.

The only logical choice in this matter is to defeat the proposed amendment and proceed with the recommendations contained in the Defense authorization bill.

□ 1215

FEDERAL RESERVE FINALLY ACTS

(Mr. WHITTEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHITTEN. Mr. Speaker, today's Washington Post carries the headline, "Fed Cuts Discount Rate to 11½ Percent," hinting eased interest rates.

The article then states, "The Fed's move to lower the so-called discount rate was seen by financial market analysts as promoting a general easing of interest rates."

Mr. Speaker, let us hope so. Behind this action is a formal and official request made on April 26, by me as chairman of the Appropriations Committee, to the General Accounting Office to review the actions of the Federal Reserve System, and the effect that monetary and fiscal policies are having on interest rates.

Mr. Speaker, this investigation has been proceeding since April 26. Apparently, from the Fed's action, it is having its effect. A final report by the GAO is due not later than August 31.

It is hoped that by that time, further action will be taken by Federal Reserve banks to reduce present high interest rates. Such action is a must.

THE PRODUCTION OF NERVE GAS

(Mr. BETHUNE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BETHUNE. Mr. Speaker, during the course of the military authorization bill, the gentleman from Wisconsin (Mr. ZABLOCKI), chairman of the Foreign Affairs Committee, and I will offer an amendment to delete funding for the binary chemical weapon, in other words, the nerve gas weapon. We do so because we have concluded that it is not militarily effective and that it is a waste of the taxpayers' dollar.

Furthermore, it breaks a 13-year policy, a wise policy, that was established by President Nixon in 1969, which distinguishes America from the Soviet Union when you consider the arms race that is taking place in the world today.

Members may have the impression that they have voted for binary weapons before. That is not so. Last year Members had an opportunity to vote on a provision which would build a building which could be used later on for the production of nerve gas. Today we have the big one. It is the question of whether or not we are going to break that wise policy and commence production of nerve gas.

We urge the Members to support the Zablocki-Bethune amendment when it comes to the floor.

ANOTHER CHANCE AT A BALANCED BUDGET

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, yesterday in the front of the Capitol we had

a rally which defined for the Nation the fact that we are attempting to achieve a constitutional amendment on balancing the budget, and hopefully sometime before the end of this session of this House we will have a chance to vote on that particular issue.

I want to assure the Members that we are going to continue to have chances to vote on balancing the budget time and time again on other bills as they arise, because the law of the land, 95-435, requires a balanced budget. For instance, I want to tell the Members that when the defense authorization that we are considering comes up I intend to offer my amendment to have us consider the balanced budget in the context of defense as well. But I would warn many people who think that this is going to be a good place to vote to comply with the law which says a balanced budget after 1981. By passing my amendment, what we would do is give the President an opportunity to arrive at the balanced budget, not necessarily cutting it all out of defense, but taking it out of where it was needed in order to make defense comply with the balanced budget act.

So people who think that they are going to get a cheap vote against defense and vote for a balanced budget better think again, because what the law says is that we balance the whole budget, not just on the back of one Department, and the President could be in compliance simply by getting us to a balanced budget using all phases of the budget in that effort. My attempts are not to balance the budget on the backs of anyone. Just to balance the budget is the objective. And once we have defined the objective in a major authorization such as this one, we will hand the president the tools necessary to get the job done using not portions of the budget, but the whole of it.

REPORT ON RECONCILIATION

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. PANETTA. Mr. Speaker, the conference report on the first concurrent resolution on the Budget for fiscal year 1983, adopted by the House on June 15, contained reconciliation instructions to nine House and eight Senate committees. A deadline of August 1 was set in the resolution for work on reconciliation legislation in the House. Votes on specific cuts and revenue increases may be scheduled before that date. In the Senate a July 20 deadline was set for all committees except the Finance Committee, which has a July 12 reporting date.

SPENDING REDUCTIONS

The reconciliation instructions ask for legislation that will result in reduc-

tions over the next 3 fiscal years. The outlay targets set in this year's first budget resolution are as follows: \$6.573 billion for fiscal year 1983, \$9.268 billion in fiscal year 1984 and \$11.312 billion in fiscal year 1985.

As opposed to last year, the reconciliation process this year is limited to entitlement programs only. The principle areas assumed in the reconciliation instructions include reductions in cost of living provisions for military and civil service retirees, food stamps, SSI, AFDC, medicare, and medicaid. As always, the committees are free to follow these assumptions or implement any other approaches or to achieve the targeted reductions.

REVENUE INCREASES

This year's reconciliation also includes revenue increases. The Ways and Means Committee and the Senate Finance Committee will be working to meet the following revenue targets: \$20.9 billion for fiscal year 1983, \$36.0 billion for fiscal year 1984 and \$41.4 billion for fiscal year 1985.

SUMMARY TABLE

Attached is a table that lists the reductions for each committee and the revenues assigned to the Ways and Means Committee. The Ways and Means Committee is already proceeding with markup on spending reductions.

We will continue to provide regular updates on the process and reconciliation measures.

CONFERENCE AGREEMENT

(In millions of dollars)

	1983	1984	1985
Agriculture:			
Budget authority.....	-779	-1,083	-1,428
Outlays.....	-779	-1,083	-1,428
Armed Services:			
Budget authority.....	-213	-693	-1,231
Outlays.....	-213	-693	-1,231
Banking, Finance, and Urban Affairs:			
Budget authority.....			
Outlays.....	-695	-697	-687
Energy and Commerce:			
Budget authority.....	-514	-741	-815
Outlays.....	-675	-739	-811
Foreign Affairs:			
Budget authority.....		-2	-4
Outlays.....	-2	-8	-15
Merchant Marine and Fisheries:			
Budget authority.....	-4	-15	-27
Outlays.....	-4	-15	-27
Post Office and Civil Service:			
Budget authority.....		-242	-538
Outlays.....	-376	-1,061	-1,808
Veterans Affairs:			
Budget authority.....	-77	-155	-155
Outlays.....	-77	-155	-155
Ways and Means:			
Budget authority.....	-595	-705	-928
Outlays.....	-3,755	-4,827	-5,168
Grand total:			
Budget authority.....	-2,179	-3,632	-5,319
Outlays.....	-6,573	-9,268	-11,312
Reconciliation of revenues.....	20,900	36,000	41,400

WHY NOT A COMPREHENSIVE NUCLEAR TEST BAN?

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, President Reagan has made his administration the first to abandon our Nation's long-

standing commitment to a comprehensive test ban central to preventing the spread of nuclear weapons.

Real international peace and security is impossible in a world ruled by swelling arsenals of nuclear weapons. The 1963 aboveground ban, which at the time offered hope that nuclear proliferation could be stopped, has proved to be insufficient. Indeed, underground testing has become so commonplace that nuclear detonations are rarely reported to the public.

Since 1963 both the Soviet Union and the United States have recklessly expanded their nuclear stockpiles to a point where the world could be destroyed nine times over. But the rationale of a comprehensive test ban and an immediate nuclear freeze has escaped the President's policies. America's great, unending stream of knowledge and talent should be focused on ending the threat of nuclear confrontation, not on the testing of new nuclear weapons.

ACHIEVING A BALANCED BUDGET

(Mr. BONKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BONKER. Mr. Speaker, yesterday President Reagan came to Capitol Hill to beat the drum for a constitutional amendment to balance the budget.

But there is no way we are going to achieve a balanced budget without significant reductions in military spending.

Pentagon spending takes up nearly 50 percent of the entire 1983 budget if one excludes social security and interest on the debt.

Unfortunately, the Reagan administration refuses to make any significant cuts in the Pentagon budget. Instead, the President plans to spend a staggering \$1.6 trillion on the military over the next 5 years.

Today, when we consider the 1983 Defense Department authorization, we can trim billions of dollars of waste and mismanagement from next year's budget with just a few votes.

No one questions the need for a strong defense in today's troubled world. But the administration's military spending policies are far too excessive, are actually promoting waste and overspending, and are dangerously undermining our economy.

The President seems content just to talk about a balanced budget. Today we can actually do something to get spending under control by voting to eliminate Pentagon waste and mismanagement.

THE BALANCED BUDGET AMENDMENT

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, a number of Members of this House are much better at demonstrating their support for a balanced budget out on the west side of the Capitol than on the floor of the House of Representatives.

Yesterday's rally was like an old-fashioned medicine show, with Ronald Reagan hawking a magic elixir, guaranteed to cure what ails the country.

But this was just show. If we could really eliminate deficit spending by passing an amendment, it would have happened long ago.

The budget amendment "elixir" is nothing but political snake oil to make the American people forget the \$250 billion deficit endorsed by the Reagan administration.

Most of the people who were parading around outside yesterday—including 98 percent of the Republicans—voted against the "pay as you go" plan for achieving a balanced budget which would have drastically cut the deficit and produced a \$27.5 billion surplus by 1985.

So as we debate the balanced budget amendment, let no one be fooled by the rhetoric. Voting for a balanced budget amendment is one thing; but the President and his supporters failed the real test—the test of voting for a balanced budget itself.

ONE LAST OPPORTUNITY TO ASSIST HOMEBUYERS

(Mr. EVANS of Delaware asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Delaware. Mr. Speaker, we have one last opportunity in this fiscal year to provide much needed assistance to home buyers.

Yesterday, my colleague from Illinois (Mr. CORCORAN) and I met with President Reagan and Vice President Bush because we do believe there is an alternative to the previous attempt to assist housing which was vetoed by the President.

That approach would have seriously aggravated the already bloated Federal deficit. Our approach is to transfer \$1 billion in already appropriated funds from synfuels to assist housing through the mortgage revenue bond program already in place.

The President indicated that he would not oppose our initiative.

The soon-to-be-considered regular supplemental appropriations for fiscal year 1982 will give us an opportunity to vote on this proposal. It will give Members a real choice—continued subsidies for major corporations or grass-roots assistance to home buyers and homebuilders and thousands of small businessmen and women all across America.