

In the last three years, the victims of drug-related shootings have included the Roman Catholic Cardinal of Guadalajara, a crusading police chief of Tijuana, two former state prosecutors and more than a dozen active and retired federal police officials.

TRADE PACT HELPS ALL ENTREPRENEURS

Law enforcement officials say more and more drug cargoes are moving through Mexico into the United States as part of the widening flow of legal commerce between the two countries.

Clinton Administration officials insist that the 19-month-old trade agreement has not quickened the flow of drugs through Mexico. But United States Customs Service officials acknowledge that the smugglers are moving more of their drugs into the United States taking advantage of rising truck traffic and a falling rate of inspections.

[From the New York Times, July 31, 1955]

TO HELP KEEP MEXICO STABLE, U.S. SOFT-PEDALED DRUG WAR

(By Tim Golden)

Concerned for Mexican stability and the fate of the North American Free Trade Agreement, officials said, the United States often exaggerated the Mexican Government's progress in the fight against drugs, playing down corruption and glossing over failures.

Above all, though, American officials said they were kept in check by the desire of the Clinton and Bush Administrations to keep problems of drugs and corruption from jeopardizing the trade accord and the new economic partnership it symbolized.

"People desperately wanted drugs not to become a complicating factor for Nafta," said John P. Walters, a senior official for international drug policy in the Bush White House. "There was a degree of illicit activity that was just accepted."

Mexican and American officials also acknowledged that at least half a dozen top-level traffickers, including the man now considered Mexico's most powerful cocaine smuggler, Amado Carrillo Fuentes, were arrested during the Salinas Government and quietly freed by corrupt judges or the police.

A MODEST INCREASE IN THE MINIMUM WAGE WOULD BOOST THE ECONOMY

The SPEAKER pro tempore (Mr. METCALF). Under a previous order of the House, the gentlewoman from North Carolina [Mrs. CLAYTON] is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, I was troubled, although not surprised, recently when I learned of the plans of a company in my district to relocate certain of its production to other places and to eliminate or relocate about 1,000 jobs, over a 5-year period.

The downsizing of this plant is part of a disturbing trend that is sweeping the Nation.

According to recent, credible news reports, across America, corporate profits are soaring, while wages remain stagnant and consumer spending continues to slow. Despite profits that are at a 45-year high, Businessweek magazine reports that a "hard-nosed, cost-cutting philosophy * * * has spread through executive suites in the 1990s."

Although the fine details surrounding the company in my district's decision have not been revealed, a press re-

lease from the company indicates that their goal is to ensure the "supply of the highest quality medicines in the most cost-efficient manner." The press release also indicates that many of the operations at the plant "will be transferred to other sites around the world."

Far too often these days, the need for greater efficiency and the consideration of other locations has meant that corporations have sought cheaper labor venues.

The Businessweek article recounts the decision by a company, founded and based in Milwaukee since 1909, that decided to move 2,000 jobs to other States where lesser wages could be paid.

The Washington Post made findings similar to Businessweek in a recent, published article. Citing data from the Bureau of Labor Statistics, the Post confirmed that productivity and profits are rising, but workers pay and benefits is the smallest since 1981.

According to the Post, workers pay has "been falling on an inflation-adjusted basis for nearly 20 years." It is understandable that business would seek to be more competitive by cutting costs and reducing payrolls. But, this approach can be short-sighted with other considerations.

The Post article quotes Labor Secretary Robert B. Reich, who observed that, "workers are also consumers, and at some point American workers won't have enough money in their pockets to buy all the goods and services they are producing."

Ultimately, the operations at the plant in my district and others that produce the various products, are financed by the very workers who now face job loss and relocation.

The gap in income is growing between those who have a lot of money and those who have less or little money. That is unacceptable.

According to an earlier article in Business Week, the income gap "hurts the economy." Almost half of the money in America is in the hands of just 20 percent of the people. That top 20 percent is made up of families with the highest incomes. The bottom 20 percent has less than 5 percent of the money in their hands. A modest increase in the minimum wage could help the bottom 20 percent, and, it will not hurt the top 20 percent.

But, more importantly, a modest increase in the minimum wage will result in increases in other wages, and ultimately a lifting of the standard of living for all workers, a narrowing of the income gap between the very rich and other Americans and a boost to the economy.

The Department of Labor's Bureau of Labor Statistics recently released a report entitled, "A Profile of the Working Poor, 1993." In that report the Bureau found that in 1993, 1 in 5 or 8.2 million of the 40 million people in poverty in this Nation, had a job.

The study further pointed out that the poverty rate for the families of

working people in America is 7.5 percent, a rate that has been increasing over the past 4 years.

Most disturbing, children, according to the report, were present in 85 percent of all poor families with at least one worker.

Between 1980 and 1992, income for the top 20 percent increased by 16 percent. During that same period, income for the bottom 20 percent declined by 7 percent. For the first 10 of those 12 years, between 1980 and 1990, there were no votes to increase the minimum wage. Without an increase in the minimum wage, those with little money end up with less money. That is because the cost of living continues to rise.

Mr. Speaker, that amount of money makes a big difference in the ability of families to buy food and shelter, to pay for energy to heat their homes, and to be able to clothe, care for and educate their children. That amount of money makes the difference between families with abundance and families in poverty. An increase in the minimum wage would not provide abundance, but I can raise working families out of poverty.

An increase in the minimum wage can be the kind of spark the economy needs to get moving again.

It makes little sense to discuss welfare reform when working full time does not make a family any better off than being on welfare full time. Work should be a benefit. It should not be a burden. Work is a burden when, despite an individual's best effort, living is an unrelenting, daily struggle. Work is a benefit when enough is earned to pay for essentials.

In addition, a recent study indicates that job growth in America is lowest where the income gap is widest. Closing the gap helps create jobs rather than reduce jobs. Those who argue that an increase in the minimum wage will cause job losses, fail to look at the facts. The fact is that not increasing the minimum wage has caused job losses.

Mr. Speaker, there are 117,000 minimum wage workers in North Carolina. Those workers are not just numbers. They are people, with families and children.

They are farmers and food service workers, mechanics and machine operators. They are in construction work and sales, health and cleaning services, and a range of other occupations. Their families helped build this Nation, and they can help rebuild it.

They do not need charity, they need a chance. A chance is a modest increase in the minimum wage. We should reward work, Mr. Speaker, stimulate the economy and lift this Nation up. We have time for Waco and Whitewater, let us make time for wages.

TRAVEL EXPENSES AT THE DEPARTMENT OF ENERGY

The SPEAKER pro tempore. Under the Speaker's announced policy of may

12, 1995, the gentlewoman from Washington [Mrs. SMITH] is recognized for 40 minutes as the designee of the majority leader.

Mrs. SMITH of Washington. Mr. Speaker, I yield to the gentleman from Ohio [Mr. HOKE].

Mr. HOKE. Mr. Speaker, I very much appreciate the gentlewoman from Washington yielding so I could finish what I tried to start earlier with respect to just talking about some of the problems that have been exposed in the Department of Energy and Secretary O'Leary's travel. What I was saying before is that the Secretary has demanded that 23 of the DOE program offices each advanced moneys from their program budgets to pay for at least two of the invited delegation members on a trade mission to South Africa. These are for non-DOE employees. In many cases those moneys are then reimbursed back, not to the program departments, program offices, but directly to the Secretary of Energy, and the GAO has come out with a report that indicates the impropriety of that and that that is not the way that the program money is supposed to be spent. I am going to talk a little bit more about that in a moment.

The per diem cost on this trip that is coming up August 18 for 6 days where there are going to be some 47 people going on this trip, the total cost of this delegation's trip is \$700,000. Now there are 35 individuals planning to go to South Africa separately from the official delegation from the Department of Energy, 28 in advance, 7 separately. This is down, by the way, from 51, Mr. Speaker. There were going to be 51, but apparently, due to some criticism that has been levied from the Congress, it is down now to 35, and they are going to go for and spending at least 2 weeks in the country in advance doing advance work for reasons that are not completely clear. That raises the overall cost of the mission to approximately \$1.2 million.

Well, what is wrong with that? Well, first of all, let us look at the justification that the Secretary has made for a previous trade mission. She claimed that she has gotten \$19½ billion in business for U.S. firms as a result of that. Almost all of these claims were based on memoranda of understanding and letters of intent, not on actual contracts. Actually the DOE has not provided any accounting that shows that there are actually signed contracts, and frankly it begs another question, and that is would these firms have made these agreements otherwise? Would they not still have gone to contract this business? Would they not still be interested in creating these relationships? I would certainly think they would.

Second, the DOE inspector general conducted an audit of two of Secretary O'Leary's previous trade missions and found problems with respect to managing the cost of DOE international travel and recouping the costs associated

with non-Federal passengers. Let me give you what the four suggestions were from the Inspector General, the IG.

First, prepare formal procedures for acquisition of international air services including a clarification of responsibilities for all interested parties.

Second, implement full cost-recovery policy for non-Federal passengers as provided for in 10 C.F.R. 1009.

Third, establish a procedure which insures that the Department collects passenger air fares before the trip occurs.

Fourth, establish accounts receivable for non-Federal passengers on the India and Pakistan flights and aggressively pursue collection of air fare costs from those passengers.

Well, those four steps have not been taken. There does not appear to be any plan to reimburse the program offices that fronted the money for the South Africa trip. In fact, this has been the problem with previous trips, the previous trips to India and to Pakistan. As the money being transferred was properly authorized and appropriated by Congress, I find it extremely troubling that funds that have already been obligated are now being redirected without any congressional consultation or approval. While it would be easy to dismiss that as an oversight by DOE, unfortunately there is a long history of congressional concern regarding DOE's reprogramming practices.

And lastly, Secretary O'Leary has proposed a substantial reorganization of DOE, and that is to her credit. I would eliminate DOE completely, but she has proposed a substantial reorganization of DOE with significant numbers of Federal jobs being eliminated, and at the same time it seems extremely strange that the Secretary is mounting an extensive international expedition with already strained program offices bearing the burden of the costs.

According to the L.A. Times, Mr. Speaker, the Secretary has spent more on her travels than any of her Cabinet colleagues. She stayed in higher-priced accommodations using more expensive flight classes and more expensive with the very, very high-security details as a result of that. Secretary O'Leary is always accompanied by large entourages on these trips.

Now the last thing that I want to do, and I guess my main concern in sharing all of this, and I do not want to use up any more of the gentlewoman's time, and I appreciate her giving it to me, is that it seems to me there is a real problem with respect to an abuse of the travel accounts at the Department of Energy, and somebody has got to blow the whistle. A senior DOE official provided me with the graphics of a T-shirt that Secretary O'Leary was going to distribute to each participant of the South Africa trip that was created at the Department of Energy on a Department of Energy computer. I understand that they have been working

furiously all day to vet or to purge the computer of this work so the graphics would not show up, but it was designed and was going to be created and purchased at taxpayers expense. I think that it appears now the Secretary's office has canceled the T-shirt order, and, if I have anything to do with that, I am glad of that.

Obviously creating some T-shirts that look like a rock concert is not the issue. The issue here is that there is an arrogant and flagrant abuse of taxpayer dollars with respect to travel expenses at a time that those programmatic moneys are being taken out of the area that specifically insure the safety and the safeguarding of our nuclear programs in the Department of Energy.

□ 1900

Mrs. SMITH of Washington. The gentleman is making an example that is pretty flagrant, but people around America see these things. They live and they see and they hear their neighbors talk about these things, and I think it makes sense, then, when we see the polls that we just saw that came out in the last few days, a bipartisan pollster took a poll on the confidence in government, and, basically, we flunked. Seventy-five percent of the people do not trust government, whether it be politicians or whether it be these agencies. They see things like this and they feel robbed.

We have to do what the gentleman is doing. We have to dig it out, we have to make it public, and we have to change the old ways.

Mr. HOKE. What is unfortunate about this is that this was shared with me by a top official in the Department, and now they are scrambling like crazy. They are probably watching this very broadcast and saying, "Oh, my goodness, what will we do next?" What they have done is purged their computers. They have canceled the orders. I think that is great, but they will try to hang one DOD staffer out to dry, cover the whole thing up, and claim the Secretary knew nothing about it and had nothing to do with it, and that this was strictly the idea, independently, of one person. I think the whistleblowers in our Government.

Mrs. SMITH of Washington. Mr. Speaker, the gentleman has really brought into focus what we wanted to talk about tonight, and that is confidence in government.

There are several Members of Congress that have been working on building confidence in government now for several weeks, in fact, clear from last December, when many of us were elected, and we have this knowledge that people do not trust this place of Congress because of the practices, and yet we watch us do so many things. The people have watched us do so many things. At first, we opened up hearings that have never been opened. We stopped proxy voting. That is where a Member sends a pile of votes and lets

someone else vote for them. Good representation, is it not? We decreased the size of staff here so people are not drafting legislation that have very little to do with it and then policymakers come out here and run somebody else's legislation.

Mr. Speaker, we also got the amount of cost of this place down, and yet the poll comes out and 75 percent of the people still do not trust us. I think it is because every day there is a new report on a trip one Member took to one warm place in the middle of winter, or a gift that they received, or a report on something like the sugar lobby, about who got the most money from the sugar lobby, or, last week, the report came out on who got the most money from the tobacco lobby, always assuming if we vote a certain way, we voted that way because we got the money.

Now, Mr. Speaker, that is clearly not true with everyone on every vote, but it is awfully hard to keep a straight face and convince the American people that the money is not connected to the vote.

We resolved finally, a group of us, that we would have to draft something that was clean, honest with the American people, honest with the incumbents that are here, treating them with respect, but that worked, and we drafted the Clean Congress Act, 2072. At first, we tried to reduce contributions from special interests, but everyone said why leave anything? Then we tried to raise contributions for individuals to balance, and they said, "Oh, good, now the rich control campaigns." It always came back to one basic premise: We needed to get groups out of D.C. and close the checkbooks; literally stop any checkbook from being opened in Washington, DC., and drive the campaigns back home.

PACs had a good original purpose, but they have been perverted from the very beginning from their purpose. We find that what happens now is the very best people come here, often running against those that got their money from PACs. A lot of freshmen did this year. They get here and they have had a PACs spending war, because the incumbent they challenged was funded by PACs.

Mr. Speaker, these Members get here with debt. They are here 80 hours a week. They get to go home to their home district maybe on the weekend, because we vote the rest of the week, and we throw everyone into a system of paying off debts with PAC money and then we turn around and we have a new opponent that is raising PAC money, and so it goes, and so it goes.

Good people come here with good intentions, and it is like swimming in a polluted lake. We just do the best we can with the system we have. We decided to drain the lake. We realized that most people are in the middle of a campaign right now, and that campaign started the day after most of us were elected, with often our prior opponents announcing they were running

against us again and they started raising PAC money to get us out of office.

We cannot lay down our arms in the middle of a war. That would not be bravery, it would just be stupidity. We do say that at the end of this campaign cycle, we want everyone to disarm at the same time and send the campaigns home. Do not take money from anybody outside our State. Groups can organize still, even put together their groups and call them PACs, they just cannot give money to Federal candidates. We want to drive campaigns home.

Mr. Speaker, I want to show you just a couple of charts that show why it is so vital. It used to be PACs played a little bit in the race, to let some of the groups that had a little more trouble become a part of the political system. Over the last 10 years especially, however, we have seen an elevation of PACs that totally excludes the individual and leaves the individual as a minor player instead of a major.

The total PAC contributions have gone from right at 80 million, less than 80 million in 1984, to 132 million this last campaign cycle. This is just to the House, not the Senate. If you start looking at what people started raising in January to pay off debt, especially these new Congress people that ran against PAC kings and queens, who raised millions before they even filed against them, they are paying off debt. They have to clean up their old campaign, and they are facing a new person who is adding to that level, too.

Mr. Speaker, some will say let us just change the numbers and leave it here; let us continue to get money from groups and just change the numbers a little bit, or from larger individual contributions. I will tell you, however, to look at what it does. Incumbents get over 53 percent of their money from PACs. That is not including the wealthy. That is just PACs. Excuse me, 43 percent; 53 percent from individuals. Not quite half and half. 2½ percent or so from parties.

Challengers, on the other hand, have to raise over 80 percent of their money from individuals. That sounds pretty good to me, if it was on both sides. In PACs, they get 11 percent. Now, do you wonder, and it is no wonder, that challengers have had a tough time getting through these doors? The fluke of last year was the people getting fed up. Will they stay fed up to that level? Probably not. They get weary.

Mr. Speaker, they kicked a lot of old-timers out. Sorry old-timers listening on the screens, but last year they put in new blood. Should the new blood have to swim in the polluted lake? We advocate no, and so we are asking the American people to join us. We are going as a delegation to the United We Stand Conference next month, or this month, on the 12th. We are presenting the challenge to the Nation through that group.

This group is organizing around the Nation. We have pulled in other good

government groups and grass roots groups all over the Nation, and we are raising the voice of the American people. If you want to raise your voice with the American people, whether you are Members in your offices or others listening, join us in supporting 2072, but at least become a part of the voice. If the American people do not speak out and say this is enough, then it will be the same next campaign, and the next campaign, and we will build a new generation of PAC kings and queens.

I would like now to yield, Mr. Speaker, to CHARLIE BASS of New Hampshire, a gentleman who is also moving in this area, working on campaign reform, and I think you have a plan to try to move campaigns back to the State, too.

Mr. BASS. I thank the gentlewoman from Washington [Mrs. SMITH] for yielding to me, and I want to commend her for the courageous effort that she has made as a freshman Member of Congress to swim against a tide of incumbency.

I said many times during my campaign last year that there are really three parties in Washington, Republicans, Democrats, and incumbents, and the incumbents is the largest party of all. I think on November 8 many of us who did not take any significant amount of political action committee money showed that we can make a difference here in Washington. As one of those new Members of Congress who is here today, and proud to be here, I want to create a Congress that the American people can be proud of, a Congress that is elected by people and supported by people from Members of Congress' districts.

I also want to commend the gentlewoman for standing up here tonight and bringing to the American people the need to reduce the influence of special interests, to require that campaign funds come from a candidate's own district. I am here tonight to discuss with you, also, an idea I have thought about for many years, as one who has sponsored legislation in my own home State to limit campaign spending overall, to limit the influence of special interests in my own home State, and to establish, among other things, a legislative Ethics Committee to limit independent expenditures.

Mr. Speaker, I feel that we ought to be returning some of the power to qualify Federal offices to the States, and it is my intention in the coming week to send out a "Dear Colleague" letter to my friends asking them if they would be willing to join me in an effort to repeal the provision of the Federal Election Campaign Act, which preempts all State and Federal regulations for Federal officeholders.

The effect of this repeal would be to give States, such as New Hampshire or the State of Washington, or, for example, the State of Indiana, which currently has a law on its books that says that anyone who contracts with the State cannot contribute to candidates,

or lobbyists cannot contribute to candidates. If that is what the people in Indiana want to do, they should be able to do that.

We are in a Congress now that says that we ought to give States more rights. We have a new attitude here that says that local control is better. I feel that the people and voters of New Hampshire or any other State in this country should be able to set the qualifications and determine spending limits, determine other limits, as long as they are more stringent than the Federal limits, and enact those laws and have them apply to candidates for Federal office.

Mrs. SMITH of Washington. Mr. Speaker, I understand the gentleman intends to distribute that this week. That means all the Members listening would have a chance to take a look and sign on. I know that I certainly will look at anything seriously and get it moving that returns power to the States and gets those campaigns back into the streets of the States where we come from instead of the side rooms or the side cafes and rooms around this place.

Mr. BASS. Mr. Speaker, if the gentleman would yield back, nothing that I would envision by repealing this preemption provision, which, by the way, is only three lines long, would in any way affect any laws we made here in Washington to restrict the influence of political action committees and so forth. It would allow the States, however, to go farther than anything we decided to do here in Washington.

Let me point out that in a State like California, and my colleague here is from California, lives in the State of California, and they have different conditions, different populations, different numbers of Members of Congress, a larger delegation and different demographics, it may be different from Alaska, where there is only one Member of Congress in a huge and rather less populated State, or my home State of New Hampshire.

We established campaign spending limits in New Hampshire. I think we were the first in the country to do so after the Buckley-Valeo case in 1972, which outlawed campaign spending limits, and now other States have adopted. Vermont, I think, Arizona, and other States. I think these new laws should apply to Members of Congress as well as State officeholders. They do, in effect, apply in a de facto sense because nobody has challenged these new laws.

I think if we were to repeal the Preemption Act, then we would allow the States to have more control over the people they send to Washington and not center all the control of the Federal election process in one place, Washington, DC. It is time we turned that trend around, and I thank the gentleman from Washington for yielding to me.

□ 1915

Mr. HORN. Mr. Speaker, will the gentlewoman yield?

Mrs. SMITH of Washington. Mr. Speaker, I would be honored to yield to someone who has worked on this long before me, but been very serious about the battle.

Mr. HORN. I commend you, as did my colleague, for the eloquence and energy that you bring to this project. It is going to take a lot of that and we are going to need a lot of allies. I think you are absolutely right. Our problem with government is too many people are running the government, be it the executive branch or Congress over the years, based on public opinion polls. They have not sat down to think, as the gentlewoman has, with the climate of distrust for representative government, which is shocking, that we have got to deal with the real problems. And the real problems are exactly what the gentlewoman is talking about: Over use of money and its influence in American politics.

Now, the Republican Party grappled with this in the 103d Congress, and we came forth with an excellent proposal. It banned PAC's, it banned soft money, that money from labor unions and corporations, organized groups, that go to the political party to conduct registration drives, administration of their own operations. It also said raise most of the money in your constituency.

Now, those fundamentals I think are basic, and I think most of us would agree with that. The argument comes, do you do it at the three-fourths level, the majority level, or whatever.

I had an opponent last time that raised 1 percent of his money in the 38th Congressional District in California, and 99 percent of his money in the east coast, Midwest and other parts of California. I do not think that is good for representative government. If your local citizens cannot back you, why do we expect others to back us except for one reason, that they can get their agenda through you imposed on the legislative process.

Mrs. SMITH of Washington. Mr. Speaker, I was trying to explain to one of the major news magazines today what was bothering me about this place and why I wanted to change it, and I finally came to a cultural issue. That sounds odd. I said I want to change the culture. The culture becomes centered on Washington, DC, and people do not have to go home after a few years, because they become a chair or they meet enough of the special interest groups, and the money kind of comes in after you are elected.

So what this will do, if you take any versions of this, the one they introduced last year, eliminating PAC's, making it all come from people mostly in your State, or all in your State, I prefer all in your State obviously, but it changes the culture, because instead of us fighting the war here we move it back into the streets of America, the war of public opinion, I cannot stay

here next year if I want to run for office if my opponents are at home raising money, and I cannot raise it here anymore. It will drive the incumbents back home. You will not have people just staying here.

What a wonderful thing for America when America's people reclaim the political system. Will it not be great to see some people who have not had to go home but once every 2 months or so, and then for special things, have to go back and explain votes? I am talking about this whole place. I know Members who say they go home every so often. They have been here long enough, they do not have to do that anymore. That is a serious statement, do not have to do that anymore.

Mr. BASS. Mr. Speaker, I am taken by the comments of my colleague from California about sources of income. I think the gentleman makes an excellent point. If you received 2 or 3 percent of the money from your district that you run on, and it is a high dollar campaign, who do you really represent? Who do you really represent?

That is what is so cancerous about this system. If all the money comes from the Route 495 Beltway or some big metropolitan area where there may be some special issue, the key here is you ought to be accountable to the people who sent you to Washington. Those are the people that really count, and there is nothing wrong with that. There ought to be limitations on sources of income, and that ought to be one of the highest priorities of this Congress in campaign spending reform.

The gentleman from California could not have done a better job in illustrating that. From my own perspective, I have a similar experience in that my opponent's funds were less than 10 percent from the whole State of New Hampshire, and I think that was made very clear that there was some question as to the quality of that representation. I think the gentleman, talking in his own home State of California, makes an equally good point.

Mr. HORN. If the gentlewoman will yield a moment, the other thing you started on, you are quite correct, what is the cancerous decay.

Even though these are all wonderful people, all nice people, and they are doing wonderful things, but when you raise the money as easy as it is when you are a committee chair, when you are a ranking minority Member, when you are in a position of influence and you come to Washington, as you both have suggested, and every night of the working week you can either go to the Democratic National Club or the Republican Capitol Hill Club, and you will find it \$500 a clip, not just once a year, but now increasingly four times a year, and if you are a committee chair in the last Congress, Democrat-controlled, or this Congress, Republican-controlled, it is \$1,000 a clip.

Who is bringing those checks? The PAC people. Are they based in your district? No. They might have a plant

there, but most of them that show up do not have a plant there, because you sit on the right committee that affects their livelihood, be it agriculture, be it commerce, be it banking and financial institutions, whatever it is. And so they say, if you talk to the PAC representative, why are you doing it, they say, gee, if I do not do it, I will not have access and I have got to be able to get my message over.

That is a pretty sad commentary on representative government, if you have got five hundred a crack on a quarterly basis or one thousand a crack, in order to have access to get your message across.

Mrs. SMITH of Washington. I think the point is I do not believe that most people just say well, you did not give me \$1,000, so you do not have access. I think what happens is everyone thinks that. So now some might be playing hard ball and saying "Do not even come see me if you do not bring money." That is the exception. The American people think that is how it operates.

But it has it started to be that is they do it because someone on another issue might counter you, and if you do not do it, what if they do it, and it becomes a spending war here.

In Washington State, when I first arrived, it bothered me there as much, and I was in the State legislature, as it is doing here. I realized they had fund raisers immediately before a session, even though they did not have them officially during the half year or so they were in session. They would have them and just back people up into these huge rooms and continually, several a night, raise money. They had office funds, which is where the gifts were put, and that is the money they could use for stereos and things like that, then they would have campaign funds. And every chair kept track of who came and who did not come, and it was pretty blatant there. I do not know if it is here or not, but the American people perceive both as disgusting.

It took me actually 4 years of trying with the legislature, to finally have an initiative. I abolished office funds, removed all fund raising where we vote, which is what I would like to do here, stopped any kind of transfer of money from one candidate to another, forced the special interests, our Supreme Court is a little different, more liberal, and our Constitution is, to very small amounts of contributions, literally took them out of power in 2 years, and returned it to where grass roots candidates flipped the legislature to beat nearly 60 new people in 1 year, and there are only 98.

So what happened is people, when they had a chance, they came in. But it was impossible. For 40-some years it stayed about the same. In fact, the Senate stayed in party control for 42 years with no change, somewhat like here. And what happened is the place became so ingrown, the staff was ingrown, it is a terrible terminology,

that staff actually drafted bills, they became so powerful. When the Chair was there so long, they did not have their own ideas, so staff came in. They became powerful. The whole place separated more and more from the people.

The moment we removed the money, within 2 years the whole place flipped, and a whole bunch of old-timers did not like the idea of running without money, and a bunch of challengers said "We have the chance." They hit the streets in the most vibrant campaign cycle we ever had.

Mr. HORN. If you will recall, a few years ago Members in this House were able to retire and take the campaign fund they had in their bank account with them. In some cases, that meant they could take \$1 million into retirement. That no longer can be done. Congress finally faced up to the idiocy of that operation.

But you mentioned these office funds at the State legislature. One of the things eventually we are going to have to deal with, and I am going to put in a bill this year on that, among other things we are all going to do, is dealing with leadership PAC's, where whether it be the other body in this Congress, or this body, regardless of party, you have major leaders with PAC's that they have built up. That is why some of them are major leaders. That is why some of them 5, 10, 15 years ago have been major leaders, or Lyndon Johnson in the 40's and 50's, is they raised the money in their State, they doled it out to the Members, and, guess what? The Members that they doled it out to just happened to vote for them when Congress reconvenes and chooses its leaders. That is a further influence of money that often overcomes talent.

Mrs. SMITH of Washington. You, know, we saw that in the State. They would have these big fund raisers, and actually the special interests did not want to take on another incumbent, so what they would do is give a whole lot of money or channel from their membership a whole lot of money to one member who they would like to see as a chair of a committee or some leadership. They would then take that money and give it to someone else, not only for their own benefit, but to launder the money. So that they did not have to worry about that PAC. If they lost this bet on that particular raise, they did not have to worry about them getting mad, and they would play both sides.

Mr. HORN. That is exactly what happens nationally as well. It is the old line of a lobbyist, the railroad owner in New York 100 years ago. He said when I am in a Democrat's district, I am a Democrat. When I am in Republican's district, I am a Republican. But I am always for the Erie Railroad.

That is what is really gets down to. They are always putting their agenda first. If we do what you and CHARLIE BASS and I and others are suggesting, let us get that back to the district. Then it is the district's agenda, which

is what representative government is all about.

I found it sort of ironic, I have not taken PAC money in either the 1992 campaign when I was first elected or in 1994. It is sort of humorous. Out of the blue came \$20,000 in PAC money, which the campaign manager, my son, immediately sent back, and just explained we do not take PAC money.

People could not believe it. There is about 35 of us in this Chamber, maybe with the freshman now 40, that do not take PAC money. That is 10 percent of the House, including Members in both parties, about equally divided. We have got to encourage others to do the same. One of our problems is the Supreme Court of the United States, which might say you cannot ban PAC money. Those people have a right to give all they can.

Well, I think that is personally non-sense. I think Congress ought to be able to cap the amount of money, either individuals give, which we do, and the amount of money PAC's give, which we do. Now, the question would be, if we are for banning PAC's, do we have to let them give just \$1,000 at most to get by the Supreme Court. I think we also ought to limit what individuals can spend of their own money.

Mrs. SMITH of Washington. Buckley versus Valeo is a decision that both at the State level, and I had one Supreme Court case against our initiative, and won, by the way, in our State, and they used Buckley versus Valeo, and there are some State supreme court decisions.

You have to really watch that and decide whether or not this Supreme Court would look at it the same way, and whether they would decide allowing them to go ahead and organize, so you do not remove their ability to associate, and spend within their group, if that would satisfy now. Because if you look at the language, it was pretty squishy total to begin with. And we have a new Supreme Court. We also probably, to be a little safer than totally banning PAC's, letting them organize, work within their Members. We do not remove their ability to associate and we do not remove their ability to participate. That seems to be an easier place to be with a constitutional challenge.

But we do have to wrestle with this, and I think we the Congress should set the best policy we can to clean up this place, do the best job we can, bring all of our ideas together, and run with it.

Now, we are taking a plan to Dallas this month and we are taking it to groups all over the Nation, and we are just saying we want to call a truce next November. We want it to be over. We want this place to have no more special interest money, and we want to work on that direction. But so many people are coming up and saying we can make it better. And I think this place had better work in honesty with the American people and come out with something good, or we are going

to face next November's election with people going, "This Congress was just like the other Congresses," and we are not just like the other Congresses. We have done some revolutionary things.

But when you throw a little dirt in the barrel, it makes the whole barrel look dirty, even though you know it is cleaner. It still looks dirty and we need to get rid of that dirt.

Mr. HORN. You are absolutely correct, because unless we do, everything we do will be called into question, when it simply is not true. I think if we treat the voters as they are, intelligent, thinking, human beings, I have always found you get an excellent response. If you level with them, tell them what the problem is, just as you are leveling with them, and saying "Look, we know it is a problem. We want to do something about it."

What galls me when I hear some of our colleagues on the floor talk about the gift ban, but they are taking PAC money practically by the wheelbarrow fulls, we ought to combine both, the gift ban and the ban on PAC's or severely limiting PAC's.

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And then let us get that package before the House and let us see if some of those gift ban people are quite willing to give up their several hundred thousand dollars of PAC money for their \$50 gift ban.

Mrs. SMITH of Washington. I looked at a lot of the bills when I first got here thinking, I do not care if they are Democrats or Republicans, I was a Democrat 30-some years and then a Republican after that, lesser time, and my husband says, "Honey, you're not born a Democrat; you're not born anything."

But at 32 I changed. And I looked at all of them thinking, there has to be something good in there. I found holes big enough to fly a 747 bound to a warm place paid for by a lobbyist in it. They were using them for political tools.

I looked at one we faced on the first day. They had left trips. They just called them fact-finding trips, but if you looked at it, not only did they leave trips, they left trips for their wife or husband. They left trips for their staffs. Those are the big gifts. So they did not even deal with gifts. They had 20-some pages of exceptions, then they played around with whether you could eat a hot dog with a lobbyist. I do not give a rip if they eat a hot dog with a lobbyist. I care deeply about them going to Mexico to check something out. And we all know Americans go to Mexico.

So they have played games long enough. The American people do not trust us. So we do have to come out with a package. And 2072 says no gifts, no trips and no money from any special interest group here, only people from your States.

People are saying, why do you not just let people give you money here? Because lobbyists are people, wealthier

people. And Bill Gates, bless his heart, he can give everybody here as much as we would want, it probably does not even affect him. So we can shift it to individuals and say, let us just let individuals take everywhere, go ahead and give everywhere, but those individuals will shift right into this place and instead of having lobbyists fund raisers or PAC fund raisers, we are going to end up with large donor, trial lawyers for certain people, medical for other people, they are going to move in with large, large checks. And the influence is going to stay here. So we have to move it out.

Mr. HORN. On that very point, I mentioned the Republican bill we brought to the floor in the 103d Congress. We had a compromise bill also that we tried to get to the floor. The Democratic bill came in where they want the public to pay for their campaigns. The Republican bill came in, no PAC money, no soft money, raise most of it in your district. But the so-called Synar-Livingston bill, Mike Synar, then a Representative from Oklahoma, now suffering some ill health, was the leader on it with BOB LIVINGSTON, the chairman of our Committee on Appropriations now. And there were eight others of us that did not take PAC money, generally, that were on it.

And what he did was cut PAC's down to \$1,000 from their current \$5,000 in the primary they can give you and \$5,000 in the general election. He cut them down to \$1,000, and he cut the present maximum of \$1,000 from an individual down to \$500 and felt that was par and that would pull back both of them, a little bit of nuclear disarmament, as you have been talking about. Of course, what happened was the Democratic leadership knew we could get that passed in the House.

Mrs. SMITH of Washington. They were not real serious.

Mr. HORN. And they would not let us get to the floor and the Democratic-controlled Committee on Rules refused to let us have a vote on Synar-Livingston. And obviously, I think we could have passed that. I think enough Democrats who were holding out for the public financing and did not like the complete abolition of PAC's would have bought that package. But they would not even let us vote on it.

Mrs. SMITH of Washington. I think it points to the fact that many people here over the years know what the American people want. And they want this place cleaned up. But they are not real serious about doing it. But they want to make it look like they are trying. When I got done looking at all the proposals that were being floated out, so many of them were a game.

I want to thank the gentleman for joining me.

Mr. HORN. I thank you for your leadership in this area.

Mrs. SMITH of Washington. We will work together and we will make it happen with the people's help.

CUTS IN INDIAN HOUSING IN THIS YEAR'S VA, HUD APPROPRIATIONS BILL

The SPEAKER pro tempore (Mr. METCALF). Under the Speaker's announced policy of May 12, 1995, the gentleman from American Samoa [Mr. FALEOMAVAEGA] is recognized for 60 minutes as the designee of the minority leader.

Mr. FALEOMAVAEGA. Mr. Speaker, as ranking member of the House Subcommittee on Native American and Insular Affairs, I want to speak to the Members of this body about the real impact that the fiscal year 1996 VA, HUD appropriations bill—which we passed last night—will have on this country's first people, the Native Americans. I want to talk about how Native American tribes and their members remain among the poorest rural people in this great country; how they continue to live without safe, decent sanitary housing; and how the housing situation they find themselves in today is both scary and tragic.

In 1990, the Bureau of Indian Affairs found that more than 55,000 new homes were needed in Indian country and that more than 35,000 homes needed extensive repairs. This was more than 5 years ago and knowing that this body allocates less than 3,000 units per year to Indian housing, it is highly unlikely that this acute need has diminished since that time. In addition, the figure that I have just mentioned does not account for the thousands of Native Americans who live away from their homelands but would return if they could be assured that they would find a home upon their return.

The 1990 U.S. Census has found that Native Americans living in rural America have the highest percentage of homes without complete plumbing, more than any other population group in the United States. More than 12 percent of Native Americans living in homes in rural areas, which includes Indian reservations and communities and Native Alaskan villages, live without running water and flush toilets—amenities which most Americans take for granted.

The 1996 VA, HUD appropriations bill cuts funding for new Indian housing starts by 61 percent. While in fiscal year 1995 Congress provided the Department of Housing and Urban Development with enough funding to construct 2,820 new Indian homes, the fiscal year 1996 budget will enable HUD to build just 1,000 new units. In addition, the bill cuts funding to operate Indian housing authorities by 14 percent, and funding for the modernization of Indian housing by 33 percent. Indian housing authorities manage HUD's Indian housing programs and throughout Indian country are the major providers of housing to Native Americans. When funds are cut to Indian housing authorities, we are literally denying homes to thousands of impoverished Native Americans. In other words, we