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House of Representatives

The House met at 12:30 p.m., and was called to order by the Speaker pro tempore [Mr. COBLE].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
June 4, 1996.

I hereby designate the Honorable HOWARD COBLE to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

MORNING BUSINESS

The SPEAKER pro tempore. Pursuant to the order of the House of May 12, 1995, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leader limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. PALLONE] for 5 minutes.

GINGRICH-DOLE MEDICARE PLAN AND DEMOCRATIC ALTERNATIVE

Mr. PALLONE. Mr. Speaker, this weekend on NBC's ''Meet the Press,'' House Speaker NEWT GINGRICH went on the attack on Medicare once again, and now he claims that the President and the Democrats in Congress are deliberately misleading the American people about his plan; that is, the Republican plan, so-called plan to save Medicare. I would like to tell my colleagues that nothing could be further from the truth. Last year the American people overwhelmingly rejected the Republican plan to cut $270 billion from Medicare to pay for tax breaks primarily for the wealthy, and the Speaker knows the public opinion is not on his side, so he is trying to confuse the American people by making extreme attacks on Democrats' integrity rather than addressing the Medicare issue correctly.

I guess we should not be surprised because it was Speaker GINGRICH who last year said it was his goal to see Medicare, and I quote, ''wither on the vine.'' The bottom line, Mr. Speaker, is that the Republicans want to use the budget, this budget that they passed a few weeks ago and is now in conference with the Senate, as the vehicle for transforming Medicare in a very radical way.

My position is, and I believe it is that of most Democrats, if changes in Medicare are to come they should not be made in the context of the budget, they should not be a vehicle to make cuts in Medicare that would be used for other priorities, such as tax breaks for the wealthy or increased defense spending or whatever other initiatives the Republicans plan for the budget.

Now, we know this Wednesday the Medicare trustees are going to come out with their annual report and already we are hearing that the Speaker and the Republican leadership are going to use this report, which will show again that Medicare does need some changes in order for it not to become insolvent 5 or 6 years from now, but the bottom line is that the Republican leadership plan to save Medicare is not an effort to make some adjustments in Medicare so that it remains solvent and so that the money is available to continue the program as it currently exists. Rather, they want to make major radical structural changes in the Medicare program that will reduce the quality of care, will reduce senior's ability to choose their own doctors or hospitals and basically force most senior citizens in either managed care programs where they do not have choices or alternatively make them pay more out of pocket for the services that they get.

I wanted to point out in the time I have remaining here what I would call a number of key issues that I think reveal the true colors of the Gingrich-Dole Medicare plan. First, the Republican leadership claims that Medicare is going broke and they are saving it. Well, last year they knew they were cutting Medicare before the Medicare trustees' report came out. The trustees' report was used and will be used again this year to masquerade their true motives, which is to cut Medicare for tax cuts for the wealthy.

Second, it is likely that the Medicare trustees will report that the part A trust fund will become insolvent, they are claiming, I think, we expect the report to say that the insolvency projection is about 5 years from now. Well, Democrats are interested in shoring up the Medicare trust fund and have voted for plans that achieve this goal.

President Clinton has proposed a plan that will extend the life of the Medicare program, if you will, for at least another 10 years. So this notion that somehow the Republicans are saving Medicare is simply false. The Democrats have put forward proposals that would save Medicare and prevent solvency but not make basic structural changes in the Medicare program.

Third, the GOP claim they are merely slowing the rate of growth of Medicare with their drastic cuts. Well, let us be honest about it. When the Gingrich-Dole rate of growth does not keep pace with the increasing medical costs, then seniors will either pay more or see reduced services and second class health care.

This was Speaker GINGRICH's main point over the weekend on ''Meet the Press.'' He claimed, oh, we are just slowing the growth of Medicare, we are

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not making cuts. Well, if the growth does not keep up with inflation how in the world are average senior citizens going to get quality care or the same level of services they get now?

Fourth, the GOP claims the Gingrich-Dole Medicare plan offers choices. In fact, they are taking away senior choices. Their plan will co-op senior citizens into managed care plans or HMO's, forcing them to give up their choice of doctors.

And lastly, I wanted to mention, Mr. Speaker, how the Gingrich-Dole plan differs from the Democratic alternatives. In addition to the steep cuts, the Gingrich-Dole plan makes radical structural changes to Medicare. For instance, it calls for steeper cuts to hospitals, compounded with extreme Medicaid cuts, and hospitals will simply close.

Additionally, the Gingrich-Dole plan will allow doctors remaining in the traditional Medicare to charge seniors more in out-of-pockets costs. The protection existing now when you go to the doctor, he cannot charge you more than 15 percent. That is gone. Now they can charge whatever they want.

And, last, concerning the controversial medical accounts, the MSA's, or I call them the wealthy-healthy accounts, the nonpartisan Congressional Budget Office found any plan to incorporate the wealthy-healthy accounts will actually hasten Medicare's insolvency. It will cost the trustees over $3 billion. That is certainly no way to save Medicare.

WHAT GENDER GAP? LIBERAL MEDIA SPIN

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. STEARNS] is recognized during morning business for 5 minutes.

Mr. STEARNS. Mr. Speaker, I would say to the gentleman from New Jersey [Mr. PALLONE], the former Governor of Colorado has been speaking over the weekend to the Perot party. He indicated he supported President Clinton in 1992 but he can no longer support President Clinton because the Democrats and the President are demagoging the issue on Medicare. There are indeed no cuts. In fact, the amount of money that is going to Medicare is going up every year; it is going up almost 7.3 percent.

That being said, Mr. Speaker, I am here to talk about the gender gap and how women identify with this as a political issue. Now this gender gap is touted by the National Organization of Women as being in their favor. It is mentioned in the Presidential election that one candidate has a gender gap problem among voters. What does this all really mean?

Well, Concerned Women for America recently hired the Wirthlin Group to conduct a survey, which directly challenges the stereotypical view of the gender gap drawing women to the liberal position on controversial social issues.

Its conducted survey found when asking their party affiliation, it did show 40 percent of the women out of this 1,000 people that they asked, 40 percent of the women identified themselves as Democrat, 29 percent as Republican and 25 percent as Independent. The Democrats appear to have an advantage because the gender gap assumes women voters hold liberal positions on many issues. This assumption would appear to create a risk for candidates who take a conservative position on issues.

In terms of political philosophy, however, 53 percent of all the women surveyed identified themselves as conservative; that is, women who identified themselves as Democrats were also identifying themselves as conservatives. This clearly shows party affiliation does not automatically translate into liberal ideology nor an outright rejection of conservatism.

While the NOW organization is often accepted as the standard position for women voters, this organization actually emphasizes the gender gap by promoting the notion that women's issues such as abortion are the sole determinant for women voters. Well, this is not true. Only 36 percent of the women surveyed have a formidable and favorable impression of NOW which portrays itself as a voice of American women.

The survey also found out that only 1 percent of women listing abortion as their key issue of all the issues. When asked about abortion, 55 percent of women were pro-life, contrasting the views of NOW who are strongly pro-abortion. An even larger majority, 66 percent, favor adoption for tax credit, using tax credits. These findings indeed support a gender gap in favor of conservative voters.

Women identified a decline in family values as the single most important issue. The NOW group proposes a generally liberal position with regard to family views, particularly dealing with homosexual rights and welfare reform. Welfare reform pits 66 percent of women against the views of liberals and the NOW group and in favor of reforms such as family caps.

The Wirthlin study depicts the gender gap as really not a gap at all. Rather, there has been a lack of effective leadership to articulate the conservative position to women. On abortion, adoption, family values, welfare reform, and homosexuality rights women are just frankly conservative and frankly share the Republican view. The media has played a large part in discouraging conservative candidates by concluding conservative social policies alienate women voters. This poll shows just the opposite, and what we have, frankly, Mr. Speaker, is a liberal spin on the issue of the gender gap.

Liberal politicians are already detecting this, though, They realize the conservative positions are the way to go and to promote ideas. Conservatives during the Reagan era were able to attract millions of registered Democrat voters largely on the strength of Reagan's social conservatism. As conservative leaders, we have the ability to attract these voters, including these so-called women's issues. The gender gap is removed.

Mr. Speaker, the gender gap is a figment of the liberals and the media's imagination. For once the issues are clearly explained by the overwhelming majority of women today of all political persuasions accepting the conservative approach to abortion, adoption, family values, welfare reform, and homosexual rights. Today's women are basically conservative.

WHAT THE GENDER GAP IS ALL ABOUT

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized during morning business for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, I am delighted to be following the prior gentleman onto the floor, because I want to talk a bit about the gender gap and how I think they still just do not get it.

America's women are engaging in a gender gap because they are very concerned that the Government does not understand what has happened to their families, and American women are very family based. That was the whole purpose of this Stand for Children organization this weekend, where hundreds of thousands of people and organizations came together to say things have changed so drastically for America's families, but the Government does not understand it, the corporations do not understand it, institutions do not understand it. And if we do not suddenly start understanding what this is about, we are looking at real disaster.

Let me just point out a bit why I think things have changed so much. I graduated from high school in 1958. I want to read to you what came from my high school book on home economics about how I should be a good wife.

No. 1, it said: When your husband comes home, have dinner ready. Plan ahead the night before a delicious meal. Men like to be fed right as they come through the door, and they will feel very comforted if they know that they can always count on that.

No. 2, prepare yourself at least 15 minutes before your husband is coming home. Be sure you are refreshed. Touch up your makeup, put a ribbon in your hair, clear away the clutter in the house, get the children cleaned up. Remember, they are little treasures and they must look like little treasures. Minimize all noise. Turn off all machines in the house and be there at the door to greet him and welcome him home from the very, very difficult day he has had at work.

Do not greet him with problems. Do not greet him with complaints. Do not

complain if he is late for dinner. Listen to him. Let him talk first. Make the evening his.

Now, Mr. Speaker, you show me an American home where you can practice this today and I am going to move there. My husband and I have never been able to do this. He has wanted that kind of wife, I have wanted to be that kind of wife. We cannot afford it, nor can anyone else in America today, except the extremely wealthy, because we are in a global economy.

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While America's families used to be little islands of tranquillity, what has happened to us today is they are like the Bermuda Triangle. We have a government, we have Members on the other side of the aisle who vote against family medical leave, against helping with child care, against helping with elder care, against, against, against, against trying to increase the amount of deductions for children, on and on and on. Yet they claim they are pro-family. But what they are saying is, your family is your problem, the Government should not do anything about it.

The problem is no one has time to be a family anymore because they are working so hard. The average American family feels like one of those squirrels in a wheel. They run faster and faster every year, their tongue is hanging out, and they never get out of the bottom of the wheel. The Government keeps telling them, greet your husband at the door, make sure his dinner is on the table and the children are clean.

Please. That is what is driving the gender gap.

All the work and family issues continue to get ignored because we have got a higher economic level here who very often does not understand the stress being put on America's families. So when you look at the rest of the Western World, they are way ahead of us. When you look at what people were trying to say here this weekend, they were saying: Government, get a clue; corporations, get a clue; institutions, get a clue.

We must find a way where America's families again can be that little more tranquil island. They will probably never be able to go back to the 1950's. But for heaven's sake, they cannot survive under the tremendous pressures that they are now under where you see single-parent families trying to be both mother, father, provider, and everything else, dual-parent families working at a gazillion jobs running around trying to do everything just to keep the mortgage paid and hardly recognize each other when they finally do get to be in the house at the same time.

America's families today have to keep pictures of the family members pasted by the door so, if people like that come to the door, they know who to let in because they are not around enough. That is what the gender gap is about. We have not understood it at all in this body. I know. It took me 9 years to get family medical leave passed. It is not nearly enough.

Mr. Speaker, we have got people who want to roll it back tomorrow. We have never been able to get many of the other things done. When we get that done, we will not have a gender gap. Let us get on with it.

INTERNAL REVENUE CODE GUIDELINES

The SPEAKER pro tempore (Mr. COBLE). Under the Speaker's announced policy of May 12, 1995, the gentleman from Colorado [Mr. SKAGGS] is recognized during morning business for 5 minutes.

Mr. SKAGGS. Mr. Speaker, I want to address my colleagues today about an action I took at the end of last week in requesting the chairman of the Committee on Ways and Means of the House and the chairman of the Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs of the Committee on Government Reform and Oversight to hold hearings to look into some very troubling transactions that have recently been reported in an article in the Miami Herald.

Mr. Speaker, let me try to set the context for this by reading a bit from a recent publication of the Internal Revenue Service that starts out saying that charities, 501(c)(3) organizations, should be careful that their efforts to educate voters stay within Internal Revenue Service Guidelines. Quoting more particularly: ''Organizations exempt from Federal income tax as organizations described in section 501(c)(3) of the Internal Revenue Code are prohibited by the terms of their exemption from participating or intervening directly or indirectly in any political campaign on behalf of or in opposition to any candidate for public office.'' It elaborates on that saying that they cannot endorse any candidate, make any donations, engage in fundraising, whatever.

What events raise questions under this statement of the law governing these 501(c)(3) organizations? Mr. Speaker, this is a copy of a letter, as we can see, on letterhead titled Senator BOB DOLE, majority leader, which starts out as follows: ''Dear friend, I want you to join me in an historic campaign to rein in the Federal Government in order to set free the spirit of the American people.'' It goes on, somewhat later on this first page: ''President Clinton and the liberal big government advocates would like you and all Americans to believe the public is turning against our efforts.''

It goes on for two or three pages before one learns that this is a letter paid for and soliciting funds in behalf of the Citizens Against Government Waste, an organization organized under section 501(c)(3) of the Internal Revenue Code and therefore subject to exactly the prohibition stated in the Internal Revenue Service advisory earlier this year.

Mr. Speaker, this was brought to my attention through an article in the Miami Herald which I would ask to include in the RECORD along with copies of the letters in question that I quoted from. Clearly that kind of letter being submitted in behalf of an individual who is running for President of the United States making the kind of arguments that are very relevant to his campaign for President of the United States but being paid for under the auspices of a tax-exempt 501(c)(3) organization raise some very, very serious questions. They evidently were designed to stimulate support for the Presidential campaign of Senator DOLE and also concluded suggestions that recipients of the letter make contributions to the organizations that paid for the letter.

We are told that the sponsoring organizations, which also included the Heritage Foundation, then turned around and provided the names and addresses of persons who contributed in response to these letters, to the Presidential campaign of Senator DOLE so that presumably they could be used for solicitations by his campaign. The Internal Revenue Code explicitly prohibits 501(c)(3) organizations from engaging in just this kind of political activity directly or indirectly in support of or in opposition to a candidate's campaign.

The Miami Herald article that I refer to also makes it clear that neither the 501(c)(3) organizations' expenditures in preparing and distributing the letters nor the lists of contributors that were then provided by these organizations to the Dole for President campaign have been reported as contributions to the Dole campaign. If the figures are correct, these mailings to some 10 million Americans cost nearly $1 million. The value of the contributor lists are worth possibly $40,000 or more. But here was no reporting either under the FEC laws and again no explanation was made as to how this could occur in compliance with the clear prohibitions in the Internal Revenue Code against this kind of campaign activity by 501(c)(3)s.

It raises a whole range of questions which I believe appropriate committees of the House ought to look into regarding the coordination between the Presidential campaigns and these nonprofit organizations who benefited by the mailings, how much they cost, how the lists were developed, whether or not it was all coordinated with the Dole campaign.

I hope my colleagues will take the action as I requested and conduct a thorough investigation of this matter.

Mr. Speaker, I include the following materials for the RECORD:

[From the Miami Herald, May 25, 1996]

DOLE CAMPAIGN GETS HELP FROM NONPROFITS HE AIDED

(By Frank Greve)

WASHINGTON.—Bob Dole, shortly after he announced last year that he was running for

president, sent millions of Americans letters urging them to contribute to the Heritage Foundation. And to Citizens Against Government Waste. And to a half-dozen other right-of-center groups.

Dole's advocacy could get his campaign into trouble with the Federal Election Commission. It also could get tax-exempt groups he helped into hot water with the Internal Revenue Service.

That's because tax-exempt groups can't participate in partisan politics, Dole can't take help from them, and the letters he wrote for them helped his campaign raise money.

Here's how it worked: The nonprofits paid for the letters, which promoted both Dole and their cause. The nonprofits kept the donations, but passed on to the Dole campaign, free of charge, the name of every contributor he inspired. Those hot prospects—maybe 200,000 of them—subsequently got letters from Dole asking them to contribute to his campaign.

Dole has not reported these mailing lists as contributions, arguing that they were part of a barter not covered by federal election law. The lists could be worth $40,000 or more, according to direct-mail specialists. Under Federal Election Commission law, campaigners can't take anything from federally chartered nonprofits. Mailing lists are explicitly banned.

Nor have the tax-exempt groups acknowledged any political help to Dole. IRS law, reiterated in a public warning last month, forbids their participation in ''any activities that may be beneficial or detrimental to any candidate.''

Both Dole and the nonprofits argue that their deals were a simple swap: a politician's fund-raising help for the names of donors attracted.

''We are clearly within our rights to have engaged in this practice,'' Christina Martin, deputy press secretary for the Dole campaign, said. ''We don't think there are any problems, but if there are, they lie with the nonprofits and the IRS, not the Dole campaign.''

In fact, other presidential candidates, including Ronald Reagan, have traded endorsements for mailing lists in the past. But times may be changing, particularly at the IRS.

Tax-exempt groups that participate in politics in any way are ''going to get in trouble,'' Marcus Owens, director of the tax service's Exempt Organizations Division, warned in an interview, noting that he had a record high of more than 30 such cases pending.

A RECENT CRACKDOWN

Just last month, Owens and the IRS cracked down on tax-exempt groups that advocated electing or unseating particular candidates. That had been a staple motivator in fund-raising appeals of many groups.

Without referring to Dole's deals in particular, Owens said trades involving mailing lists ''could very well be viewed as political intervention, because a mailing list is a very valuable item for a political campaign.''

''The IRS is shooting straight at the heart of a rather common practice,'' said Frances Hill, a University of Miami law professor who concentrates on exempt organizations. ''Having a candidate sign a fund-raising letter for a [tax-exempt organization] during a campaign is not something I would advise.''

For Dole's presidential drive, the initial letters on the groups' behalf may have been more valuable than the contributor lists they generated.

''I want you to join me in an historic campaign to rein in the federal government in order to set free the spirit of the American people,'' Dole began in a typical appeal, this one on behalf of Citizens Against Government Waste, a Washington-based foe of pork-barrel spending.

''President Clinton and the liberal, big-government advocates,'' Dole continued, are undermining his budget-balancing efforts, ''laying the groundwork for future tax increases.''

Not until Page 3 of the four-page appeal does Dole mention Citizens Against Government Waste as his important ally and urge a contribution to the group.

Appeals like these enabled Dole to arouse—free—millions of activists essential to his voter base. Postage along cost the nonprofits $80,000 per million-letters. An estimated 10 million letters were sent.

The Citizens Against Government Waste appeal, using envelopes and stationery with Dole's name on it in ornate script, was highly successful, reported Thomas Schatz, the group's president.

He added that giving the donor list derived to the endorser is a ''standard practice'' in the direct-mail industry. The transaction was merely ''a trade,'' Schatz added, and it served his group well.

Exchanges of endorsements for mailing lists are ''purely a business decision,'' according to John Von Kannon, treasurer of the Heritage Foundation, a Washington think tank. Heritage gained as much or more from Dole's signature as Dole gained from the mailing list, Von Kannon said, so no campaign contribution was made.

''There's law as written and law as enforced,'' stressed lawyer William Lehrfeld, an adviser to Washington's conservative nonprofits. Politicians and nonprofits have consorted together for as long as priests have fought abortion and campaigners have sought pulpit endorsements, Lehrfeld contended. The only real question, he added, is where the IRS chooses to draw the line.

IRS rulings lag years behind current practices, so it's impossible to know exactly what the agency's recent warnings mean. While declining to address Dole's dealings directly, Owens raised some questions about them.

Among them were the timing of Dole's appeals, the degree of political content in them, and whether participating groups were prepared to offer to other politicians the mailing lists Dole helped create.

RULING AWAITED

The Federal Election Commission also moves slowly and has not yet ruled on a case involving an exchange of endorsements and mailing lists, according to spokesman Ian Stirton. Until such a ruling is made, the commission's interpretation will not be known.

The Clinton campaign has ''absolutely not'' engaged in the practice, according to Hal Malchow, head of Clinton's direct-mail effort. Nor did the 1992 campaign use mailing lists from tax-exempt groups, said Ann Lewis, deputy manager of the Clinton campaign.

Among Democrats, Sen. Edward Kennedy of Massachusetts recently endorsed a direct-mail appeal for Handgun Control Inc. with the expectation of obtaining the donor list. Kennedy intends to pay for the names, his office and the nonprofit said when a reporter raised the issue.

DEAR FRIEND: I want you to join me in an historic campaign to rein in the federal government in order to set free the spirit of the American people.

I want to wage a bold effort to slash the waste out of the federal government and balance the budget. But I need your help.

As a starting point in this critical process, I have already called for and started working toward the elimination of the Departments of Housing and Urban Development, Commerce, and Energy.

Clearly, these are three of the most ineffective, burdensome and wasteful departments of government. What's more, the states can do a much better job of administering welfare than bureaucrats here in Washington.

The tens of billions of dollars per year saved by eliminating these unnecessary and meddlesome departments will amount to a good down payment on balancing the budget.

But we must go much, much further!

We must cut many additional billions of dollars in waste and slow the growth of government if we are to balance the budget and save our children and grandchildren from a future in which the lion's share of their earnings will go to pay off our debts.

One of the best ways you can join and help me in this war on wasteful spending and the deficit is by answering the very important Survey I have enclosed for you.

This National Survey to Slash Wasteful Spending & the Deficit is a powerful way you can make your opinions known in Washington right now.

What's more, this Survey will demonstrate that support for cutting wasteful spending is growing stronger every day.

President Clinton and the liberal, big-government advocates would like you and all Americans to believe the public is turning against our efforts to balance the budget and cut wasteful government.

Your Survey will help me prove them wrong! Please take a moment now to answer and return your Survey.

I cannot overemphasize how critical it is for you to personally participate in this nationwide Survey. Please answer today!

If you fail to publicly support this new waste-cutting campaign, I fear that our current effort to slash the size, cost and power of wasteful government may fail and the deficit will skyrocket well beyond its current $200 billion a year level. Here's why I say that.

Have you noticed recently that the big-government advocates want you and all Americans to believe that cutting spending is ''hurting children and helping rich people?''

These are not isolated cases of fair-minded opposition to one or another specific cuts in government waste.

This is a concerted campaign to stop all efforts to cut wasteful government spending by portraying all government spending as ''sacred'' and the waste-cutters as ''heartless.''

It is a campaign waged by big-government advocates who live off of government waste and refuse to recognize the terrible damage which 40 years of wasteful, runaway deficit spending has done to America.

You and I and all the budget-cutters in Congress are, in fact, facing nothing short of an all-out political battle.

We face a battle between those of us who want to avert a deficit crisis by cutting wasteful government spending and those who view all government spending as ''sacred,'' care little about the deficit and are laying the groundwork for future tax increases.

Let me give you just one example.

Did you notice how, with the active help of President Clinton, the big-government advocates have tried to portray the new Congress' efforts to reduce only the growth rate of spending on school lunches as an actual cut in the program?

The new Congress proposed spending more on school lunches than ever before in American history.

Yet, the advocates of big government are trying to convince the American people that we would deny food to starving children.

It is untrue. It is distorted. It is pure political propaganda.

Their goal is to convince the American people that cutting spending simply can't be done—that it's too painful.

They are once again trying to build their case which says that America has this massive national debt not because Washington spends too much money, but because YOU don't pay enough in taxes.

Your Survey will help to counter this propaganda campaign by showing that you're too smart for their scare tactics.

Your Survey will demonstrate that you want common sense cuts in government waste because you know that the deficit produced by this wasteful spending will devastate every American's future.

Your Survey will show that you understand and are deeply concerned that right now every child born in America will pay $187,000 over their lifetime just to pay the interest on the debt we've already accumulated. That means they will pay $3,500 in taxes every year of their working lives just to pay this interest on our debt.

Your Survey will show me and the new Congress which wasteful spending you want cut first in our drive to protect the taxpayers and our children's future by balancing the budget.

And your Survey will bolster the convictions of the members of Congress who are being attacked the most because the big government advocates are hoping to defeat them in the next election.

I urge you to show your support for our cuts in wasteful government and tell us which reforms you think are the most urgent by answering your Survey today. Your Survey answers will be tabulated and the results will be aggressively publicized both here in Washington and to opinion leaders and the news media throughout the country.

And when you return your Survey, I must ask you to also make a special contribution to the organization which is not only sponsoring this vital national Survey, but is the leading organization in the fight against deficit-producing government waste.

One of the most important groups in fighting wasteful government spending is Citizens Against Government Waste (CAGW), a private, nonprofit organization.

Establishing in 1984, CAGW began as an organization solely devoted to fighting for the implementation of Ronald Reagan's Grace Commission recommendations.

Since then, CAGW has been credited with leading the way in helping to cut over $250 billion in government spending. Today, CAGW researches and identifies the most blatant waste in government and shows how it can be eliminated.

CAGW has a long and successful record of winning major cuts in wasteful spending without sacrificing America's defenses. My colleagues and I for years have applauded CAGW for providing valuable information needed to cut wasteful government.

But CAGW's greatest contribution has been how they have rallied the American people in opposition to government waste and the deficit. The big government advocates laughed at CAGW, when years ago they began an aggressive campaign to show the American people how the deficit and government waste were jeopardizing their futures.

Last November, many of those who used to laugh at CAGW were swept out of office! In fact, CAGW was a leading force in the popular revolt against big, wasteful, deficit-ridden government.

But now we need CAGW and you, as a CAGW Charter Member, to wage this new campaign to demonstrate widespread support for the deeper cuts in wasteful government spending and balancing the budget, and to help counter the outrageous charge that cutting the deficit-producing waste will ''hurt children and help rich people.''

The only way CAGW can wage such an aggressive campaign is if you will send a Charter Membership contribution of $25, $35, $50 or more when you return your Survey.

When you join CAGW, you will make it possible for CAGW to tabulate and report your Survey results to leaders of the budget-cutting efforts on Capitol Hill. Also, your membership contribution will enable CAGW to expand this campaign to generate a truly nationwide outpouring of support for smaller, leaner government.

And most importantly, your contribution will provide the critical dollars CAGW needs to help my colleagues and me counter the outrageous charges of being ''cruel and heartless'' budget-cutters.

The best way we can counter the charges against our waste-cutting efforts is by overwhelming the big-government advocates with detailed examples of how they are wasting our tax dollars and how they are endangering the future of our children and grandchildren.

Unfortunately, my budget-cutting colleagues and I simply don't have the resources to single-handedly counter the intense and misleading propaganda from the advocates of big government. We are counting on you to help us by joining and supporting CAGW's efforts. Please make every effort to send a membership contribution of $25, $35, $50, or more when you return your Survey.

The road ahead will only get tougher. Those who live off and depend on government waste will fight harder and harder. If we are to continue slashing wasteful spending and the deficit, we must have your support as a CAGW member in rallying the American people to our cause.

But the success of CAGW's efforts all depends on your decision to return your Survey and send a generous membership contribution today.

This is one of those special times in history when you can help decide the outcome of a critical national debate. Will we be able to make the cuts in wasteful government spending which are necessary to save our children's future or will big-government advocates stop us?

With your contribution and your Survey, you can help ensure that our efforts to continue cutting waste will not be blocked by the narrow, selfish special interest groups. Please respond today and be as generous as you can. My colleagues and I are counting on you.

Sincerely,

Senator BOB DOLE.

P.S. The next few months will be critical in our battle to slash wasteful government spending. If we are to succeed, we need your support today. Please answer your Survey right away and return it with your most generous contribution to CAGW possible. My colleagues and I want and need to hear from you. Please answer today.

DEAR — —: As your Senate Majority Leader, I want to get Washington off your back and out of your pocket.

I want to take power from Washington and put it back in your hands.

I want the federal government to focus on the jobs it does best, such as defending the nation, conducting foreign relations, and putting criminals in jail.

This message—these clear ideas—is the engine of political change in America today. It put Congress in conservative hands for the first time in forty years.

And working with my close friends at The Heritage Foundation (who have spent two decades trying to cut government) I want to change how Washington taxes, spends and regulates.

Families, not bureaucrats, should control what their children are taught.

Billions can be saved and service improved by rethinking, cutting and merging the 14 Cabinet Department as they exist today.

I want to start by getting rid of the departments of Education, Housing and Urban Development, Energy, and Commerce.

And as a Heritage member you can help me by reading the enclosed fact sheet I have prepared with the help of Heritage's respected policy experts.

It offers real leadership. Real help for our country.

Why start with these four?

Because they are examples of what's gone wrong in Washington. Their missions are either duplicated elsewhere, obsolete, or should never have been in federal hands in the first place. Yet they cost $70 billion and employ 74,000 bureaucrats.

America is better off without them. See for yourself.

71 other government bodies already duplicate functions of the Department of Commerce—yet we spend $3.6 billion on it alone each year.

HUD spends more than $200 million annually on programs that breed despair by trapping poor Americans in crime ridden slums—not because there are no better options, but because the housing authorities don't want to change.

The Department of Energy's budget has increased by 155% since its creation in 1977 despite the lack of any threat to America's energy supplies.

The Department of Education has a new $65 billion program that could dictate everything from how schools can discipline kids to the salaries of assistant coaches. This department was created as a political payback to the teachers' unions by Jimmy Carter's White House. Since then, our children's test scores have plummeted and control has been taken from parents and communities.

Your fact sheet tells you what else is wrong with these four cabinet departments, what can be fixed, what should be tossed out, how the job can be done better and at less cost to you.

Take a few minutes to read it and tell me what you think by filling out the nine question survey enclosed with my letter.

Your answers will be tabulated by The Heritage Foundation and given to me, every other member of Congress, the White House and the news media.

I will use the results—and your support—to keep the political heat turned up in Washington. Because, unlike the rest of America, much of official Washington really doesn't want change.

Already, Bill Clinton and the special interests who profit from the current system (like the National Education Association) are fighting pitched battles to protect the turf that has made too many of them rich and powerful.

President Clinton, the ''New Democrat'' who campaigned as a reformer, has become the spokesman for the status quo.

But I am committed to giving you the reforms you want and America needs.

The liberals spent the last 30 years tinkering, spending and writing laws to create a ''Great Society'' but all we've gotten is debt and despair.

Their thirst for special interest legislation cracks and fragments our cultural unity. Rather than ''One nation under God'' we have become a nation of unconnected special interest groups.

This is what Heritage and I are working to fix.

That's why I hope you will take a few minutes to read your fact sheet and let me know if you support getting rid of these departments entirely.

It's simple. Just complete the survey and mail it to my attention at The Heritage Foundation.

Why have I chosen The Heritage Foundation?

Because I trust they are honest. I have counted upon their accurate and well documented work for the last 22 years.

As a member, you know Heritage believes in free enterprise, limited government, traditional values and a strong national defense. These are the answers to our problems.

Heritage was a driving force behind the success of my friend Ronald Reagan's two terms in office. They are real hawks when it comes to protecting your freedoms.

Heritage does the hard work of looking at government, evaluating what it does and what it really costs. Their work is closely watched and quoted by all of the major networks and news organizations—which is no small feat when you know the press is mostly run by lifelong liberals.

When you send back your survey, please include a contribution to The Heritage Foundation to help them continue this painstaking work that we in Congress rely on so heavily.

Ed Foulner, Heritage's president, has told me that you have given $25 to the Foundation.

I congratulate you on your generosity, and I urge you to give another $25, or even $75, to Heritage for this vital work.

As you know, The Heritage Foundation lives by the free market system they advocate. Heritage accepts no government funds and relies on voluntary gifts to support their work.

So please take a moment to read our fact sheet on shutting down the Departments of Education, HUD, Energy and Commerce forever. Tell us what you think by completing the survey and mailing it back today. In advance, I thank you for your support.

Sincerely,

BOB DOLE,
Senate Majority Leader.

P.S. I want to change how Washington taxes, spends and regulates.

But with Bill Clinton in the White House, true reform will not come easily. It requires all who want it to work together.

That's why I am working with The Heritage Foundation to restore our future by limiting government to its core functions such as national defense and fighting crime.

I want to start by cutting the Department of Education, Housing and Urban Development, Energy, and Commerce. This saves billions of your tax dollars immediately.

How do you feel about this?

Tell me today. Please complete the enclosed survey and return it to me at The Heritage Foundation. And your gift of $25 or $75 to help Heritage with this vital work is greatly appreciated. Thank you.

WOMEN'S PENSION EQUITY ACT

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Oregon [Ms. FURSE] is recognized during morning business for 5 minutes.

Ms. FURSE. Mr. Speaker, life history is important. The history of a Member of Congress can give insight into a problem in our society. This is just such an occasion.

I think I can safely say that my work history has been very similar to that of the majority of American women. I was a mother. I was a homemaker. I worked in my community for community change. I was a volunteer. I worked in a nonprofit. When I was divorced, my lawyer did not do what he should have done, which was make sure that the pension of my spouse was something that I would have been provided.

I continued to work in nonprofits and community organizations. It was not until I came to Congress that I ever got a job where there was a pension attached, and even that I cannot vest in. Well, Mr. Speaker, that is the situation for a majority of women, elderly women like myself in this country.

I am honored to be able to do something to fix this situation. Mr. Speaker, together with my colleague, the gentlewoman from New York, Mrs. NITA LOWEY, I have introduced the Women's Pension Equity Act. Some 60 percent of seniors are women, but they make up 75 percent of the elderly poor. Women are far more likely than men to live out their older lives in poverty, making those older years anything but golden. In my own State, I am sad to say that only 37 percent of the women in Oregon participate in a pension plan.

We need to make steps to fix this, take steps, that is what the Women's Pension Equity Act does.

Women in America need our help. They live longer than men and are five times as likely to be widowed than widowers over the age of 40. In the last 20 years, the number of women over the age of 45 who are divorced has risen dramatically. And 20 percent of older women have no other source of income than Social Security. It is a sad fact, Mr. Speaker, but elderly women are twice as likely as men to be poor. So that is why we need these pension reforms.

According to the AARP, only 23 percent of divorced women over the age 62 had pension plans of any type. My life history is just like that. Nearly 50 percent of married private pension recipients have a plan that will not continue to pay benefits in the event of a spouse's death.

There is a crack in our safety net, and it is women who are falling through it. The Women's Pension Equity Act will correct these inequities. My bill is modeled after the bill introduced by Senator CAROL MOSELEY-BRAUN. It will reform pension law to help protect senior women. First it will make much needed improvements in private pension law to help protect women in divorce proceedings and to simplify spousal consent rules for survivor annuities.

Mr. Speaker, it will make important changes to improve pension coverage for widows or divorced widows under the Federal Civil Service Retirement System as well as the military retirement system. And lastly, the legislation would improve coverage for divorced women under the Railroad Retirement Board.

Mr. Speaker, we must reverse the status quo, which dictates that, if you are old and a woman, you are poor. This legislation is about reforming the pension system to protect the economic security of elderly women. Women have worked hard their entire lives, serving their families, their careers, their communities, and they deserve nothing less than the best. I urge my colleagues to support this legislation and work for its swift passage in the House.

IT IS TIME TO LOOK AT THE JONES ACT

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Guam [Mr. UNDERWOOD] is recognized during morning business for 5 minutes.

Mr. UNDERWOOD. Mr. Speaker, I rise to commend Chairman HOWARD COBLE, chairman of the Subcommittee on Coast Guard and Maritime Transportation, for scheduling a hearing to review our maritime policy. In particular, this hearing will take a close look at the Jones Act, which requires that goods between American ports be shipped on American vessels.

The Jones Act might make sense for some mainland communities, but it does not make sense for Guam, 8,000 miles away from the west coast. Unfortunately for Guam, the defenders of the Jones Act form a unique coalition of labor and corporate interests who have every intention of fighting to preserve their corporate pork and their captive markets.

We need to study this issue carefully and, while we recognize a national need for a strong merchant marine, this objective should not be accomplished at the expense of small island communities or the American consumer. At the very least, Congress should examine the changing regulatory environment and the movement to free trade. We should consider which regulatory regime makes sense for the offshore domestic trades—complete deregulation, with full competition, or a regulated environment, with protections for the consumer against shipping carrier rate abuses.

Guam's position is that the Jones Act should not apply to territories outside the U.S. Customs Zone—and Guam is the only U.S. territory located outside the U.S. Customs Zone subject to the Jones Act. American Samoa, the Virgin Islands, and our good neighbor, the Commonwealth of the Northern Marianas, are all exempt from the Jones Act. Guam seeks an exemption from the Jones Act consistent with the treatment of other U.S. Territories outside the U.S. Customs Zone.

I welcome the hearing on June 12 on this issue and I thank Chairman COBLE for inviting the Governor of Guam to help make our case before the committee.

My intern asked who the Jones Act is named for—well, it's not the John Paul

Jones who said ''Don't give up the ship,'' it's the other Jones who might have said ''Don't give up the shipping subsidy.''

□ 1300

REV. RANDY ALBANO

The SPEAKER pro tempore (Mr. COBLE). Under the Speaker's announced policy of May 12, 1995, the gentleman from Texas [Mr. BENTSEN] is recognized during morning business for 5 minutes.

Mr. BENTSEN. Mr. Speaker, today I rise to recognize the Reverend Randy Albano, who works in my district assisting seafarers throughout the world who travel to the Port of Houston, in their personal and spiritual needs. Father Albano recently brought to light the vicious murder of three Romanian stowaways beaten and thrown overboard from a ship off the coast of Spain and, through his contacts, was able to assure the safety of the vessel's crew members in bringing the responsible parties to justice.

Father Albano, working out of the Barbours Cut Seafarers' Center in LaPorte, TX, intervened with the Canadian Government on behalf of eight Filipino seamen who wrote to him that they had witnessed their officers murder three Romanian stowaways. Two of the Romanians were set adrift on a small makeshift raft after they were discovered, and the raft subsequently fell apart in the high seas, and the third Romanian was stabbed to death on the deck of the ship and then cast overboard.

The Filipino crewmen, fearing for their lives, contacted Father Albano for guidance. He referred the matter to the Canadian Government, which detained the captain in Halifax, NS.

I have contacted the Canadian Ambassador to express my concern that the Filipino seamen be granted refugee status and that the captain and officers of the ship be prosecuted for these unspeakable crimes.

I would especially like to express my deep appreciation for Father Albano for the important work that he does and also to the Barbours Cut Seafarers' Center and its many civic volunteers from LaPorte, including Lou Lawler. Father Albano, and the volunteers at the Seafarers' Center in Barbours Cut have done so much to ensure safe travel on the high seas and to improve working conditions and the quality of life for seafarers.

Once again, Father Albano has courageously helped to ensure that the rule of law and basic respect for humanity are observed on the high seas.

RECESS

The SPEAKER pro tempore. There being no further requests for morning business, pursuant to clause 12, rule I, the House will stand in recess until 2 p.m.

Accordingly (at 1 o'clock and 2 minutes p.m.), the House stood in recess until 2 p.m.

AFTER RECESS

The recess have expired, the House was called to order by the Speaker pro tempore [Mr. UPTON] at 2 p.m.

PRAYER

Rabbi Edward Davis, Young Israel Temple, Hollywood, FL, offered the following prayer:

Avinu Shebashamayim, Our Heavenly Father, we seek Your blessing for wisdom every day of our lives. Recognizing our limitations, we find it necessary to ask You for Your guidance. There are times when we feel incapable of solving our problems. Yet our vision is global and optimistic. We feel confident that with Your assistance we will be successful in creating and maintaining a safe and secure environment for our neighborhoods, our country, and our world. Bestow Your blessing upon the Members of this House. Grant them good health, family enrichment, financial security, and the wisdom to decide issues with prudence and compassion. These men and women make decisions that effect us all. May America be rewarded by our faith in them; and may our faith in You, O God, be strong. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Mississippi [Mr. MONTGOMERY] come forward and lead the House in the Pledge of Allegiance.

Mr. MONTGOMERY led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

STAND FOR CHILDREN

(Mr. BOEHNER asked and was given permission to address the House for 1 minute.)

Mr. BOEHNER. Mr. Speaker, my colleagues, this weekend in Washington, there was a march. It was entitled ''Stand for Children.'' And I could not agree more that we should put politics aside and give our children a better nation than what we had inherited. If the President this year is willing to act and not just talk, I think that we can do this.

In my hand is the world's most expensive credit card. It is a credit card that has accumulated 5 trillion dollars' worth of debt and accumulating budget deficits of $150 to $200 billion a year. This a voting card for a Member of Congress. This is the most unconscionable thing that any government could do to its children, because the adults in our country will not pay this. It will be our children and theirs who get to pay off this massive debt.

Mr. Speaker, we can pass legislation this year that will balance the budget while at the same time providing $500 more for parents with dependent children at home, lowering the average cost of a college loan by $2,100, saving families over $100 a month on their mortgage, and will provide real opportunities for children when they get out of school and look for jobs. All we have to do is balance the budget.

If the President really does feel the pain of kids today, he should put politics aside and begin to act.

MEDICARE CUTS PROPOSED

(Mr. PALLONE asked and was given permission to address the House for 1 minute.)

Mr. PALLONE. Mr. Speaker, tomorrow the Medicare trustees are going to issue their annual report to Congress and to the American people, and we already know that the Republican leadership is going to take advantage of this to try to suggest that the trustees' report justifies their severe and extreme changes in the Medicare Program for senior citizens.

I would suggest that the Democrats in the House of Representatives last year, with an amendment that was brought forward by the gentleman from Florida [Mr. GIBBONS] and this year in the budget that was proposed by the President that we voted on, suggested minor changes or cuts, if you will, in the Medicare Program that would keep the Medicare Program solvent well into the next century.

The extreme cuts and changes in Medicare that the Republicans are proposing are not needed. The Medicare trustees' report should not be an excuse to justify, if you will, the changes that the Republican leadership is proposed in Medicare. Rather, we should be getting together to make those minor cuts, if you will, to save the program and keep it solvent on a bipartisan basis.

A BALANCED BUDGET

(Mr. BALLENGER asked and was given permission to address the House for 1 minute.)

Mr. BALLENGER. Mr. Speaker, no one doubts the importance of a balanced budget to America's families. But what we are doubting is President Clinton's commitment.

Well, the Senate vote this week on a balanced budget amendment is his chance to actually prove his commitment to a balanced budget. All he has to do is use his widely acclaimed oratorical skills, and lead the Somersault Six down the path to a balanced budget.

These Somersault Six are six Senators of his own party who had previously voted in favor of the amendment, but then switched their vote last

year in order to defeat the amendment. They are the sole obstacle to delivering a balanced budget to the American people.

We call on the President to show leadership and do the right thing for our children and grandchildren. If the President really believes that big Government and wasteful Washington spending are a thing of the past, he shouldn't be afraid to legally require a balanced Washington budget.

CHILDREN DID NOT RUN UP THE DEBT

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I rally thank the wonderful citizens around America who came this weekend to stand for children. We have heard some speeches this morning about how the best thing we can do for children is not run up a debt. That is absolutely right. We should not run up a debt. But let us also remind people that children did not run up the debt that is already there.

Mr. Speaker, we should not try to balance the debt on the backs of children, because children are going to be the ones that inherit this debt and are going to have to pay it off. The things that we desperately need for children are to make sure that they have the educational skills that they can get out and compete globally in the 21st century and make enough money so they can pay this off and get this country going the right way.

So to cut student loans, to cut aid to education, to cut after-school programs and summer programs, to cut math and science programs are all terribly shortsighted. Those who cause the debt should pay for the debt, not the children.

FEDERAL DEPOSIT INSURANCE FUNDS AND REGULATORY RELIEF ACT OF 1996

(Mr. BEREUTER asked and was given permission to address the House for 1 minute.)

Mr. BEREUTER. Mr. Speaker, earlier today, this Member introduced the Federal Deposit Insurance Funds and Regulatory Relief Act of 1996, which constitutes a comprehensive plan to: First, fully capitalize the Savings Association insurance fund; second, guarantee payment of interest on Financing Corporation bonds; third, merge the bank and thrift charters; fourth, merge the bank insurance fund and the Savings Association insurance fund into a new deposit insurance fund; and fifth, provide solid regulatory relief to all financial institutions.

Mr. Speaker, this Member will be circulating a ''Dear Colleague'' letter explaining the provisions in the bill and he invites his colleagues to join in cosponsoring this comprehensive legislation.

FIGHT THE ATTACK ON AGRICULTURE

(Mr. BARRETT of Nebraska asked and was given permission to address the House for 1 minute.)

Mr. BARRETT of Nebraska. Mr. Speaker, the House Agriculture Appropriations Subcommittee's bill is a slap in the face to rural America. Last week the subcommittee approved a bill that would provide $581 million less in budget authority for agriculture programs for fiscal year 1997.

The subcommittee's bill demonstrates the blatant lack of understanding many in Congress have for the 1996 farm bill and for America's farmers.

The Agriculture Committee worked for more than a year on a farm bill that would meet the needs of farmers, and our obligations in balancing the budget. We created a program of fixed, but declining payments to transition farmers from dependence on the government, to market-based production. The subcommittee's bill invalidates the farm bill and these contracts.

Today, I'm speaking especially to all of my colleagues from rural districts. Let's drop this partisanship. As aggies we must work together to fight, once again, this attack on agriculture.

THE WARNING BY DR. BILLY GRAHAM

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

Mr. DUNCAN. Mr. Speaker, a few weeks ago, Dr. Billy Graham received a well-deserved Congressional Medal of Honor here in the Capitol.

In his acceptance speech, he said that our Nation had ''confused liberty with license'' and that we are now ''a society poised on the brink of self-destruction.''

I am a little more optimistic than Dr. Graham, but unfortunately, almost no one would say that he had no reason or justification for his statements.

Let me quickly note three recent incidents which would cause Dr. Graham further concern.

First, a Federal judge ruled yesterday that a rural Mississippi school had violated the Constitution by allowing prayers over the intercom and classes about the Bible.

Second, the top legal adviser for the Governor of Florida said a school prayer bill was illegal because ''we are officially now mandated to be a country with no formal recognition of God.''

Third, a Maryland school superintendent revoked an invitation to U.S. Supreme Court Justice Clarence Thomas because he happens to be both black and conservative.

Another high official in Prince George's County, where this occurred, called it ''the epitome of intolerance and bigotry.''

These things would not have happened in this country just a few years ago.

We should think very seriously about the warning by Dr. Billy Graham.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, June 5, 1996.

AUTHORIZATION OF MAJOR FACILITY PROJECTS AND MAJOR MEDICAL FACILITY LEASES FOR DEPARTMENT OF VETERANS AFFAIRS, FISCAL YEAR 1997

Mr. STUMP. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3376) to authorize major medical facility projects and major medical facility leases for the Department of Veterans Affairs for fiscal year 1997, and for other purposes, as amended.

The Clerk read as follows:

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

TITLE I—CONSTRUCTION AUTHORIZATION

SEC. 101. AUTHORIZATION OF MAJOR MEDICAL FACILITY PROJECTS.

(a) AMBULATORY CARE ADDITION PROJECTS.—The Secretary of Veterans Affairs may carry out the following ambulatory care addition major medical facility projects, with each project to be carried out in the amount specified for that project:

(1) Addition of ambulatory care facilities for mental health enhancements at the Department of Veterans Affairs medical center in Dallas, Texas, $19,900,000.

(2) Addition of ambulatory care facilities at the Department of Veterans Affairs medical center in Brockton, Massachusetts, $13,500,000.

(3) Addition of ambulatory care facilities for outpatient improvements at the Department of Veterans Affairs medical center in Shreveport, Louisiana, $25,000,000.

(4) Addition of ambulatory care facilities at the Department of Veterans Affairs medical center in Lyons, New Jersey, $21,100,000.

(5) Addition of ambulatory care facilities at the Department of Veterans Affairs medical center in Tomah, Wisconsin, $12,700,000.

(6) Addition of ambulatory care facilities at the Department of Veterans Affairs medical center in Asheville, North Carolina, in the amount of $28,800,000.

(7) Addition of ambulatory care facilities at the Department of Veterans Affairs medical center in Temple, Texas, in the amount of $9,800,000.

(8) Addition of ambulatory care facilities at the Department of Veterans Affairs medical center in Tucson, Arizona, in the amount of $35,500,000.

(b) ENVIRONMENTAL IMPROVEMENT PROJECTS.—The Secretary of Veterans Affairs may carry out the following environmental improvement major medical facility projects, with each project to be carried out in the amount specified for that project:

(1) Environmental improvements for the renovation of nursing home facilities at the

Department of Veterans Affairs medical center in Lebanon, Pennsylvania, in the amount of $9,500,000.

(2) Environmental improvements at the Department of Veterans Affairs medical center in Marion, Illinois, in the amount of $11,500,000.

(3) Environmental improvements to modernize patient wards at the Department of Veterans Affairs medical center in Atlanta, Georgia, $28,200,000.

(4) Environmental improvements for the replacement of a psychiatric bed building at the Department of Veterans Affairs medical center in Battle Creek, Michigan, $22,900,000.

(5) Environmental improvements for ward renovation for patient privacy at the Department of Veterans Affairs medical center in Omaha, Nebraska, $7,700,000.

(6) Environmental improvements at the Department of Veterans Affairs medical center in Pittsburgh, Pennsylvania, $17,400,000.

(7) Environmental improvements for the renovation of various buildings at the Department of Veterans Affairs medical center in Waco, Texas, $26,000,000.

(8) Environmental improvements for the replacement of psychiatric beds at the Department of Veterans Affairs medical center in Marion, Indiana, in the amount of $17,300,000.

(9) Environmental improvements for the renovation of psychiatric wards at the Department of Veterans Affairs medical center in Perry Point, Maryland, in the amount of $15,100,000.

(10) Environmental enhancement at the Department of Veterans Affairs medical center in Salisbury, North Carolina, in the amount of $18,200,000.

(c) SEISMIC CORRECTION PROJECTS.—The Secretary of Veterans Affairs may carry out the following seismic correction major medical facility projects, with each project to be carried out in the amount specified for that project:

(1) Seismic corrections at the Department of Veterans Affairs medical center in Palo Alto, California, in the amount of $36,000,000.

(2) Seismic corrections at the Department of Veterans Affairs medical center in Long Beach, California, in the amount of $20,200,000.

(3) Seismic corrections at the Department of Veterans Affairs medical center in San Francisco, California, $26,000,000.

SEC. 102. AUTHORIZATION OF MAJOR MEDICAL FACILITY LEASES.

The Secretary of Veterans Affairs may enter into leases for medical facilities as follows:

(1) Lease of a satellite outpatient clinic in Allentown, Pennsylvania, in an amount not to exceed $2,159,000.

(2) Lease of a satellite outpatient clinic in Beaumont, Texas, in an amount not to exceed $1,940,000.

(3) Lease of a satellite outpatient clinic in Boston, Massachusetts, in an amount not to exceed $2,358,000.

(4) Lease of a parking facility in Cleveland, Ohio, in an amount not to exceed $1,300,000.

(5) Lease of a satellite outpatient clinic and Veterans Benefits Administration field office in San Antonio, Texas, in an amount not to exceed $2,256,000.

(6) Lease of a satellite outpatient clinic in Toledo, Ohio, in an amount not to exceed $2,223,000.

SEC. 103. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to the Secretary of Veterans Affairs for fiscal year 1997—

(1) for the Construction, Major Projects, account, $422,300,000 for the projects authorized in section 101; and

(2) for the Medical Care account, $12,236,000 for the leases authorized in section 102.

(b) LIMITATION.—The projects authorized in section 101 may only be carried out using—

(1) funds appropriated for fiscal year 1997 pursuant to the authorization of appropriations in subsection (a);

(2) funds appropriated for Construction, Major Projects for a fiscal year before fiscal year 1997 that remain available for obligation; and

(3) funds appropriated for Construction, Major Projects for fiscal year 1997 for a category of activity not specific to a project.

SEC. 104. REPORT ON HEALTH CARE NEEDS OF VETERANS IN EAST CENTRAL FLORIDA.

(a) REPORT REQUIRED.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the health care needs of veterans in east central Florida. In preparing the report, the Secretary shall consider the needs of such veterans for psychiatric and long-term care. The Secretary shall include in the report the Secretary's views, based on the Secretary's determination of such needs, as to the best means of meeting such needs using the amounts appropriated pursuant to the authorization of appropriations in this Act and Public Law 103–452 for projects to meet the health care needs of such veterans. The Secretary may, subject to the availability of appropriations for such purpose, use an independent contractor to assist in the determination of such health care needs.

(b) LIMITATION.—The Secretary may not obligate any funds, other than for design work, for the conversion of the former Orlando Naval Training Center Hospital in Orlando, Florida (now under the jurisdiction of the Secretary of Veterans Affairs), to a nursing home care unit until 45 days after the date on which the report required by subsection (a) is submitted.

TITLE II—STRATEGIC PLANNING FOR HEALTH CARE RESOURCES

SEC. 201. STRATEGIC PLANNING.

Section 8107 of title 38, United States Code, is amended—

(1) by redesignating subsection (b) as subsection (c);

(2) by striking out subsection (a) and inserting in lieu thereof the following new subsections:

''(a) In order to promote effective planning for the efficient provision of care to eligible veterans, the Secretary, based on the analysis and recommendations of the Under Secretary for Health, shall submit to each committee, not later than January 31 of each year, a report regarding long-range health planning of the Department.

''(b) Each report under subsection (a) shall include the following:

''(1) A five-year strategic plan for the provision of care under chapter 17 of this title to eligible veterans through coordinated networks of medical facilities operating within prescribed geographic service-delivery areas, such plan to include provision of services for the specialized treatment and rehabilitative needs of disabled veterans (including veterans with spinal cord dysfunction, blindness, amputations, and mental illness) through distinct programs or facilities of the Department dedicated to the specialized needs of those veterans.

''(2) A description of how planning for the networks will be coordinated.

''(3) A profile regarding each such network of medical facilities which identifies—

''(A) the mission of each existing or proposed medical facility in the network;

''(B) any planned change in the mission for any such facility and the rationale for such planned change;

''(C) the population of veterans to be served by the network and anticipated changes over a five-year period and a ten-year period, respectively, in that population and in the health-care needs of that population;

''(D) information relevant to assessing progress toward the goal of achieving relative equivalency in the level of resources per patient distributed to each network, such information to include the plans for and progress toward lowering the cost of care-delivery in the network (by means such as changes in the mix in the network of physicians, nurses, physician assistants, and advance practice nurses);

''(E) the capacity of non-Federal facilities in the network to provide acute, long-term, and specialized treatment and rehabilitative services (described in section 7305 of this title), and determinations regarding the extent to which services to be provided in each service-delivery area and each facility in such area should be provided directly through facilities of the Department or through contract or other arrangements, including arrangements authorized under sections 8111 and 8153 of this title; and

''(F) a five-year plan for construction, replacement, or alteration projects in support of the approved mission of each facility in the network and a description of how those projects will improve access to care, or quality of care, for patients served in the network.

''(4) A status report for each facility on progress toward—

''(A) instituting planned mission changes identified under paragraph (3)(B);

''(B) implementing principles of managed care of eligible veterans; and

''(C) developing and instituting cost-effective alternatives to provision of institutional care.''; and

(3) by adding at the end the following new subsection:

''(d)(1) The Secretary shall submit to each committee, not later than January 31 of each year, a report showing the current priorities of the Department for proposed major medical construction projects. Each such report shall identify the 20 projects, from within all the projects in the Department's inventory of proposed projects, that have the highest priority and, for those 20 projects, the relative priority and rank scoring of each such project. The 20 projects shall be compiled, and their relative rankings shall be shown, by category of project (including the categories of ambulatory care projects, nursing home care projects, and such other categories as the Secretary determines).

''(2) The Secretary shall include in each report, for each project listed, a description of the specific factors that account for the relative ranking of that project in relation to other projects within the same category.

''(3) In a case in which the relative ranking of a proposed project has changed since the last report under this subsection was submitted, the Secretary shall also include in the report a description of the reasons for the change in the ranking, including an explanation of any change in the scoring of the project under the Department's scoring system for proposed major medical construction projects.''.

SEC. 202. REVISION TO PROSPECTUS REQUIREMENTS.

(a) ADDITIONAL INFORMATION.—Section 8104(b) of title 38, United States Code, is amended—

(1) by striking out ''shall include—'' and inserting in lieu thereof ''shall include the following:'';

(2) in paragraph (1)—

(A) by striking out ''a detailed'' and inserting in lieu thereof ''A detailed''; and

(B) by striking out the semicolon at the end and inserting in lieu thereof a period;

(3) in paragraph (2)—

(A) by striking out ''an estimate'' and inserting in lieu thereof ''An estimate''; and

(B) by striking out ''; and'' and inserting in lieu thereof a period;

(4) in paragraph (3), by striking out ''an estimate'' and inserting in lieu thereof ''An estimate''; and

(5) by adding at the end the following new paragraphs:

''(4) Demographic data applicable to the project, including information on projected changes in the population of veterans to be served by the project over a five-year period and a ten-year period.

''(5) Current and projected workload and utilization data.

''(6) Current and projected operating costs of the facility, to include both recurring and non-recurring costs.

''(7) The priority score assigned to the project under the Department's prioritization methodology and, if the project is being proposed for funding ahead of a project with a higher score, a specific explanation of the factors other than the priority that were considered and the basis on which the project is proposed for funding ahead of projects with higher priority scores.

''(8) A listing of each alternative to construction of the facility that has been considered.''.

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply with respect to any prospectus submitted by the Secretary of Veterans Affairs after the date of the enactment of this Act.

SEC. 203. CONSTRUCTION AUTHORIZATION REQUIREMENTS.

(a) DEFINITION OF MAJOR MEDICAL FACILITY PROJECT.—Paragraph (3)(A) of section 8104(a) of title 38, United States Code, is amended by striking out ''$3,000,000'' and inserting ''$5,000,000''.

(b) APPLICABILITY OF CONSTRUCTION AUTHORIZATION REQUIREMENT.—(1) Subsection (b) of section 301 of the Veterans' Medical Programs Amendments of 1992 (Public Law 102–405; 106 Stat. 1984) is repealed.

(2) The amendments made by subsection (a) of such section shall apply with respect to any major medical facility project or any major medical facility lease of the Department of Veterans Affairs, regardless of when funds are first appropriated for that project or lease, except that in the case of a project for which funds were first appropriated before October 9, 1992, such amendments shall not apply with respect to amounts appropriated for that project for a fiscal year before fiscal year 1998.

(c) LIMITATION ON OBLIGATIONS FOR ADVANCE PLANNING.—Section 8104 of title 38, United States Code, is amended by adding at the end the following new subsection:

''(f) The Secretary may not obligate funds in an amount in excess of $500,000 from the Advance Planning Fund of the Department toward design or development of a major medical facility project until—

''(1) the Secretary submits to the committees a report on the proposed obligation; and

''(2) a period of 30 days has passed after the date on which the report is received by the committees.''.

SEC. 204. TERMINOLOGY CHANGES.

(a) DEFINITION OF ''CONSTRUCT''.—Section 8101(2) of title 38, United States Code, is amended—

(1) by striking out ''working drawings'' and inserting in lieu thereof ''construction documents''; and

(2) by striking out ''preliminary plans'' and inserting in lieu thereof ''design development''.

(b) PARKING FACILITIES.—Section 8109(h)(3)(B) of such title is amended by striking out ''working drawings'' and inserting in lieu thereof ''construction documents''.

SEC. 205. VETERANS HEALTH ADMINISTRATION HEADQUARTERS.

(a) REPEAL OF STATUTORY SPECIFICATION OF ORGANIZATIONAL SERVICES.—The text of section 7305 of title 38, United States Code, is amended to read as follows:

''(a) The Veterans Health Administration shall include the Office of the Under Secretary for Health and such professional and auxiliary services as the Secretary may find to be necessary to carry out the functions of the Administration.

''(b) In organizing, and appointing persons to positions in, the Office, the Under Secretary shall ensure that the Office is staffed so as to provide the Under Secretary with appropriate expertise, including expertise in—

''(1) unique programs operated by the Administration to provide for the specialized treatment and rehabilitation of disabled veterans (including blind rehabilitation, spinal cord dysfunction, mental illness, and geriatrics and long-term care); and

''(2) appropriate clinical care disciplines.''.

(b) OFFICE OF THE UNDER SECRETARY.—Section 7306 of such title is amended—

(1) in subsection (a)—

(A) by striking out ''and who shall be a qualified doctor of medicine'' in paragraph (2);

(B) by striking out paragraphs (5), (6), and (7); and

(C) by redesignating the succeeding two paragraphs as paragraphs (5) and (6), respectively; and

(2) in subsection (b)—

(A) by striking out ''subsection (a)(3)'' and all that follows through ''two may be'' and inserting in lieu thereof ''subsection (a)(3), not more than two may be'';

(B) by striking out the semicolon after ''dental medicines'' and inserting in lieu thereof a period; and

(C) by striking out paragraphs (2) and (3).

TITLE III—OTHER MATTERS

SEC. 301. NAME OF DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER, JACKSON, MISSISSIPPI.

(a) NAME.—The Department of Veterans Affairs medical center in Jackson, Mississippi, shall be known and designated as the ''G. V. Sonny Montgomery Department of Veterans Affairs Medical Center''. Any reference to such medical center in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the G. V. Sonny Montgomery Department of Veterans Affairs Medical Center.

(b) EFFECTIVE DATE.—Subsection (a) shall take effect at noon on January 3, 1997, or the first day on which G. V. Sonny Montgomery otherwise ceases to be a Member of the House of Representatives.

SEC 302. NAME OF DEPARTMENT OF VETERANS AFFAIRS MEDICAL CENTER, JOHNSON CITY, TENNESSEE.

(a) NAME.—The Mountain Home Department of Veterans Affairs medical center in Johnson City, Tennessee, shall after the date of the enactment of this Act be known and designated as the ''James H. Quillen Department of Veterans Affairs Medical Center''. Any reference to such medical center in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the James H. Quillen Department of Veterans Affairs Medical Center.

(b) EFFECTIVE DATE.—Subsection (a) shall take effect at noon on January 3, 1997, or the first day on which James H. Quillen otherwise ceases to be a Member of the House of Representatives.

SEC. 303. NAME OF DEPARTMENT OF VETERANS AFFAIRS NURSING CARE CENTER, ASPINWALL, PENNSYLVANIA.

The Department of Veterans Affairs nursing care center at the Department of Veterans Affairs medical center in Aspinwall, Pennsylvania, shall after the date of the enactment of this Act be known and designated as the ''H. John Heinz, III Department of Veterans Affairs Nursing Care Center''. Any reference to such nursing care center in any law, regulation, map, document, record, or other paper of the United States shall be considered to be a reference to the H. John Heinz, III Department of Veterans Affairs Nursing Care Center.

SEC. 304. RESTORATION OF AUTHORITY FOR ESTABLISHMENT OF DEPARTMENT OF VETERANS AFFAIRS RESEARCH CORPORATIONS.

Section 7368 of title 38, United States Code, is amended by striking out ''December 31, 1992'' and inserting in lieu thereof ''December 31, 2000''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Arizona [Mr. STUMP] and the gentleman from Mississippi [Mr. MONTGOMERY] will each be recognized for 20 minutes.

The Chair recognizes the gentleman from Arizona [Mr. STUMP].

GENERAL LEAVE

Mr. STUMP. 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. 3376, as amended.

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

There was no objection.

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

(Mr. STUMP asked and was given permission to revise and extend his remarks.)

Mr. STUMP. Mr. Speaker, this bill authorizes $422 million in VA major medical facility construction for fiscal year 1997.

I want to thank the ranking member of the committee, my good friend, SONNY MONTGOMERY, for his work on this measure. I also want to thank TIM HUTCHINSON, chairman of the Hospitals and Health Care Subcommittee, and CHET EDWARDS, the subcommittee's ranking member, for their bipartisan approach to this bill.

Last year, a separate VA construction authorization bill was not acted on by the House. The final omnibus appropriations bill for fiscal year 1996 only partially funded the projects approved by the Committee on Veterans' Affairs. Approximately, $200 million remained unauthorized and unappropriated after final action on the fiscal year 1996 legislation. H.R. 3376 includes that $200 million project list and adds further projects to combine the remaining portion of last year's bill into a fiscal year 1997 construction bill.

I want to point out to Members that this bill does not construct new hospitals, or additional new inpatient bed capacity.

The projects in this bill fall into three main categories, ambulatory

care additions, patient environment improvements, and seismic corrections. These 21 projects come from the top of VA's priority list in each category. Over 200 projects were scored and evaluated by the VA for the 1997 budget cycle.

The ambulatory care additions will help the VA shift more rapidly to outpatient care as the private sector has. The patient environment improvement projects renovate and replace existing, but substandard, inpatient capacity. And, the seismic correction projects will help VA facilities better withstand earthquakes in areas most prone to experience them.

The bill also makes important improvements in the VA's strategic planning process for future evaluation of construction priorities. TIM HUTCHINSON will say more about the bill in his explanation; however, I want to point out another very important part of the bill. Title 3 of H.R. 3376 renames three VA facilities after very deserving individuals, the Honorable G.V. SONNY MONTGOMERY, the Honorable JAMES H. QUILLEN, and the Honorable H. John Heinz III.

I would like to take the time to lead off the comments about naming the VA medical center in Jackson, MS after my closest friend in the House, SONNY MONTGOMERY. To say that taking this action enjoys unanimous support would actually be quite an understatement. Not taking this action would be one of the gravest omissions the 104th Congress could possibly make.

Naming this VA facility after SONNY is fitting recognition to his commitment and devotion to our Nation's veterans during 30 years of service in the House of Representatives. His record of leadership and accomplishment as chairman of the House Committee on Veterans' Affairs, and as a senior member of the Armed Services, now National Security Committee, are unparalleled. He has rightfully been called Mr. Veteran, and I doubt his standing among our Nation's veterans will ever be eclipsed. I am proud to cosponsor this naming bill and to have the privilege, as chairman of the Committee on Veterans' Affairs, to bring this measure to the floor in honor of this great American.

Mr. Speaker, H.R. 3376 also renames the VA medical center in Johnson City, TN after another true friend of our Nation's veterans, JIMMY QUILLEN. The distinguished gentleman from Tennessee is retiring after 34 years as a member of this body, during which he has dedicated himself to improving access to health care for the citizens of his district and State. Those efforts have included the veterans of Tennessee and all veterans throughout the country. His support for improving care and expanding the facilities at the Johnson City, VA medical center are well known.

I strongly believe JIMMY QUILLEN's service to veterans warrants this action honoring his efforts on their behalf, and was proud to introduce H.R. 3320, which is incorporated in the bill before us today. H.R. 3320 was cosponsored on a bipartisan basis by the entire Tennessee delegation and by every Member of the House Veterans' Affairs Committee. I want to express my personal thanks to another Member of the Tennessee delegation, JOHN DUNCAN, for his assistance and hard work on this bill.

Mr. Speaker, the third naming provision in the bill honors the late Senator from Pennsylvania, the Honorable John Heinz. Senator Heinz served the people of his State for 20 years in outstanding fashion. His tragic death in a plane crash in 1991, prematurely ended the congressional service of this Air Force veteran.

His long time support for our Nation's veterans warrants the action we take today, which will change the name of the Aspinwall VA Nursing Care Center, to the H. John Heinz, III Department of Veterans Affairs Nursing Care Center. I want to thank Representative MIKE DOYLE, a Member of the Veterans' Affairs Committee for introducing the original bill, H.R. 2760, which was sponsored by the entire Pennsylvania delegation.

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Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas [Mr. HUTCHINSON] for an explanation of his bill.

Mr. HUTCHINSON. Mr. Speaker, I thank the chairman for yielding me this time.

Mr. Speaker, I urge my colleagues to support H.R. 3376, bipartisan legislation which authorizes major facility projects and major medical facility leases for the Department of Veterans Affairs health care system, as well as a number of other important provisions which ensure effective strategic planning and management of the Veterans Health Administration.

I would like to thank Chairman STUMP, along with the ranking member, SONNY MONTGOMERY, and my subcommittee colleague, CHET EDWARDS, for their efforts to meld this bill into an effective piece of legislation which addresses the highest priority facility construction needs within the VA system.

H.R. 3376 authorizes the appropriation of $422.3 million for 21 projects which includes the construction of 8 outpatient clinics, renovation of 10 priority patient environment projects, and the correction of major seismic problems at 3 California medical centers. The legislation also authorizes $12.2 million for six major medical facility leases. I would like to strongly reiterate that this legislation does not add one hospital bed to the system but instead puts the focus on needed improvements for patient privacy, safety, and renovation of the valuable infrastructure of aging and often historic mental health facilities. Since 1969, the VA health care system has closed over 54,000 beds to adjust to the changes in health care and this legislation seeks to assist the VA in its continued transition from a hospital-based system into a health care system.

I would like to highlight a very significant provision in this bill which requires the VA to develop a 5-year strategic plan for its health care system. Within the development of the plan, the VA is required to address such factors as veteran population trends, resource distribution, cost of patient care, the capacity of non-Federal providers within their geographic planning networks, the missions of each facility within the network, and specifically, the distribution of the important specialized services on both the network and national levels. Effective planning will make the VA a more effective and efficient provider of quality health services able to better serve veterans by placing services where veterans need them.

Over the years, many of my colleagues and their veteran constituents have voiced concerns about the unequal distribution of VA resources. This bill represents a significant step in creating parity for veterans by requiring VA to compare expenditures of veterans by geographic networks and then shifting resources to follow the veteran.

In strengthening strategic planning the bill also requires that as part of the annual authorization process the VA provide a report on the top 20 major medical construction projects, the relative of each project by category, and a description of the factors that account for the rank of each project. In this era of public accountability, it is critical that each major expenditure speak to the highest priority needs of veterans.

The bill also raises the threshold for major construction projects from the current level of $3 to $5 million. It would also limit the scope of the so-called grandfather clause and require that major projects be authorized annually to ensure facility need and accountability in the major construction program.

The bill removes the requirement that the Veterans Health Administration be organized along certain clinical specialties and allows the Under Secretary greater flexibility in the organization of the headquarters staff.

Last and most importantly, this bill honors three great Americans by naming VA facilities after them. They are G.V. Sonny Montgomery Veterans Affairs Medical Center, Jackson, MS; the James H. Quillen Veterans Affairs Medical Center, in Johnson City, TN and the H. John Heinz III Veterans Affairs Nursing Care Center, Aspinwall, PA.

The rapidly changing health care environment, coupled with our joint responsibility to the veteran and the taxpayer, are satisfied by the provisions of this legislation. I strongly urge its passage.

Mr. Speaker, I want to especially give my personal tribute to the gentleman from Mississippi, G.V. SONNY

MONTGOMERY, a true friend of veterans and no one more deserving of this recognition and this honor. My predecessor, a long-time member of the Committee on Veterans' Affairs, John Paul Hammerschmidt, regarded SONNY as his dearest and closest friend in all of Congress, if not all the world. I share that same affection and am glad to pay that honor to him today and to support this legislation.

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

I certainly want to begin by thanking the chairman of the committee, the gentleman from Arizona, the Honorable BOB STUMP, for bringing this bill to the floor and for the very, very kind words that the chairman has given me and the gentleman from Tennessee, JIMMY QUILLEN, and former Senator John Heinz.

I want to point out, Mr. Speaker, that under the leadership of BOB STUMP, our committee is bipartisan. We work together, we have no problems, and, naturally, I would say this is a good bill being brought to the floor today.

I also want to thank the chairman of the Subcommittee on Hospitals and Health Care, the gentleman from Arkansas, the Honorable TIM HUTCHINSON, and I am certainly glad that he has considered running for the House again and leaving the Senate alone. I think that was the right decision.

Also thanks to the gentleman from Texas, the Honorable CHET EDWARDS, for working together, as I mentioned, in a bipartisan manner for this legislation.

The construction authorization bill, H.R. 3376, is very important in that many VA hospitals were built more than 50 years ago, Mr. Speaker, and they were not designed for the way health care is provided today. Too many of these old patient care buildings have never been upgraded. As a result, it is difficult to care for some of the veterans with psychiatric problems, the problems with infection control, and situations really exist that interfere with good treatment.

As many of my colleagues are aware, the VA is making many changes in its health care system. And the gentleman from Arizona, Chairman STUMP, and I think it is for the best in making these changes.

Last week the Washington Post ran a very long article written by Bill McAllister about the VA's increased emphasis on primary care and its struggle to update its facilities. Millions of veterans continue to rely on the VA care. So we need to authorize construction projects to fix these old buildings up and make our patient care more convenient.

The projects included in this bill are at the very top of the VA priority list. Rather than adding more hospital beds or, as has been said earlier, building more hospitals, these projects expand outpatient capacity and renovation of existing hospital space so that the VA can provide care in a humane and safe environment and increase the number of veterans that they can see on a daily basis.

Now, Mr. Speaker, the Congress has a record of being very responsive to veterans needs. From 1988 to 1995 the Congress appropriated an average of $436 million per year for VA major construction, with most of this money going for medical construction. With these funds, the VA was able to replace, to modernize a number of our 171 hospitals that we have across the country, and to open the state-of-the-art outpatient centers.

However, last year, the VA only got $136 million in medical construction funds. The amount recommended by the appropriation subcommittee for the coming fiscal year is more than that, but it is still $200 million less than it should be.

Last week the house appropriated over $300 million for construction for military medical treatment facilities. And, Mr. Speaker, they do not have half, even a third, of the medical facilities we have for the VA. We have just not provided enough money to keep these veterans' facilities in decent shape.

In addition, the veterans populations is shifting, and we need to try to meet that increased demand, especially through opening more outpatients clinics. What we are trying to do is maybe get away from the big hospitals and have outpatient clinics where we can take care of more of the veterans.

VA had a backlog of high-priority medical construction projects which total out at about $3 billion. If we continue at the current pace of funding these projects, some of these hospitals will be a pile of rubble before we get around to finding the money to renovate them. I hope we can fund more funds for the outpatient clinics and other projects that our committee is recommending in this legislation. We need to fund all of the projects in this bill if we are going to keep our word to the veterans.

Mr. Speaker, I urge my colleagues to support this bill.

Mr. Speaker, I am pleased that a construction authorization bill is at last being brought to the floor. This bill represents a good-faith, truly bipartisan approach to identifying the most needed major medical construction work within the VA health care system. I commend BOB STUMP, the chairman of the Veterans' Affairs Committee for his leadership in developing and marking up this bill. I also want to thank the chairman of the Subcommittee on Hospitals and Health Care, the Honorable TIM HUTCHINSON, and the ranking member, the Honorable CHET EDWARDS, for their work on this bill.

In addition to authorizing major medical construction projects for fiscal year 1997, this bill would make statutory changes aimed at improving the construction planning process. Among these, the bill would require VA to develop a strategic planning process and to provide Congress annually a detailed report on its planning, to include its construction plans. It would also require VA to provide the Committees on Veterans' Affairs with an annual report identifying by category the construction projects which represent its highest priorities for funding. Such reporting would assist the committees in developing construction authorization legislation. In that regard, one section of the bill, which would repeal a grandfather clause, exempting certain construction projects from the authorization requirement, has prompted a technical question.

My friend, VIC FAZIO, has asked me to clarify the impact that repeal would have on the proposed fiscal year 1997 funding of construction work on a replacement VA medical center at Travis Air Force Base. In adopting a construction authorization requirement, the Congress in Public Law 102–405 grandfathered construction projects for which funds had been appropriated before the law's enactment, in effect providing that the construction authorization requirement would not apply to those projects. It is my understanding that the VA's general counsel has concluded, based on Congress having provided specific funding for the advance planning and design phases of a Martinez replacement hospital prior to the enactment of Public Law 102–504, that VA may, under the grandfather clause, obligate moneys appropriated for constructing a replacement hospital at Travis Air Force Base. Under H.R. 3376, the repeal of the grandfather clause would first have application with respect to amounts appropriated for fiscal year 1998. Accordingly, should Congress appropriate fiscal year 1997 funds for the Travis project, nothing in H.R. 3376 would bar VA from obligating those fiscal year 1997 funds.

Mr. Speaker, H.R. 3376 does raise some important issues, beyond the specific projects it authorizes. VA is making needed reforms in its medical care system, but its physical plant needs work too. In many places around the country, VA must provide care in aging facilities that need major renovation. Veterans continue to rely on VA care, so we can't just let VA hospitals deteriorate. We need to bring old buildings up to acceptable patient-care and privacy standards, and strengthen inpatient facilities that are vulnerable to earthquakes. We also need to give VA the means to lower the cost of care by funding construction that would allow VA to replace hospital wards with new space in which to provide outpatient care. These are high priority needs, and the VA has a large backlog of such priority construction projects totaling $3 billion. But veterans across the country wait, year after year, in hope that Congress will provide the funds needed to address such problems at their local VA hospital.

Members need to know, however, that the fiscal year 1997 VA-HUD appropriations bill marked up last week by the Subcommittee on VA, HUD, and Independent Agencies will provide funding for only a few of the projects which H.R. 3376 would authorize. With only $189 million targeted to major medical construction projects under the marked up bill, the level of funding is simply inadequate, both with respect to the volume of needed construction and in relation to funding levels in prior Congresses. From 1988 to 1995, for example, the Congress appropriated an annual average of $436 million for VA major construction, with most of this money going for medical construction. With the substantially reduced levels of VA construction funding in this Congress,

the upshot is that critically needed projects will face years of delay.

It is particularly important, therefore, that those limited funds dedicated to major medical construction for veterans are targeted to the most compelling of VA's needs. For that reason, it is very disappointing to find moneys earmarked under the proposed fiscal year 1997 appropriation for projects which VA itself does not support or for which there is no compelling priority.

With the very limited major medical construction funding proposed in the subcommittee's bill, and apparent differences over what constitute construction priorities, there is little prospect of making any significant dent in VA's huge construction backlog. It is illuminating, however, to examine the kinds of projects which the Veterans' Affairs Committee determined to have the most compelling need for funding and which will go unfunded for another year. They include situations in which:

Patients referred to a specialty VA psychiatric treatment center are hospitalized in buildings constructed in the 1920's which lack adequate ventilation, air conditioning, handicapped facilities, and elevators, and which do not provide a suitable environment for patients with acute psychiatric behavior. To be replaced with construction of a new psychiatric care building at a cost of $24.3 million—Battle Creek, MI.

Structural problems in the design of 50-year-old patient care buildings, which also do not meet fire, life-safety, and disabled-access requirements, at a major medical facility render them especially vulnerable to an earthquake. Requiring correction at cost of $20.2 million—Long, Beach, CA.

VA treats veterans in a 1940-vintage building with such inadequate space that outpatient care areas are congested, chaotic, lack a designated emergency room, and provide inadequate patient privacy. Requiring construction of an ambulatory care addition at a cost of $12.7 million—Tomah, WI.

Veterans are hospitalized for psychiatric problems under cramped conditions in a 1930's-vintage building constructed for tuberculosis patients at a major VA center. Requiring construction of a mental health addition at a cost of $19.7 million—Dallas, TX.

The space within which a 40-year-old major urban medical facility can provide ambulatory care is 62 percent deficient of its real needs resulting in inadequate number of treatment rooms, undue delays in scheduling appointments, treatment rooms scattered over three floors, insufficient waiting areas, and critical shortage of storage space, in addition to noncompliance with standards governing ventilation and handicapped access. Requiring construction of an ambulatory care addition and hospital renovations at a cost of $13.5 million—Brockton, MA.

Patient wards in a more than 30-year-old major metropolitan hospital suffer from severe space, functional and technical deficiencies including lack of sufficient fire sprinklers, infection-control problems associated with lack of private toilet and shower facilities, inadequate facilities for female patients, and lack of handicapped accessibility. Requiring ward modernization at a cost of $29.5 million—Atlanta, GA.

In my view, Mr. Speaker, these are compelling needs, and it is distressing that sufficient funds are not being allocated to meet them. Veterans will find this difficult to understand in light of the subcommittee's reversal on a project it rejected last year. The subcommittee reported last year that it could not fund the proposed replacement hospital at Travis Air Force Base ''because of the budgetary situation—both present and anticipated in the future'', and instead fiscal year 1996 funds were appropriated for an outpatient clinic at Travis. The subcommittee has now reversed course and has proposed partial funding of the Travis hospital construction project.

If the gloomy budget situation which appeared to have doomed the Travis project last year has in fact brightened sufficiently to permit an about-face, then it surely must mean there is sufficient flexibility to fund some of the compelling projects I have cited above.

Given the state of the infrastructure at many of VA's medical centers, veterans will be troubled by appropriations' subcommittee's decisions to fund major construction for a second year at levels more than $200 million below prior-year funding. If the appropriations' subcommittee's recommendations were to be adopted, major medical construction funding for the two sessions of the 104th Congress would total only $336 million, in contrast with a total of $869 million appropriated for VA major medical construction during the 103d Congress.

Veterans will rightly question the depths of these cuts. It is not enough to increase VA medical care funding; veterans should not be asked to receive care in substandard half-century old VA facilities or to wait patiently as needed renovations are deferred year after year. There is clearly no Federal-wide plan to slash construction spending. The fiscal year 1997 military construction appropriations bill, for example, provides more than $300 million for military hospital and medical projects; yet the number of DOD tertiary care treatment facilities is far smaller than the number of VA tertiary care facilities. Our commitment to America's veterans requires that we treat them with dignity. We fail in that duty when we tolerate their receiving care in facilities which no longer meet safety codes, are overcrowded, or deny them the degree of privacy we would want for ourselves.

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

Mr. STUMP. Mr. Speaker, I yield 3 minutes to the gentleman from Tennessee [Mr. DUNCAN].

Mr. DUNCAN. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I am pleased to be the original sponsor of the request to name the Veterans' Hospital in Johnson City, TN, after our colleague, the gentleman from Tennessee [Mr. QUILLEN].

I am very grateful to the outstanding chairman of the Veterans' Affairs Committee for including this provision in his legislation which we are taking up today. It is primarily due to the gentleman from Arizona, Chairman STUMP, that this action has moved through the process so expeditiously.

Congressman JIMMY QUILLEN was first elected to the House in 1962. He served for 8 years prior to that in the Tennessee State house.

For 42 years, he has been elected, every 2 years, to a legislative office by the people of upper east Tennessee. He has never lost an election, primarily because he served his people well, and he never got too big for his britches or let his position go to his head.

He has now achieved the record for the longest continuous service of any Tennessean ever to serve in Congress. Congressman QUILLEN is certainly a living legend. He came up the hard way, 1 of 10 children, in what was considered poverty even many years ago. As he has said, he was poor, but did not know it, because he came from a good and loving family.

He has achieved great success, both in business and in politics. At one time he was the youngest newspaper publisher in the State of Tennessee, and he started one of the most successful insurance agencies in our State. JIMMY QUILLEN served this Nation with honor in the U.S. Navy. He has always had a special place in his heart for our country's veterans, and he has fought hard to protect and support the Veterans' Hospital in Johnson City.

On a personal note, for almost 32 of the 34 years, JIMMY QUILLEN has been in Congress, he has served alongside someone named Duncan, first my father, and now me. He was one of my father's closest friends, and they worked together for almost 24 years.

I am now in my 8th year in the House, and during that time, as several people have noticed, JIMMY QUILLEN has treated me almost like a son. He has been so kind and helpful to me, as he has been to countless thousands in his district and throughout this Nation.

I can think of no honor more well-deserved, no honor more fitting and appropriate, than to name the Veterans' Hospital at Johnson City after a truly great American, Congressman JAMES H. QUILLEN.

Mr. Speaker, while I am up, I would like to also commend the gentleman from Arizona, Chairman STUMP, as the chairman of the Committee on Veterans' Affairs, for naming the medical facility in Jackson, MS, after another great American Congressman, the gentleman from Mississippi, SONNY MONTGOMERY, one of the finest and one of the most popular Members in this Congress.

He has achieved a record that not many people could match in his 30 years of service in this Congress. Another close friend of our family, Congressman SONNY MONTGOMERY, is one of the finest men that any of us could ever meet, and I am pleased that that facility will be named after Congressman MONTGOMERY.

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Mr. STUMP. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. HORN].

Mr. HORN. Mr. Speaker, I commend particularly the gentleman from Arizona, Chairman STUMP, and the gentleman from Mississippi, former Chairman MONTGOMERY, for this excellent bill that they have encouraged their colleagues to report to the floor.

Along with many other worthy projects in this legislation, over $20 million is authorized for seismic corrections in the Long Beach Veterans Administration Medical Center. The Long Beach VA Medical Center has earned a well-deserved reputation for providing a top-notch and first class diverse range of services not only to veterans in Long Beach, but also to veterans throughout southern California.

One of the VA's largest single division tertiary care medical centers, the Long Beach VA Medical Center has achieved national prominence in the field of spinal cord injury and the rehabilitation of paraplegics and quadriplegics. Long Beach's VA Medical Center has also been a leader in health care innovation and in cost containment. The entire VA medical system has benefited from a cost accounting package developed at the Long Beach center.

The Center's efforts to improve efficiency serve as an example to hospitals throughout the United States. The seismic corrections funding authorized in H.R. 3376 will allow the Center to continue its state-of-the-art research and the excellent care it provides to its patients.

I urge all my colleagues to vote in favor of the VA construction authorization bill not because the Long Beach VA Medical Center is in it, but for the many other very worthy centers which are being upgraded.

Mr. STUMP. Mr. Speaker, I yield 1 minute to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, the tribute paid today by the speakers thus far to our colleagues JIMMY QUILLEN and SONNY MONTGOMERY are well deserved and ones in which I join because they, too, have been personal friends and longstanding servants of this House as well as their own constituencies.

I want to rise now to add to their names one other hero who has been mentioned here today, John Heinz, after whom one of the facilities contained in this bill will be named. John Heinz at the very moment of his death was literally killed in the line of duty, was concerning himself on a trip to further the interests of his investigation into Medicare fraud and other health care abuses, all in the genre of the issues in which he was involved from the very first day he began to serve in this very House before he went to the U.S. Senate. He was a hero to many Pennsylvanians, to all Pennsylvanians and to all those who remember him who are now Members of this Congress.

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

Mr. Speaker, last week the appropriations Subcommittee on VA, HUD and Independent Agencies marked up its bill for the coming fiscal year. There are substantial differences between the spending priorities they arrived at and what is in this bill. Hopefully we can reach a consensus on construction as well as other areas of the appropriation bills that do not match up with the priorities on the Committee on Veterans' Affairs.

Mr. Speaker, I urge passage of H.R. 3376.

Mr. MONTGOMERY. Mr. Speaker, I yield myself 30 seconds.

Mr. Speaker, I rise to thank the gentleman from Tennessee and the gentleman from Pennsylvania for their very, very kind remarks about JIMMY QUILLEN and John Heinz and myself. We think we did the best we could on this legislation, and I encourage my colleagues to support it.

The gentleman from Arkansas mentioned his predecessor John Paul Hammerschmidt, who is a good friend of mine. Mr. Hammerschmidt and I served for a number of years together on the Veterans' Committee, including three Congresses during which he served as the ranking minority member while I served as chairman. Mr. Hammerschmidt was an outstanding member of this committee and the House of Representatives. All of the veterans' organizations admired him and praised his service on behalf of veterans, and he gave me wise counsel on numerous occasions during our service together on the Veterans' Committee.

I also want to thank the gentleman from Tennessee [Mr. DUNCAN] for his remarks. As he said, his family and mine are very close friends.

Mr. SMITH of New Jersey. Mr. Speaker, I rise today in support of this bill. The Veterans Health Administration is a model of our national commitment to honor our debts. It must be preserved. For that to happen, it must be allowed to change with the rest of the health care industry. One of the most significant changes in our Nation's health care delivery in recent years has been the movement to increased reliance on ambulatory care. For the VHA to keep pace with this welcome change, requires capital improvement. This bill today addresses some of those needs.

Specifically the Veterans' Affairs Committee approved a $21.1 million grant for Lyons Medical Center in Lyons, NJ. The grant provides funding for an ambulatory care unit.

This is great news for New Jersey vets. The Lyons' ambulatory care unit will take us into the next century as a state-of-the-art health care facility. It's an improvement that is long overdue.

In the past, the veterans' hospital would require overnight stays for minor surgery that would have been outpatient surgery elsewhere. The ambulatory care unit will allow veterans to go in and out of the hospital in one day, eliminating the added burden of overnight stays.

With the recent merger of Lyons and East Orange VA Medical Centers, this is truly a sign that Lyons is a well-respected and much-needed facility. This grant ensures that Lyons will continue to offer state-of-the-art health care and will keep its important place in the VA health care delivery system of New Jersey.

Finally Mr. Speaker, I also rise to congratulate Mr. MONTGOMERY, a true gentleman and leader when it comes to fighting for veterans. It has always been a pleasure to work for veterans as a member of the House Veterans' Affairs Committee. Over the years it has always been clear that a unique bipartisan spirit has prevailed there. That spirit has arisen from the shared commitment of the vast majority of the members of the committee to honor our obligations to our veterans first. Mr. MONTGOMERY, by his tireless service to the committee has nurtured that bipartisan spirit. Our success has been largely attributable to his fine service and leadership here and we will miss him.

Mr. HOYER. Mr. Speaker, I rise today in support of H.R. 3376. In particular, I am pleased that the bill authorizes $15.1 million for major renovations at the Perry Point Medical Center in Maryland.

The project will focus on renovating and reconfiguring the patient rooms in the psychiatric nursing units in order to improve patient privacy. Two of the buildings involved in the project were built in 1935 and this project will meet disability accessibility requirements and upgrade and modernize the facility's utilities. Additionally, this legislation will instruct the Veterans' Administration to meet space planning criteria and standards set by the Joint Commission on Accreditation of Health Care Organizations.

The Perry Point VA Medical Center provides excellent extended and psychiatric care to veterans throughout the State of Maryland as well as the mid-Atlantic region who have served our Nation so ably in the name of freedom and democracy. Perry Point, along with the VA medical center at Baltimore and the other facilities included in the Chesapeake network, provide specialty services to tens of thousands of veterans each year.

Mr. Speaker, it gives me great pleasure to rise with my colleagues in support of this measure which embodies a bipartisan commitment to providing the best services for our Nation's veterans.

Veterans from throughout the Fifth Congressional District and the State of Maryland will be better served as a result of this legislation and the ensuing improvements at the Perry Point VA Medical Center and I am pleased to rise with my colleagues today in support of H.R. 3376.

Mr. GILMAN. Mr. Speaker, I rise today in strong support of H.R. 3376 VA Major Construction Authorization and Major Medical Leases Act.

In recent years the health care industry has been de-emphasizing hospitals in favor of outpatient care facilities. Modern medicine has successfully demonstrated that many medical services are more efficiently performed on an outpatient basis.

This legislation will help the VA adjust to these new dynamics as it encourages a trend toward more ambulatory care construction projects.

With the recent opening of a clinic in Rockland County, my district has firsthand experience in observing the benefits of outpatient care.

Mr. Speaker, this legislation will benefit veterans by providing care in a more efficient manner which is also flexible enough to meet their future needs.

Mr. EVERETT. Mr. Speaker, as a member of the House Committee on Veterans' Affairs and chairman of the Compensation, Pension, Insurance and Memorial Affairs subcommittee, I am happy to rise today in support of H.R. 3376 authorizing major medical facility projects

and major medical facility leases for the Department of Veterans Affairs for fiscal year 1997.

H.R. 3376 demonstrates strong bipartisan support for carrying out this country's unfailing commitment to our veterans. Recognizing the inevitable shift from expensive inpatient care to more cost effective primary and outpatient care, this legislation authorizes spending for the VA's medical facilities construction projects. The committee's action continues to stress the importance of providing services for veterans in an environment that is not only more convenient and more cost effective, but improves the quality of care through increased access to routine outpatient treatment and preventative health services.

I would especially like to recognize the foresight of the committee for the inclusion of directive report language authorizing the Secretary to establish an ambulatory care access point in Dothan, AL. The days of large vertically integrated hospitals as the primary mode of health care delivery are gone. Rather, in order to provide more effective and quality health care, the VA must be more flexible in bringing VA services to the veteran.

Such projects, like the much-needed community-based access point in Dothan, AL, are small in scale and do not require committee authorization or further appropriation of funds. However, the need for these small scaled projects is compelling given the lack of access to veteran's health care in many rural areas across the country. Currently, the more than 38,350 veterans reside within a 50-mile radius of Dothan are forced to travel 100 miles or more to the nearest VA medical center. The long and sometimes difficult trip back home after treatment is often impossible and warrants overnight lodging.

The establishment of a community-based access point in Dothan will provide routine, preventative and emergency outpatient medical services to the veterans in the southeast region of Alabama without requiring the construction of a large and costly inpatient facility. The quality of care for veterans in my district and in the surrounding areas of Alabama, Georgia, and Florida will improve significantly, while the cost for caring for these veterans will, most likely, prove more effective.

Mr. Speaker, in closing, because the other body failed to take up the fiscal year 1996 construction authorization, it is incumbent upon the upper Chamber that they consider this legislation so that our veterans are not deprived of the care they deserve.

I thank my friend, Mr. HUTCHINSON, chairman of the Hospitals and Health Care Subcommittee, and I thank my good friend, Chairman STUMP, for fostering greater opportunities for veterans in many regions of the country where it is prohibitive for veterans to travel to the nearest VA facility for care.

I stand in acknowledgment of their leadership on behalf of our nation's veterans and, I urge my colleagues to support this important legislation.

Mr. DOYLE. Mr. Speaker, I rise in favor of H.R. 3376, a bill of great importance to our Nation's veterans.

I want to begin by thanking Chairman STUMP for the leadership he has shown. In politics, there is never going to be an unanimity, but he has done a great job in addressing any issues that have arisen in our committee. He has gone out of his way to make sure that every member of the committee, regardless of party affiliation, has had an opportunity to help shape our legislative product. As a freshman in the minority, I want to say that the House Veterans' Affairs Committee should serve as a model to other chairmen as how to run a committee.

Also, I want to express my most heartfelt appreciation for the opportunity to work alongside the man they call Mr. Veteran—SONNY MONTGOMERY. I just want to say to SONNY that it has been an honor to serve alongside you, and I consider it an awesome privilege to have been your colleague on the Veterans' Affairs Committee.

In this bill, we are naming the VA medical center in Jackson, MI, after the former chairman—and I just want to let the chairman know that while members might come and go from this Chamber, that a good name lasts forever. I think it is safe to say that the name of SONNY MONTGOMERY is a good name.

There are many reasons to support this bill. Of all our commitments to those who served in our Nation's armed forces, none is more important than the guarantee of health care. For those Members who do not think there is a difference between the medical needs of veterans and those of the general public, I invite you to take a tour of a VA hospital with me. I guarantee that you will come away with a much different view of veterans' medical care. We must realize that private hospitals would never provide the type of patient care that is provided by VA hospitals as they could never make it profitable.

The underpinning of the VA health care system is maintaining the physical facilities needed to provide adequate service. Even in this difficult budgetary climate, veterans medical facilities construction must remain a high priority. Thus, I urge members to support this bill, and to support appropriations in this area when the VA–HUD bill comes to the floor later this Spring.

There are two parts of H.R. 3376 I want to highlight.

First, this bill has incorporated H.R. 2760, my bill to name the nursing care facility at the VA hospital in Aspinwall, PA, after the late Senator John Heinz.

The Heinz family is one of the most notable in Pennsylvania, and Senator Heinz' commitment to public service was a tremendous example to many of us in western Pennsylvania. Unfortunately, he was taken from us too soon when his plane crashed outside Philadelphia 5½ years ago.

During his time in Congress, John Heinz had many accomplishments, too many to try to list. However, as far as the people in and around Pittsburgh are concerned, one of his greatest contributions to our community was his leadership in the making the Aspinwall Veterans Hospital a reality.

Some may think that it is hyperbole to say that the construction of a veterans hospital is a great event to a region as populous as Pittsburgh. Those people obviously do not know a lot about Pittsburgh.

Ever since I can remember, my life has focused on veterans' issues, and their role in the Pittsburgh community. As I have often mentioned in this committee, I would not be here today if it wasn't for the benefits my family received from the VA in return for my father's service. These benefits were not without a steep price, because of the wounds my father received in combat, his life was made shorter than it should be.

My family and I are not unique. Throughout southwestern Pennsylvania, young men and women have served in our Nation's Armed Forces at a greater rate than almost anywhere. They and their families have counted on the VA to be there for them, and the VA has almost always been there. As those who served in World War II and Korea grew older, and their numbers were augmented by those who went to Vietnam, the needs for veterans services, especially health care, grew considerably in western Pennsylvania.

It was Senator Heinz, a native of Pittsburgh, who recognized that veterans in our area were being underserved, and that the situation would only get worse without decisive action. From his seat on the Senate Appropriations Subcommittee on Veterans Affairs, Housing, and Independent Agencies, he made the construction of the hospital in Aspinwall his No. 1 priority.

Today, throughout Pennsylvania, Ohio, Maryland, and West Virginia, countless veterans are having their health care needs met thanks to the efforts of John Heinz. I think it is only fitting that he receive this posthumous tribute to his good work. And I am not alone in this belief, as H.R. 2760 was cosponsored by all of my 20 colleagues in the Pennsylvania delegation, including Congressmen MASCARA and FOX who serve with us on this committee.

This legislation is supported by the Pennsylvania chapters of all the congressionally chartered Veterans Service Organizations. I have letters here from each of them, which I will include for the RECORD at the appropriate point.

I want to thank the American Legion of Pennsylvania and, in particular, Department Adjutant Stanley Reinhardt for bringing this idea to my attention.

I also want to express my support for the authorization for environmental improvements at the University Drive VA Hospital, located in the Oakland section of the city of Pittsburgh.

Mr. Speaker, I could describe in graphic detail the conditions that currently exist at these wards at University Drive, but I do not believe that it is appropriate subject matter for the floor of the House of Representatives. I hope it will suffice to say that this action is needed to allow each nursing unit at University Drive to meet current VA standards for life-safety, patient privacy, and handicapped accessibility. Also, there is a need to meet the needs resulting from the increasing number of female veterans requiring care.

The main building of University Drive was constructed in 1954, and has gone unchanged since. With the passage of time, this has produced numerous space, functional, and technical deficiencies in meeting the specifications of today's health care standards.

The importance of University Drive goes well beyond the boundaries of the City of Pittsburgh. It is the tertiary care, medical/surgical referral facility for the 65-county Western Pennsylvania Network, and is the National DVA Referral Center for Liver Transplantation. This project is essential to maintaining this hospital's capability to meet the needs of the 380,000 veterans in Allegheny County, as well as those throughout Pennsylvania, Ohio, Maryland, and West Virginia who rely on the services provided by University Drive.

As a supporter of the constitutional balanced budget amendment that passed the

House last year, I understand that we need to be extremely scrupulous in how we spend money. Even when there is a clear need that could be funded, we must determine whether or not something has to be funded. Keeping that admonition in mind, I hasten to point out that in the DVA internal rating for major construction projects, the University Drive project scored 19.8—out of a highest possible score of 19.8. For your consideration, I have attached a copy of this analysis. There is no way in which this project could have been rated any higher of a priority.

In conclusion, this bill is in the best interests of the people of Pennsylvania and the Nation as a whole, and I urge Members to support it.

Mr. McCOLLUM. Mr. Speaker, I rise in strong support of H.R. 3376, and commend Chairmen STUMP and HUTCHINSON for their efforts to bring this bill to the floor.

This bill represents another step toward addressing the disparity that has impacted many of Florida's veterans. Although the overall veterans population is declining, Florida's increases daily as more and more veterans move into the Sunshine State. Florida has the highest concentration of elderly veterans of any State, the second highest number of veterans of all ages, and the third highest concentration of wartime veterans. Last fiscal year, despite the fact that Florida facilities received the highest number of applications for medical care by service-connected veterans in the Nation, we continued to receive fewer funds than California, New York, and Texas—each with less demands on their systems.

Despite our leading veterans population, Florida has continued to receive far less than its fair share of funding for VA medical services. As a result, veterans that can receive care in other parts of the country that do not have such high veteran-to-facility ratios can find themselves turned away from more crowded facilities in Florida. These disparities must end.

This House has taken steps to address shortfalls in veterans medical care, by proposing a 13 percent increase in funding for VA medical care in fiscal year 1996, and moving forward on our plan to spend $339 million more on veterans health care over 7 years than the President has proposed. This construction bill represents the next step by the new Republican Congress to honor our Nation's commitment to its veterans.

Most important to veterans in my community, the bill directs the Secretary of Veterans Affairs to study the best means of meeting the health care needs of veterans in east central Florida. There has been considerable controversy about what needs exist, and how to best meet them. One option may be to operate the former Orlando Naval Training Center Hospital as a veterans medical facility. The first floor of this five-story facility is already serving the 200,000 veterans in its service area as an outpatient clinic, drawing veterans from across east central Florida. The additional floors contain some of the most advanced impatient care facilities—including intensive care units, critical operating rooms, inpatient beds, and an efficient food delivery service—in any private, public, or veterans hospital in Florida. Incredibly, Secretary Brown has proposed to destroy these facilities, and spend money to fill the space with nursing home beds.

I do not dispute the need for additional long-term care in Florida, and will support various efforts to make this option available to our veterans. As stated, our State has the highest number of elderly veterans in the country. But spending scarce health care dollars to effectively destroy a fully functional, state-of-the-art hospital—especially when such facilities are so needed in east central Florida—makes absolutely no sense, especially when a completely separate nursing home facility could be built without sacrificing the hospital for almost the same amount of money.

The committee has directed that this report must examine the need to include acute inpatient services, such as those provided by the Orlando facility, as well as psychiatric and long-term services. It is my hope that the report required by this legislation will illustrate other options to best meet the health care needs of veterans in east central Florida.

Last year, this Congress approved funding to construct another badly needed outpatient clinic in Brevard County. This means that after years of delay, Brevard County veterans will finally be able to receive needed ambulatory care close to home. I commend this Congress' action, and specifically praise the efforts of my colleague, Congressman DAVE WELDON, for finally succeeding in bringing additional veterans health care facilities to east central Florida.

Relief is on the way for veterans in Florida, and this legislation certainly moves us forward in that struggle. New facilities are being built, older ones are being re-engineered to meet new needs, and wide gaps in service-areas may finally be filled as a result of this committee's past efforts and future plans. I commend the committee and this House for working to repay the debt of our Nation owes its veterans, and helping to correct some of the imbalances that have left veterans in Florida in need of such greater attention.

Ms. MILLENDER-McDONALD. Mr. Speaker, I want to thank Mr. MONTGOMERY for the time to speak today and for your leadership, as well as that of Chairman STUMP, in seeing this bill through the legislative process.

Mr. Speaker, colleagues, this bill addresses some urgent needs among our Nation's veterans' medical facilities and I rise in strong support of the legislation and urge its swift approval.

The $434 million authorized by this legislation is perhaps some of the most important money that we will be discussing on this floor, for it will be spent ensuring that the men and women who put their lives on the line for our Nation will be adequately taken care of once they have left service.

This money renovates, upgrades and, where needed, expands current Department of Veterans Affairs medical facilities to ensure that the needs of our former servicemen and women are met.

One project of particular importance to me and my constituents in the 37th Congressional District is the seismic upgrading of the VA medical center in Long Beach, CA.

This bill provides $20.2 million to allow the Department of Veterans Affairs to bring three of the buildings at the Long Beach facility up to code in terms of earthquake safety, fire safety, mechanical and electrical safety, and compliance with the Americans with Disabilities Act.

The buildings receiving these improvements are all over 50 years old and in serious need of repair.

Specifically, the three buildings to be improved house important operational and various support services critical to monitoring the health and welfare of our veterans.

Without these repairs the buildings, all of which were built in 1943, are in grave danger. The facilities are very close to the Newport-Inglewood Fault Zone, which is considered active and capable of generating an earthquake of magnitude 7.0.

The VA has testified that there is no other medical facility in Long Beach large enough to meet the VA's needs, and it is expected that the major functions of this Medical Center will remain the same under the proposed Veterans Integrated Service Network.

In short, this is an important facility to the veterans residing in the Long Beach area and it is therefore incumbent upon us to ensure that it meets the basic safety codes of the area.

It is for this reason that these seismic repairs were included in the President's fiscal year 1997 budget request and that the Department of Veterans' Affairs Undersecretary for Health, Mr. Kenneth Kizer, testified in support of these repairs as recently as March.

Without these repairs, we are placing the lives of our Nation's veterans, as well as the lives of those who serve them, in grave danger.

I would submit to my colleagues that our veterans deserve better than this, and I am pleased to see that the committee agrees with this assessment.

I look forward to working with you, Congressman MONTGOMERY, and with Chairman STUMP, to see that the wisdom of the committee is followed and that the veterans who use the Long Beach facilities are not placed in harm's way.

In closing, I would like to commend the committee for deciding to name the medical center in Jackson, MS after our esteemed colleague from Meridian, Mr. MONTGOMERY. Although I have only had the honor of serving with him for a little over a month, I appreciate the work that he has done for our veterans and share the committee's view that it is befitting to bestow such an honor in naming a veteran's medical center in his honor in his home State.

So, once again, I rise in support of this important legislation and I urge my colleagues to do the same.

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

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

The SPEAKER pro tempore (Mr. UPTON). The question is on the motion offered by the gentleman from Arizona [Mr. STUMP] that the House suspend the rules and pass the bill, H.R. 3376, as amended.

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

A motion to reconsider was laid on the table.

MANDATORY FEDERAL PRISON DRUG TREATMENT ACT OF 1996

Mr. HEINEMAN. Mr. Speaker, I move to suspend the rules and pass the bill

(H.R. 2650) to amend title 18, United States Code, to eliminate certain sentencing inequities for drug offenders, as amended.

The Clerk read as follows:

H.R. 2650

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Mandatory Federal Prison Drug Treatment Act of 1996''.

SEC. 2. ELIMINATION OF SENTENCING INEQUITIES FOR DRUG OFFENDERS.

(a) IN GENERAL.—Subparagraph (B) of section 3621(e)(2) of title 18, United States Code, is amended to read as follows:

''(B) ADMINISTRATION OF TREATMENT PROGRAMS.—The Attorney General shall ensure through the use of all appropriate and available incentives and sanctions that eligible prisoners undergo a program of substance abuse treatment.''.

(b) CONFORMING AMENDMENT.—The heading for paragraph (2) of section 3621(e) of title 18, United States Code, is amended by striking ''INCENTIVE FOR PRISONERS' SUCCESSFUL COMPLETION OF TREATMENT PROGRAM'' and inserting ''TREATMENT REQUIREMENT''.

(c) ELIGIBILITY.—Clause (ii) of section 3621(e)(5)(B) of title 18, United States Code, is amended to read as follows:

''(ii) within 24 months of the date of release, or is otherwise designated by the Bureau of Prisons for participation in a residential substance abuse treatment program; and''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Carolina [Mr. HEINEMAN] and the gentlewoman from Colorado [Mrs. SCHROEDER] each will control 20 minutes.

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

GENERAL LEAVE

Mr. HEINEMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on H.R. 2650, the bill under consideration.

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

There was no objection.

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

Mr. Speaker, on November 16, 1995, I introduced H.R. 2650, the Mandatory Federal Prison Drug Treatment Act, to restore equity in the way the Federal Bureau of Prisons [BOP] administers its very successful drug treatment program.

This legislation is simple, yet intuitive. Instead of rewarding addicted inmates at the expense of clean inmates, the Mandatory Federal Prison Drug Treatment Act provides a proper incentive to recovering addicts to get treatment without providing them with advantage over other inmates who have not been addicted to narcotics.

On June 8, 1995 the Crime Subcommittee held a hearing concerning the Federal Bureau of Prisons. At that hearing, Kathleen Hawk, the Director of the Federal Bureau of Prisons testified that currently, the BOP can allow drug abusers to get out of prison a year earlier than their clean counterparts simply by completing a drug treatment program. This inequity is not based on past criminal history. Rather, these unequal sentences are the result of one inmate's drug addiction.

Unfortunately, as now constituted, the BOP can reward a drug addict by taking a year off his sentence after completion of a drug treatment program. This is poor policy as well as simply unfair.

H.R. 2650 eliminates the ability of BOP to release an addicted inmate a year early if he completes a drug treatment program. To provide an incentive to get addicted prisoners into treatment, H.R. 2650 requires the Attorney General to ensure that BOP utilizes all positive incentives and sanctions available to get prisoners into an appropriate drug treatment program.

Thus, the Mandatory Federal Prison Drug Treatment Act preserves drug treatment programs in Federal prisons while providing incentives for addicts to get clean. H.R. 2650 provides BOP with the flexibility it needs to utilize a variety of incentives and sanctions for inmates at different security levels.

During the past few weeks, I have worked closely with the Bureau of Prisons and Department of Justice to ensure that the individuals who implement this legislation are in favor of it. While everyone agrees that Congress should eliminate the sentencing inequity which allows BOP to, in effect, reward an addicted inmate for being an addict, BOP was concerned that the original version of H.R. 2650 would unduly tie their hands in the administration of their drug treatment programs.

After extensive consultation, I incorporated DOJ's suggestions and the legislation now requires the Attorney General to ensure that BOP use all available sanctions and incentives to persuade eligible prisoners to participate in a drug treatment program. The bill provides BOP the needed flexibility to utilize a variety of sanctions for inmates at differing security levels. What are they? Preferred housing, half way house placement, employment in jail.

I am pleased to report that DOJ and BOP support enactment of H.R. 2650 and would like to submit the DOJ letter of support for H.R. 2650. Mr. Speaker, this is reasonable, bipartisan legislation which fixes a mistake enacted in the 1994 crime bill. This legislation strengthens the BOP's ability to get an addicted inmate in treatment and at the same time eliminates the sentencing disparity which allowed addicted inmates to get out a year early. I urge my colleagues to support this simple and important legislation.

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

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

Mr. Speaker, the gentleman from Michigan [Mr. CONYERS], the ranking member of the Committee on the Judiciary, could not be here today.

Mr. Speaker, I include for the RECORD his statement in support of the bill.

Mr. CONYERS. Mr. Speaker, I support this bill which requires prisoners eligible for drug treatment to successfully complete drug treatment programs and remain drug free after the program's completion to receive good time credit.

Current law unfairly favors drug-abusing offenders—who may receive up to a year off their prison terms by undergoing treatment—in comparison with nondrug abusing offenders who have no comparable opportunity for early release.

This bill provides that good time credit would not vest for an eligible prisoner unless the prisoner successfully completes a substance abuse treatment program and remains drug-free thereafter. Good time credit would accumulate, as it would for any prisoner, but it would not vest and could be revoked at any time prior to release if the prisoner did not receive treatment for drug abuse or if the offender failed to remain drug-free.

The incentives in the current law are misguided. Current law actually allows prisoners with drug problems to reduce their sentences more than prisoners who have no substance abuse problems. I support this bill because it rectifies this incentive problem while still encouraging prisoners with substance abuse problems to receive treatment.

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

Mr. HEINEMAN. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina [Mr. COBLE].

Mr. COBLE. Mr. Speaker, I thank the gentleman from North Carolina for yielding time to me.

Mr. HEINEMAN has pretty accurately portrayed what this bill will do. Under current law, as he pointed out, the Bureau of Prisons may grant a nonviolent addicted prisoner as much as a 1-year early release if that inmate completes a residential drug treatment program. In other words, I think an argument could be made that the law discriminates in favor of criminals who enter prison with a drug habit.

Representative HEINEMAN's bill corrects this problem by eliminating the bureau's discretionary authority to act in this manner. In addition, H.R. 2650 requires the Attorney General to ensure that the Bureau of Prisons uses necessary incentives and sanctions to compel inmate participation in drug treatment programs.

Examples would include reduction in good time credits and preferred housing or job assignments. Representative HEINEMAN's bill enables the Bureau of Prisons to use a variety of these sanctions and incentives at varying and differing security levels.

Finally, Mr. Speaker, present law restricts drug rehabilitation assistance to those inmates who request such help. H.R. 2650 changes this requirement or alters it by confining treatment to inmates who are within 24 months of release, thereby hopefully maximizing each program's effects.

I applaud Representative HEINEMAN's work on this issue. His legislation serves the interest not only of society, it seems to me, but the inmate as well. In many instances, rewarding inmates for activity they should have avoided in the first place appears to perhaps be a misplaced priority.

I think Representative HEINEMAN's bill is pursuing the proper course, and I thank the gentleman from North Carolina for having yielded the time to me.

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

Mr. Speaker, H.R. 2650, the Mandatory Federal Prison Drug Treatment Act, restores equity in the way the Federal Bureau of Prisons administers its very successful drug treatment program. H.R. 2650 is an example of bipartisan legislation at its best. I have worked closely with the Department of Justice, and the Democrats on the Judiciary Committee, including the ranking minority member of the Crime Subcommittee, CHARLES SCHUMER, who enthusiastically supports this legislation.

As a 38-year law enforcement veteran, I know the importance of tough and effective drug treatment for nonviolent offenders and the dangerous precedent set by rewarding drug addicts for simply being drug addicts.

H.R. 2650 does away with a loophole in the 1994 crime bill which allowed the Bureau of Prisons to release drug addicts a year earlier than their clean counterparts. The Mandatory Federal Prison Drug Treatment Act also strengthens the ability of the Bureau of Prisons to get addicted prisoners into treatment.

Thus, the Mandatory Federal Prison Drug Treatment Act preserves drug treatment programs in Federal prisons while providing a better policy for addicts to get clean. H.R. 2650 provides the Bureau of Prisons with the flexibility it needs to utilize a variety of sanctions for inmates at different security levels.

H.R. 2650 strengthens the Bureau of Prison's ability to employ a variety of incentives and sanctions to motivate inmates to participate in drug treatment programs and thus will maximize the effect of the program and the number of inmates receiving treatment. H.R. 2650 is emblematic of how tough law enforcement can be combined with effective treatment programs for nonviolent offenders to provide maximum results.

Mr. Speaker, I would again like to thank my colleagues from both sides of the aisle for their support of this sensible legislation. I also want to thank our leadership and the staff of the Judiciary Committee for expediting consideration of this important and bipartisan measure.

Mr. HOKE. Mr. Speaker, as an original cosponsor of H.R. 2650 and as a member of the committee that heard testimony on it, I rise in strong support of the legislation.

This bill eliminates the sentencing inequity which now allows the Federal Bureau of Prisons to reward a convicted felon simply for being a drug addict. The current state of our prison policy on this issue is downright appalling. Many of our constituents probably do not realize that drug addicts are eligible for early release from prison if they complete drug treatment programs while serving time. In other words, if a drug addict abides by the law while serving his sentence by forgoing illegal drug use, he will receive preferential treatment over other prisoners who are drug-free and serving the same sentence.

What signal are we sending to our young people by giving such preferential treatment to drug abusers? Our society has not done a very good job instilling basic moral values in our future generations, in large measure because we have ignored the real-life consequences of our activity here in Washington. Despite the tremendous amount of money that has been spent on drug prevention programs, substance abuse is on the rise. And what kind of role models do drug-addicted athletes make? It is time for Congress to take a stand, and use its bully pulpit to discourage drug use. While this legislation is narrowly drawn to address one aspect of our drug control strategy, it is a good first step.

Supporters of the current system argue that the early release mechanism is used as an incentive for addicts to seek help. But there are other ''carrots'' and ''sticks'' that may be used to achieve this same goal. For example, inmates might be granted preferred housing or job assignments. The bill requires the Bureau of Prisons to use all such incentives and sanctions to get prisoners into drug treatment programs.

This legislation recognizes that incentives can be powerful tools, but does not sacrifice the integrity of the prison sentence in the process. I commend the gentleman from North Carolina for introducing this bill and I am proud to support it.

Mr. DAVIS. Mr. Speaker, I rise today in strong support of H.R. 2650, the Mandatory Federal Prison Drug Treatment Act which was introduced by the gentleman from North Carolina, Congressman FRED HEINEMAN.

H.R. 2650 is a commonsense bill that would eliminate the sentencing inequity which currently allows the Federal Bureau of Prisons to in practice reward a drug addicted inmate for being a drug addict.

Under the 1994 crime bill, a disparity in sentencing was created that favors prisoners who attend drug treatment by giving them a 1-year credit toward the term of their sentence. Thus, those individuals who enter prison with a drug problem can currently be released earlier than a similarly sentenced individual who has no drug addition. Mr. Speaker, I believe that this provision of the 1994 crime bill is just another example of a well intentioned Federal law that has unintended practical consequences.

Congressman HEINEMAN's legislation does not modify the Bureau of Prisons successful drug treatment program currently in place. The bill would retain all incentives for completing drug treatment besides the credit toward early release. These incentives include giving inmates preferred jobs and housing assignments.

Instead, H.R. 2650 requires the Bureau of Prisons to provide proper incentives for addicted inmates to get treatment. Mr. Speaker, there is no reason why an inmate convicted for a crime should get 1 year taken off his sentence just because he is a drug addict, while a similarly convicted inmate who is not an addict must serve a full sentence.

Therefore, I urge the House to support this bipartisan legislation.

Mr. HEINEMAN. 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. HEINEMAN] that the House suspend the rules and pass the bill, H.R. 2650, as amended.

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

A motion to reconsider was laid on the table.

□ 1445

ANTICOUNTERFEITING CONSUMER PROTECTION ACT OF 1996

Mr. MOORHEAD. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2511) to control and prevent commercial counterfeiting, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2511

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Anticounterfeiting Consumer Protection Act of 1996''.

SEC. 2. FINDINGS.

The counterfeiting of trademarked and copyrighted merchandise—

(1) has been connected with organized crime;

(2) deprives legitimate trademark and copyright owners of substantial revenues and consumer goodwill;

(3) poses health and safety threats to United States consumers;

(4) eliminates United States jobs; and

(5) is a multibillion-dollar drain on the United States economy.

SEC. 3. COUNTERFEITING AS RACKETEERING.

Section 1961(1)(B) of title 18, United States Code, is amended by inserting '', section 2318 (relating to trafficking in counterfeit labels for phonorecords, computer programs or computer program documentation or packaging and copies of motion pictures or other audiovisual works), section 2319 (relating to criminal infringement of a copyright), section 2319A (relating to unauthorized fixation of and trafficking in sound recordings and music videos of live music performances), section 2320 (relating to trafficking in goods or services bearing counterfeit marks)'' after ''sections 2314 and 2315 (relating to interstate transportation of stolen property)''.

SEC. 4. APPLICATION TO COMPUTER PROGRAMS, COMPUTER PROGRAM DOCUMENTATION, OR PACKAGING.

(a) IN GENERAL.—Section 2318 of title 18, United States Code, is amended—

(1) in subsection (a), by striking ''a motion picture or other audiovisual work,'' and inserting ''a computer program or documentation or packaging for a computer program, or a copy of a motion picture or other audiovisual work, and whoever, in any of the circumstances described in subsection (c) of this section, knowingly traffics in counterfeit documentation or packaging for a computer program,'';

(2) in subsection (b)(3) by inserting ''computer program','' after ''motion picture',''; and

(3) in subsection (c)—

(A) by striking ''or'' at the end of paragraph (2);

(B) in paragraph (3)—

(i) by inserting ''a copy of a copyrighted computer program or copyrighted documentation or packaging for a computer program,'' after ''enclose,''; and

(ii) by striking the period at the end and inserting ''; or''; and

(C) by adding after paragraph (3) the following:

''(4) the counterfeited documentation or packaging for a computer program is copyrighted.''.

(b) CONFORMING AMENDMENTS.—(1) The section caption for section 2318 of title 18, United States Code, is amended to read as follows:

§ 2318. Trafficking in counterfeit labels for phonorecords, copies of computer programs or computer program documentation or packaging, and copies of motion pictures or other audio visual works, and trafficking in counterfeit computer program documentation or packaging".

(2) The item relating to section 2318 in the table of sections for chapter 113 of such title is amended to read as follows:

''2318. Trafficking in counterfeit labels for phonorecords, copies of computer programs or computer program documentation or packaging, and copies of motion pictures or other audio visual works, and trafficking in counterfeit computer program documentation or packaging.''.

SEC. 5. TRAFFICKING IN COUNTERFEIT GOODS AND SERVICES.

Section 2320 of title 18, United States Code, is amended by adding at the end the following:

''(e) Beginning with the first year after the date of enactment of this subsection, the Attorney General shall include in the report of the Attorney General to Congress on the business of the Department of Justice prepared pursuant to section 522 of title 28, an accounting, on a district by district basis, of the following with respect to all actions taken by the Department of Justice that involve trafficking in counterfeit labels for phonorecords, copies of computer programs or computer program documentation or packaging, copies of motion pictures or other audiovisual works (as defined in section 2318 of title 18), criminal infringement of copyrights (as defined in section 2319 of title 18), unauthorized fixation of and trafficking in sound recordings and music videos of live musical performances (as defined in section 2319A of title 18), or trafficking in goods or services bearing counterfeit marks (as defined in section 2320 of title 18):

''(1) The number of open investigations.

''(2) The number of cases referred by the United States Customs Service.

''(3) The number of cases referred by other agencies or sources.

''(4) The number and outcome, including settlements, sentences, recoveries, and penalties, of all prosecutions brought under sections 2318, 2319, 2319A, and 2320 of title 18.''.

SEC. 6. SEIZURE OF COUNTERFEIT GOODS

Section 34(d)(9) of the Act of July 5, 1946 (60 Stat. 427, chapter 540; 15 U.S.C. 1116(d)(9)), is amended by striking the first sentence and inserting the following: ''The court shall order that service of a copy of the order under this subsection shall be made by a Federal law enforcement officer (such as a United States marshal or an officer or agent of the United States Customs Service, Secret Service, Federal Bureau of Investigation, or Post Office) or may be made by a State or local law enforcement officer, who, upon making service, shall carry out the seizure under the order.''.

SEC. 7. RECOVERY FOR VIOLATION OF RIGHTS.

Section 35 of the Act of July 5, 1946 (60 Stat. 427, chapter 540; 15 U.S.C. 1117), is amended by adding at the end the following new subsection:

''(c) In a case involving the use of a counterfeit mark (as defined in section 34(d) (15 U.S.C. 1116(d)) in connection with the sale, offering for sale, or distribution of goods or services, the plaintiff may elect, at any time before final judgment is rendered by the trial court, to recover, instead of actual damages and profits under subsection (a), an award of statutory damages for any such use in connection with the sale, offering for sale, or distribution of goods or services in the amount of—

''(1) not less than $500 or more than $100,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just; or

''(2) if the court finds that the use of the counterfeit mark was willful, not more than $1,000,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just.''.

SEC. 8. DISPOSITION OF EXCLUDED ARTICLES.

Section 603(c) of title 17, United States Code, is amended in the second sentence by striking ''as the case may be;'' and all that follows through the end and inserting ''as the case may be.''.

SEC. 9. DISPOSITION OF MERCHANDISE BEARING AMERICAN TRADEMARK

Section 526(e) of the Tariff Act of 1930 (19 U.S.C. 1526(e)) is amended—

(1) in the second sentence, by inserting ''destroy the merchandise. Alternatively, if the merchandise is not unsafe or a hazard to health, and the Secretary has the consent of the trademark owner, the Secretary may'' after ''shall, after forfeiture,'';

(2) by inserting ''or'' at the end of paragraph (2);

(3) by striking '', or'' at the end of paragraph (3) and inserting a period; and

(4) by striking paragraph (4).

SEC. 10. CIVIL PENALTIES

Section 526 of the Tariff Act of 1930 (19 U.S.C. 1526) is amended by adding at the end the following new subsection:

''(f) CIVIL PENALTIES.—(1) Any person who directs, assists financially or otherwise, or aids and abets the importation of merchandise for sale or public distribution that is seized under subsection (e) shall be subject to a civil fine.

''(2) For the first such seizure, the fine shall be not more than the value that the merchandise would have had if it were genuine, according to the manufacturer's suggested retail price, determined under regulations promulgated by the Secretary.

''(3) For the second seizure and thereafter, the fine shall be not more than twice the value that the merchandise would have had if it were genuine, as determined under regulations promulgated by the Secretary.

''(4) The imposition of a fine under this subsection shall be within the discretion of the Customs Service, and shall be in addition to any other civil or criminal penalty or other remedy authorized by law.''.

SEC. 11. PUBLIC DISCLOSURE OF AIRCRAFT MANIFESTS.

Section 431(c)(1) of the Tariff Act of 1930 (19 U.S.C. 1431(c)(1) is amended—

(1) in the matter preceding subparagraph (A), by inserting ''vessel or aircraft'' before ''manifest'';

(2) by amending subparagraph (D) to read as follows:

''(D) The name of the vessel, aircraft, or carrier.'';

(3) by amending subparagraph (E) to read as follows:

''(E) The seaport or airport of loading.'';

(4) by amending subparagraph (F) to read as follows:

''(F) The seaport or airport of discharge.''; and

(5) by adding after subparagraph (G) the following new subparagraph:

''(H) The trademarks appearing on the goods or packages.''.

SEC. 12. CUSTOMS ENTRY DOCUMENTATION.

Section 484(d) of the Tariff Act of 1930 (19 U.S.C. 1484(d)) is amended—

(1) by striking ''Entries'' and inserting ''(1) Entries''; and

(2) by adding at the end the following new paragraph:

''(2) The Secretary, in prescribing regulations governing the content of entry documentation, shall require that entry documentation contain such information as may be necessary to determine whether the imported merchandise bears an infringing trademark in violation of section 42 of the Act of July 5, 1946 (commonly referred to as the 'Trademark Act of 1946'; 15 U.S.C. 1124), or any other applicable law, including a trademark appearing on the goods or packaging.''.

SEC. 13. UNLAWFUL USE OF VESSELS, VEHICLES, AND AIRCRAFT IN AID OF COMMERCIAL COUNTERFEITING.

Section 80302(a) of title 49, United States Code, is amended—

(1) by striking ''or'' at the end of paragraph (4);

(2) by striking the period at the end of paragraph (5) and inserting ''; or''; and

(3) by adding at the end the following new paragraph:

''(6)(A) a counterfeit label for a phonorecord, copy of a computer program or computer program documentation or packaging, or copy of a motion picture or other audiovisual work (as defined in section 2318 of title 18);

''(B) a phonorecord or copy in violation of section 2319 of title 18;

''(C) a fixation of a sound recording or music video of a live musical performance in violation of section 2319A of title 18; or

''(D) any good bearing a counterfeit mark (as defined in section 2320 of title 18).''.

SEC. 14. REGULATIONS.

Not later than 6 months after the date of the enactment of this Act, the Secretary of the Treasury shall prescribe such regulations or amendments to existing regulations that may be necessary to carry out the amendments made by sections 9, 10, 11, 12, and 13 of this Act.

The SPEAKER pro tempore (Mr. UPTON). Pursuant to the rule, the gentleman from California [Mr. MOORHEAD] and the gentlewoman from Colorado [Mrs. SCHROEDER] will each be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. MOORHEAD].

GENERAL LEAVE

Mr. MOORHEAD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on H.R. 2511.

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

There was no objection.

Mr. MOORHEAD. Mr. Speaker, I yield myself 3 minutes.

(Mr. MOORHEAD asked and was given permission to revise and extend his remarks.)

Mr. MOORHEAD. Mr. Speaker, I would like to commend my friend and colleague from Virginia, Mr. GOODLATTE, for his leadership in drafting and introducing this bill, which is cosponsored by Chairman HYDE, Ranking Minority Member CONYERS, Representative COBLE, a valued senior member on the subcommittee, myself, and several other Members. I also want to thank the gentlewoman from Colorado, PAT SCHROEDER, for her support in processing this legislation.

Two amendments to H.R. 2511 were adopted by the Subcommittee on Courts and Intellectual Property, and the bill was unanimously approved by both the subcommittee and the full Judiciary Committee. A companion bill in the other body, S. 1136, passed by voice vote on December 13, 1995.

Current law recognizes that a problem of criminal trademark and copyright counterfeiting exists, but it does not do enough to deter and prosecute counterfeiters. Criminal counterfeiting has risen to a new level. In 1982, the cost of piracy to U.S. industries was approximately $5.5 billion. Today, American businesses lost 35 times that amount, more than $200 billion per year.

The combination of high profits and low risk of prosecution has made trademark and copyright counterfeiting a favorite activity of organized crime syndicates. Law enforcement agents from the U.S. Customs Service testified that combating criminal activity connected to counterfeiting is starting to look like attacking the drug trafficking problem. Last year, those same customs agents coordinated raids in New York and Los Angeles that netted $27 million in counterfeit merchandise and supported indictments of 43 members of a Korean crime syndicate.

The price of counterfeiting goes well beyond lost revenues and damaged business reputations: it can cost lives. Fatal automobile, airplane, and helicopter crashes have been associated with faulty counterfeit machine parts. Name brand prescription and over-the-counter drugs have also been counterfeited. Millions of bogus pills containing inferior, or even harmful, ingredients have been distributed to unsuspecting consumers purchasing medicine.

Searle discovered the distribution of more than 1 million bogus birth control pills after several women complained of unusual bleeding. Tylenol, Advil, Tagament, Ceclor, and Zantac are all other famous name brand pharmaceuticals that are reported to have been counterfeited. One witness testified that toy makers are concerned that cheap knock-offs present choking hazards and may contain toxic paints or dyes.

H.R. 2511 proposes key amendments to both criminal and civil laws in response to the growing threat of criminal counterfeiting. It improves the ability of law enforcement officers to detect and arrest counterfeiters. It also allows for the meaningful prosecution of all levels of a criminal organization involved in counterfeiting.

Finally, this bill ensures that seized counterfeit goods are destroyed rather than returned to the importer for reshipment to another port of entry.

I am unaware of any opposition to H.R. 2511, and I urge its adoption.

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

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

(Mrs. SCHROEDER asked and was given permission to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, I join the subcommittee chairman in supporting H.R. 2511. This bill strengthens criminal and civil laws and remedies relating to copyright and trademark counterfeiting.

Our subcommittee has worked hard to ensure that intellectual property is accorded a high level of protection. As we seek to persuade other countries around the world to provide strong protection for copyrights, trademarks, and patents, it is critical that we demonstrate through our own legal system the high value that we place on intellectual property.

Because there is an enormous potential for profit in illegal counterfeiting, the civil and criminal remedies must be strong if we are to deter counterfeiting. As the committee report notes, between 5 and 8 percent of all goods and services sold worldwide are counterfeit. In some industries, the problem is enormous; the computer software industry, for example, estimates that for every five software programs that are legally sold, two illegally pirated copies are also sold.

As the gentleman from California has pointed out, the problem goes beyond the monetary loss and damage to reputation suffered by the copyright or trademark owner. Counterfeit goods also can pose a serious threat to consumers. Many of my colleagues may recall, for example, the substandard infant formula, falsely labeled with a well-known brand, that was distributed last year in the United States. In another case, more than a million bogus birth control pills were distributed falsely bearing the mark of a pharmaceutical company; the company did not discover the counterfeits until women complained of pain and unusual bleeding.

By making trafficking in counterfeit goods or services a predicate offense subject to RICO, by strengthening provisions relating to the seizure and destruction of counterfeited goods, and by providing for judicially determined statutory damages for trademark owners, this bill will make it easier to combat commercial counterfeiting.

The administration supports this bill, and I urge my colleagues to support this bill strengthening the ability of trademark and copyright owners to protect their property rights, and that is what this bill does.

Mr. Speaker, I thank everybody on the committee for doing this, and I think it has been in the long tradition of this committee to move these in a very bipartisan, nonconfrontational fashion because we understand how terribly important it is for the United States to stand firm on the globe in protecting these trademarks and to be moving forward and protecting copyrights. This country produces a very high percentage of it, it is a high percentage of our trade internationally, and I again thank the subcommittee chairman for his strong leadership on all of this.

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

Mr. MOORHEAD. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. HYDE], chairman of the full Committee on the Judiciary of the House.

(Mr. HYDE asked and was given permission to revise and extend his remarks.)

Mr. HYDE. Mr. Speaker, I surely am not going to take all that time. I have nothing new to add that has not already been said. This is a fine piece of legislation. It will cure or move toward cure of a very serious problem, that of counterfeiting, and so I will ask that my remarks, which are truncated and comprehensive, be included in the RECORD.

But, I do want to congratulate the chairman of the subcommittee, the gentleman from California, CARLOS MOORHEAD, and the ranking member, the gentlewoman from Colorado, Mrs. PATRICIA SCHROEDER, on her excellent counsel, the gentleman from Virginia, Mr. GOODLATTE, who initiated this legislation. And I think the staff, certainly our staff, Tom Mooney, John Dudas, Mitch Glazier, Joe Wolfe, and Betty Wheeler, all deserve special thanks as well.

Mr. Speaker, I strongly support H.R. 2511, the Anticounterfeiting Consumer Protection Act of 1996. Soon we will consider the renewal of most-favored-nation status for China. This timely legislation highlights one of the growing problems we have with that country: counterfeit goods. The Chinese continue to counterfeit the goods of legitimate American companies at an alarming rate.

Just 2 weeks ago, the administration issued a finding that China was not satisfactorily implementing the Agreement on Enforcement of Intellectual Property Rights and Market Access, signed in March 1995. In making its finding, the administration said the following:

> Critical deficiencies are present in China's implementation of measures to address piracy at the production and wholesale distribution level. Piracy remains particularly rampant in Guangdong province. Manufacturers and distributors, primarily located in southern China, continue to produce pirated CD's, LD's, and CD–ROM's in massive quantities. Due to lax enforcement at the point of production and at the border, exports of pirated computer software, movies, sound recordings, and other products have grown substantially over the past year. Products pirated in China have flooded Southeast Asia, Russia, and the other Commonwealth of

Independent States [CIS] countries. Latin America and European markets have also been targeted, and the U.S. Customs Service has seized pirated CD's and CD–ROM's entering the United States from China.

According to recent newspaper articles, the Chinese may have as many as 31 government-licensed plants turning out pirated CD's and CD–ROM's. To make matters worse, many believe that some or all of these plants are run by the Chinese military or government officials. According to these articles, the International Intellectual Property Alliance, which represents the record and motion picture industry, estimates that in 1995, the United States lost $6.9 billion in exports because of counterfeit movies, records, books, and software. About $2.3 billion were lost to the Chinese. The Pharmaceutical Manufacturers' Association estimates that its losses from pirated drug patents exceed $3 billion. Millions more are lost to counterfeit auto parts, athletic shoes, and apparel.

Unfortunately, the probe is not limited to the Chinese. Organized crime operations sell counterfeit goods as a way to launder the money from their other criminal activities. By doing so, the Chinese, the Mob, and countless other criminals steal billions of dollars' worth of intellectual property that American companies and individuals have developed at great expense.

For far too long, we have tended to look upon the counterfeiting of goods as a rather trivial crime. That must stop. The sale of counterfeit goods has numerous serious consequences.

First, we must consider who is selling these goods: the Chinese communist government, the Mob, and common criminals. These are not people that Americans want to finance.

Second, counterfeit goods amount to nothing more than the theft of intellectual property. If we do not vigorously protect intellectual property, we destroy the incentive to create.

Third, counterfeit goods are frequently dangerous, and they can cause serious injury. The current issue of Business Week reports that substandard airplane parts contributed to at least 166 airplane crashes from 1973 to 1993. Last September, the New York Times reported that the FDA has uncovered at least 10 operations in 8 States producing substandard infant formula that has caused sickness in babies using it.

Finally, by injuring legitimate American companies, counterfeit goods destroy American jobs. If we want to protect our American jobs, we must stop the importation of the phony compact discs and computer programs that the Chinese would foist upon us.

Because of all these serious consequences, I strongly support H.R. 2511. It will give new tools to the legitimate American companies who want to fight off the counterfeiters. It will place counterfeiting activities within the RICO statute, exactly the place where such organized criminal activity belongs. With all of the RICO remedies in hand, law enforcement officials and the private companies will be able to hit the counterfeiters in their pocketbooks.

H.R. 2511 will also give the Government new tools when it seizes counterfeit goods at the border. Amazingly, up until now, our law allowed counterfeiters who got caught at the border to re-export the goods to another country. Obviously then, there was little cost to getting caught. H.R. 2511 insures that we will never engage in that simple-minded practice again. Rather, under H.R. 2511, counterfeit goods seized at the border will either be destroyed or, if the legitimate trademark owner consents, given to charity.

For all these reasons, Mr. Speaker, I commend the distinguished chairman of the Subcommittee on Courts and Intellectual Property, Mr. MOORHEAD, and the ranking member, Mrs. SCHROEDER, for their important work in bringing this bipartisan legislation to the floor. I urge all of my colleagues to vote in favor of H.R. 2511.

Mr. MOORHEAD. Mr. Speaker, I yield 8 minutes to the gentleman from Virginia [Mr. GOODLATTE], the sponsor of this legislation.

Mr. GOODLATTE. Mr. Speaker, as the lead sponsor of H.R. 2511 I am proud that this House is taking a decisive step to make it tougher for product counterfeiters to prey on American business and American consumers and cost American workers their jobs.

Counterfeit products cost U.S. businesses an estimated $200 billion annually. An estimated 5 percent of products sold worldwide are phony. Fortune Magazine has called it the crime of the 21st century. That is because counterfeiting is a highly lucrative, but relatively low-risk crime with only handslap penalties if caught.

New technology has made it much easier for counterfeiters to pursue their trade. Computers and digital technology have made it a cinch to copy audiotapes, video, and software, and unlike analog copies, the thousandth digital copy is just as clean and clear as the first. Scanners and laser printers have made it easy to replicate labels, logos, and even the holograms that software producers afix to their products to prove authenticity.

For years we have overlooked counterfeiters, assuming that product counterfeiting meant $2 fake watches and was a victimless crime. But the evidence is mounting that counterfeiting is a very dangerous crime that can threaten the health and safety of us all.

Last year the Federal Aviation Administration grounded 6,000 piston-powered aircraft to check for phoney crankshaft bolts that could cause crashes. The cover story in this week's Business Week is on bogus airplane parts and cites the explosion last June of the No. 2 engine on a ValuJet plane as an example. Business Week reports that the explosion was caused by an engine that had been overhauled and later sold to ValuJet by a repair station in Turkey that lacked FAA approval. It further reports that investigators found that the engine contained a cracked and corroded compressor disk which had been plated over during the overhaul and was thus undetectable.

Counterfeit airplane parts actually caused a deadly crash of a Norwegian plane that killed 55 people.

In April 1995, the Food and Drug Administration released a ''Consumer Alert'' warning parents against using counterfeit-labeled Similac with iron ''Ready to Feed'' liquid formula in 8-ounce plastic cans with a fictitious code number and expiration date. The fake infant formula, found in 16 States, reportedly caused illnesses ranging from rashes to seizures in many babies who consumed the substandard product.

A counterfeit brake pad caused an automobile crash that killed a mother and her child. In 1990 more than 30 raids were conducted in 15 States as a result of a crackdown on auto parts counterfeiting.

Rampant piracy of the intellectual property of American businesses has strained United States-China relations, bringing us to the brink of a trade war and requiring a reconsideration of whether China should receive most-favored-nation trade benefits.

The question Congress must ask is whether China will agree to abide by the basic rules that govern international trade, or will Chinese officials continue to condone piracy? Remember that China is our fifth largest trading partner and very well may be on its way to becoming the world's largest economy. If China refuses to play by the rules and continues at best, to ignore piracy, or at worst, to encourage it, the losses for American companies will be staggering.

For example, Chinese officials, after much prodding by Microsoft Corp. agreed to investigate the Jin Die Science and Technology Development Co. in southern China. When they raided the company, Chinese officials found 5,700 computer disks containing thousands of dollars each in Microsoft software, illegally mass-produced on sophisticated machinery. According to the Washington Post, during this raid the Chinese confiscated the counterfeit software disks, but U.S. executives who were at the raid claim they also saw Jin Die's machines producing video discs containing movies such as ''Waterworld'' and ''Ace Ventura II.'' The Chinese authorities did nothing to stop the pirating of these American movies.

H.R. 2511 will make it easier to ensure that the constant flow of counterfeits, arriving in the United States from countries like China can be confiscated and taken out of the stream of commerce. It also ensures that the American businesses who suffer commercial damage from counterfeit products may be awarded either actual or statutory damages.

Because of the lure of enormous profits compared to the relatively low risk of being arrested, prosecuted, and sent to jail, it has not taken long for organized crime to get involved in counterfeiting operations. These operations have become highly sophisticated, well-financed, mobile, and international in scope.

In March 1995, more than 10.5 million dollars' worth of counterfeit software was found during a raid in California that also turned up semiautomatic

weapons, handguns, and military explosives. Newspaper stories report that those who were arrested are under investigation for their link to organized crime, a link that may reach from China, Hong Kong, and Taiwan to southern California's immigrant neighborhoods.

These criminal networks have distribution systems as diverse as any modern corporation. Counterfeiters know that although criminal penalties exist on the books, criminal actions are rarely initiated against counterfeiters. As for private enforcement actions, trademark and copyright owners are consistently frustrated by an inability to recover any meaningful damages.

This legislation takes strong steps to attack this problem.

The Anticounterfeiting Consumer Protection Act will help law enforcement officials contend with the sophisticated nature of modern counterfeiting. First, it increases criminal penalties by making trafficking in counterfeit goods or services a RICO offense, consequently providing for increased jail time, criminal fines, and asset forfeiture.

Second, the legislation allows greater involvement by all levels of Federal law enforcement in fighting counterfeiting, including enhanced authority to seize counterfeit goods and the tools of the counterfeiters' trade.

Third, it makes it more difficult for these goods to re-enter the stream of commerce once they have been seized.

Fourth, our bill also adds teeth to existing statutes and provides stronger civil remedies, including civil fines pegged to the value of genuine goods and statutory damage awards of up to $1,000,000 per mark.

The Anticounterfeiting Consumer Protection Act will provide law enforcement officials with the tools they need to fight back, and to protect American business and the health and safety of American consumers. The time has come to make sure that our fight against counterfeiting is as sophisticated and modern as the crime itself.

Finally, I want to thank all of the members of the Judiciary Committee who have supported this important legislation. Chairman HYDE, Chairman MOORHEAD, ranking minority member CONYERS, Congresswoman SCHROEDER have all contributed to this effort. I greatly appreciate their hard work on behalf of American consumers and businesses.

I urge all to support this legislation.

□ 1500

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

Mr. Speaker, I would like to thank two more staff people who worked very, very hard on this legislation, and that would be Elizabeth Frazee and Betty Wheeler. They also, I think, worked very hard on this, and we wanted to make sure everyone was included in the chairman's very generous thank yous.

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

Mr. MOORHEAD. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia [Mr. DAVIS].

Mr. DAVIS. Mr. Speaker, first of all, I want to compliment the author of this legislation, the gentleman from Virginia [Mr. GOODLATTE], the chairman, the gentleman from California [Mr. MOORHEAD], and the ranking member, the gentlewoman from Colorado [Mrs. SCHROEDER], for their leadership on this issue.

Trademark counterfeiting costs this Nation over $200 million annually. That is more than the annual budget deficit in this country. Counterfeiting has grown from about $5.5 million in costs in 1982 to that $200 billion figure today. I once again applaud the authors of this amendment and the bipartisan way in which we have moved forward passage today.

The industry estimates that sales of counterfeit software exceed 40 percent of total industry revenues. Almost two of five cartridges that include a piece of software that are sold are counterfeit. Counterfeit software also costs companies more than revenues and it costs this Nation more than just jobs. It costs companies their reputation, because often substandard products with inferior quality enter the marketplace mislabeled with the originating company. What consumers do is they cannot take a chance on this, so they will buy other products that they figure are not mislabeled. The better companies end up, as a result of that, losing sales, losing jobs, losing revenues.

Mr. Speaker, this legislation I think is going to make a significant contribution toward curbing these abuses. It is going to make this a RICO offense. It is going to increase fines and jail time for offenders. It is going to speed the seizure of goods, in many cases. It is going to increase penalties and civil fines of up to $1 million per mark. It is going to allow greater enforcement coordination by State and local law enforcement officials working toward this.

This is, I think, an increasing area of concern for those in the software industry, and I think this legislation is going to make tremendous headway toward curbing these abuses in the future. I am proud to be a cosponsor of this, and once again congratulate my colleagues in bringing this to the floor today.

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

The SPEAKER pro tempore (Mr. UPTON). The question is on the motion offered by the gentleman from California [Mr. MOORHEAD] that the House suspend the rules and pass the bill, H.R. 2511, as amended.

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

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MOORHEAD. 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. 2511, the bill just passed.

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

There was no objection.

Mr. MOORHEAD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill, S. 1136, to control and prevent commercial counterfeiting, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

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

Mrs. SCHROEDER. Mr. Speaker, reserving the right to object, I would ask the gentleman from California [Mr. MOORHEAD], if he could explain the purpose of his unanimous-consent request.

Mr. MOORHEAD. Mr. Speaker, the purpose of this request is to send the bill back to the Senate with an amendment consisting of the text of the House-passed bill, and to ask for a conference.

Mrs. SCHROEDER. Mr. Speaker, based on that, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1136

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Anticounterfeiting Consumer Protection Act of 1995''.

SEC. 2. FINDINGS.

The counterfeiting of trademarked and copyrighted merchandise—

(1) has been connected with organized crime;

(2) deprives legitimate trademark and copyright owners of substantial revenues and consumer goodwill;

(3) poses health and safety threats to American consumers;

(4) eliminates American jobs; and

(5) is a multibillion-dollar drain on the United States economy.

SEC. 3. COUNTERFEITING AS RACKETEERING.

Section 1961(1)(B) of title 18, United States Code, is amended by inserting '', section 2318 (relating to trafficking in counterfeit labels for phonorecords, computer programs or computer program documentation or packaging and copies of motion pictures or other audiovisual works), section 2319 (relating to criminal infringement of a copyright), section 2320 (relating to trafficking in goods or services bearing counterfeit marks)'' after ''sections 2314 and 2315 (relating to interstate transportation of stolen property)''.

SEC. 4. APPLICATION TO COMPUTER PROGRAMS, COMPUTER PROGRAM DOCUMENTATION, OR PACKAGING.

Section 2318 of title 18, United States Code, is amended—

(1) in subsection (a), by inserting ''a computer program or computer program documentation or packaging or'' after ''copy of'';

(2) in subsection (b)(3), by inserting '''computer program,''' after '''motion picture,'''; and

(3) in subsection (c)(3), by inserting ''a copy of a computer program or computer program documentation or packaging,'' after ''enclose,''.

SEC. 5. TRAFFICKING IN COUNTERFEIT GOODS OR SERVICES.

Section 2320 of title 18, United States Code, is amended by adding at the end the following new subsection:

''(e) Beginning with the first year after the date of enactment of this subsection, the Attorney General shall include in the report of the Attorney General to Congress on the business of the Department of Justice prepared pursuant to section 522 of title 28, on a district by district basis, for all actions involving trafficking in counterfeit labels for phonorecords, copies of computer programs or computer program documentation or packaging, copies of motion pictures or other audiovisual works (as defined in section 2318 of title 18), criminal infringement of copyrights (as defined in section 2319 of title 18), or trafficking in goods or services bearing counterfeit marks (as defined in section 2320 of title 18), an accounting of—

''(1) the number of open investigations;

''(2) the number of cases referred by the United States Customs Service;

''(3) the number of cases referred by other agencies or sources; and

''(4) the number and outcome, including settlements, sentences, recoveries, and penalties, of all prosecutions brought under sections 2318, 2319, and 2320 of title 18.''.

SEC. 6. SEIZURE OF COUNTERFEIT GOODS.

Section 34(d)(9) of the Act of July 5, 1946 (60 Stat. 427, chapter 540; 15 U.S.C. 1116(d)(9)), is amended by striking the first sentence and inserting the following: ''The court shall order that service of a copy of the order under this subsection shall be made by a Federal law enforcement officer (such as a United States marshal or an officer or agent of the United States Customs Service, Secret Service, Federal Bureau of Investigation, or Post Office) or may be made by a State or local law enforcement officer, who, upon making service, shall carry out the seizure under the order.''.

SEC. 7. RECOVERY FOR VIOLATION OF RIGHTS.

Section 35 of the Act of July 5, 1946 (60 Stat. 427, chapter 540; 15 U.S.C. 1117), is amended by adding at the end the following new subsection:

''(c) In a case involving the use of a counterfeit mark (as defined in section 34(d) (15 U.S.C. 1116(d)) in connection with the sale, offering for sale, or distribution of goods or services, the plaintiff may elect, at any time before final judgment is rendered by the trial court, to recover, instead of actual damages and profits under subsection (a), an award of statutory damages for any such use in the amount of—

''(1) not less than $500 or more than $100,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just; or

''(2) if the court finds that the use of the counterfeit mark was willful, not more than $1,000,000 per counterfeit mark per type of goods or services sold, offered for sale, or distributed, as the court considers just.''.

SEC. 8. DISPOSITION OF EXCLUDED ARTICLES.

Section 603(c) of title 17, United States Code, is amended in the second sentence by striking ''as the case may be;'' and all that follows through the end and inserting ''as the case may be.''.

SEC. 9. DISPOSITION OF MERCHANDISE BEARING AMERICAN TRADEMARK.

Section 526(e) of the Tariff Act of 1930 (19 U.S.C. 1526(e)) is amended—

(1) in the second sentence, by inserting ''destroy the merchandise. Alternatively, if the merchandise is not unsafe or a hazard to health, and the Secretary has the consent of the trademark owner, the Secretary may'' after ''shall, after forfeiture,'';

(2) by inserting ''or'' at the end of paragraph (2);

(3) by striking '', or'' at the end of paragraph (3) and inserting a period; and

(4) by striking paragraph (4).

SEC. 10. CIVIL PENALTIES.

Section 526 of the Tariff Act of 1930 (19 U.S.C. 1526) is amended by adding at the end the following new subsection:

''(f)(1) Any person who directs, assists financially or otherwise, or aids and abets the importation of merchandise for sale or public distribution that is seized under subsection (e) shall be subject to a civil fine.

''(2) For the first such seizure, the fine shall be not more than the value that the merchandise would have had if it were genuine, according to the manufacturer's suggested retail price, determined under regulations promulgated by the Secretary.

''(3) For the second seizure and thereafter, the fine shall be not more than twice the value that the merchandise would have had if it were genuine, as determined under regulations promulgated by the Secretary.

''(4) The imposition of a fine under this subsection shall be within the discretion of the United States Customs Service, and shall be in addition to any other civil or criminal penalty or other remedy authorized by law.''.

SEC. 11. PUBLIC DISCLOSURE OF AIRCRAFT MANIFESTS.

Section 431(c)(1) of the Tariff Act of 1930 (19 U.S.C. 1431(c)(1)) is amended—

(1) in the matter preceding subparagarph (A), by inserting ''vessel or aircraft'' before ''manifest'';

(2) by amending subparagraph (D) to read as follows:

''(D) The name of the vessel, aircraft, or carrier.'';

(3) by amending subparagraph (E) to read as follows:

''(E) The seaport or airport of loading.''; and

(4) by amending subparagraph (F) to read as follows:

''(F) The seaport or airport of discharge.''.

SEC. 12. CUSTOMS ENTRY DOCUMENTATION.

Section 484(d) of the Tariff Act of 1930 (19 U.S.C. 1484(d)) is amended—

(1) by striking ''Entries'' and inserting ''(1) Entries''; and

(2) by adding at the end the following new paragraph:

''(2) The Secretary, in prescribing regulations governing the content of entry documentation, shall require that entry documentation contain such information as may be necessary to determine whether the imported merchandise bears an infringing trademark in violation of section 42 of the Act of July 5, 1946 (60 Stat. 440, chapter 540; 15 U.S.C. 1124) or any other applicable law, including a trademark appearing on the goods or packaging.''.

SEC. 13. UNLAWFUL USE OF VESSELS, VEHICLES, AND AIRCRAFT IN AID OF COMMERCIAL COUNTERFEITING.

Section 80302(a) of title 49, United States Code, is amended—

(1) by striking ''or'' at the end of paragraph (4);

(2) by striking the period at the end of paragraph (5) and inserting ''; or''; and

(3) by adding at the end the following new paragraph:

''(6)(A) A counterfeit label for a phonorecord, computer program or computer program documentation or packaging or copy of a motion picture or other audiovisual work (as defined in section 2318 of title 18);

''(B) a phonorecord or copy in violation of section 2319 of title 18; or

''(C) any good bearing a counterfeit mark (as defined in section 2320 of title 18).''.

SEC. 14. REGULATIONS.

Not later than 6 months after the date of enactment of this Act, the Secretary of the Treasury shall prescribe such regulations or amendments to existing regulations that may be necessary to implement and enforce this Act.

MOTION OFFERED BY MR. MOORHEAD

Mr. MOORHEAD. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. MOORHEAD moves to strike out all after the enacting clause of S. 1136 and to insert in lieu thereof the text of H.R. 2511, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES

Mr. MOORHEAD. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Pursuant to rule XX and by direction of the Committee on the Judiciary, Mr. MOORHEAD moves that the House insist on its amendment to the bill S. 1136 and request a conference thereon with the Senate.

The motion was agreed to.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. HYDE, MOORHEAD, GOODLATTE, CONYERS, and Mrs. SCHROEDER.

There was no objection.

A similar House bill (H.R. 2511) was laid on the table.

COPYRIGHT CLARIFICATIONS ACT OF 1996

Mr. MOORHEAD. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1861) to make technical corrections in the Satellite Home Viewer Act of 1994 and other provisions of title 17, United States Code, as amended.

The Clerk read as follows:

H.R. 1861

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Copyright Clarifications Act of 1996''.

SEC. 2. SATELLITE HOME VIEWER ACT.

The Satellite Home Viewer Act of 1994 (Public Law 103–369) is amended as follows:

(1) Section 2(3)(A) is amended to read as follows:

''(A) in clause (i) by striking '12 cents' and inserting '17.5 cents per subscriber in the case of superstations that as retransmitted by the satellite carrier include any program which, if delivered by any cable system in the United States, would be subject to the syndicated exclusivity rules of the Federal Communications Commission, and 14 cents per subscriber in the case of superstations that are syndex-proof as defined

in section 258.2 of title 37, Code of Federal Regulations; and' ''.

(2) Section 2(4) is amended to read as follows:

''(4) Subsection (c) is amended—

''(A) in paragraph (1)—

''(i) by striking 'until December 31, 1992,';

''(ii) by striking '(2), (3) or (4)' and inserting '(2) or (3)'; and

''(iii) by striking the second sentence;

''(B) in paragraph (2)—

''(i) in subparagraph (A) by striking 'July 1, 1991' and inserting 'July 1, 1996'; and

''(ii) in subparagraph (D) by striking 'December 31, 1994' and inserting 'December 31, 1999, or in accordance with the terms of the agreement, whichever is later'; and

''(C) in paragraph (3)—

''(i) in subparagraph (A) by striking 'December 31, 1991' and inserting 'January 1, 1997';

''(ii) by amending subparagraph (B) to read as follows:

'(B) ESTABLISHMENT OF ROYALTY FEES.—In determining royalty fees under this paragraph, the copyright arbitration royalty panel appointed under chapter 8 shall establish fees for the retransmission of network stations and superstations that most clearly represent the fair market value of secondary transmissions. In determining the fair market value, the panel shall base its decision on economic, competitive, and programming information presented by the parties, including—

'(i) the competitive environment in which such programming is distributed, the cost of similar signals in similar private and compulsory license marketplaces, and any special features and conditions of the retransmission marketplace;

'(ii) the economic impact of such fees on copyright owners and satellite carriers; and

'(iii) the impact on the continued availability of secondary transmissions to the public.'; and

''(iii) in subparagraph (C), by inserting 'or July 1, 1997, whichever is later' after 'section 802(g).' ''.

(3) Section 2(5)(A) is amended to read as follows:

''(A) in paragraph (5)(C) by striking 'the date of the enactment of the Satellite Home Viewer Act of 1988' and inserting 'November 16, 1988'; and''.

SEC. 3. COPYRIGHT IN RESTORED WORKS.

Section 104A of title 17, United States Code, is amended as follows:

(1) Subsection (d)(3)(A) is amended to read as follows:

''(3) EXISTING DERIVATIVE WORKS.—(A) In the case of a derivative work that is based upon a restored work and is created—

''(i) before the date of the enactment of the Uruguay Round Agreements Act, if the source country of the restored work is an eligible country on such date, or

''(ii) before the date of adherence or proclamation, if the source country of the restored work is not an eligible country on such date of enactment,a reliance party may continue to exploit that derivative work for the duration of the restored copyright if the reliance party pays to the owner of the restored copyright reasonable compensation for conduct which would be subject to a remedy for infringement but for the provisions of this paragraph.''.

(2) Subsection (e)(1)(B)(ii) is amended by striking the last sentence.

(3) Subsection (h)(2) is amended to read as follows:

''(2) The 'date of restoration' of a restored copyright is the later of—

''(A) January 1, 1996, the date on which the Agreement on Trade-Related Aspects of Intellectual Property referred to in section 101(d)(15) of the Uruguay Round Agreements Act enters into force with respect to the United States, if the source country of the restored work is a nation adhering to the Berne Convention or a WTO member country on such date, or

''(B) the date of adherence or proclamation, in the case of any other source country of the restored work.''.

(4) Subsection (h)(3) is amended to read as follows:

''(3) The term 'eligible country' means a nation, other than the United States, that, after the date of the enactment of the Uruguay Round Agreements Act—

''(A) becomes a WTO member,

''(B) is or becomes a member of the Berne Convention, or

''(C) becomes subject to a proclamation under subsection (g).''.

SEC. 4. LICENSES FOR NONEXEMPT SUBSCRIPTION TRANSMISSIONS.

Section 114(f) of title 17, United States Code, is amended—

(1) in paragraph (1), by inserting '', or ending 30 days after the Librarian issues and publishes in the Federal Register an order adopting or rejecting the report of the copyright arbitration royalty panel, if such panel is convened'' after ''December 31, 2000''; and

(2) in paragraph (2), by striking ''and publish in the Federal Register''.

SEC. 5. ROYALTY PAYABLE UNDER COMPULSORY LICENSE.

Section 115(c)(3)(D) of title 17, United States Code, is amended by striking ''and publish in the Federal Register''.

SEC. 6. NEGOTIATED LICENSE FOR JUKEBOXES.

Section 116 of title 17, United States Code, is amended—

(1) by amending subsection (b)(2) to read as follows:

''(2) ARBITRATION.—Parties not subject to such a negotiation may determine the result of the negotiation by arbitration in accordance with the provisions of chapter 8.''; and

(2) by adding at the end the following new subsection:

''(d) DEFINITIONS.—As used in this section, the following terms mean the following:

''(1) A 'coin-operated phonorecord player' is a machine or device that—

''(A) is employed solely for the performance of nondramatic musical works by means of phonorecords upon being activated by the insertion of coins, currency, tokens, or other monetary units or their equivalent;

''(B) is located in an establishment making no direct or indirect charge for admission;

''(C) is accompanied by a list which is comprised of the titles of all the musical works available for performance on it, and is affixed to the phonorecord player or posted in the establishment in a prominent position where it can be readily examined by the public; and

''(D) affords a choice of works available for performance and permits the choice to be made by the patrons of the establishment in which it is located.

''(2) An 'operator' is any person who, alone or jointly with others—

''(A) owns a coin-operated phonorecord player;

''(B) has the power to make a coin-operated phonorecord player available for placement in an establishment for purposes of public performance; or

''(C) has the power to exercise primary control over the selection of the musical works made available for public performance on a coin-operated phonorecord player.''.

SEC. 7. LIMITATIONS ON EXCLUSIVE RIGHTS; COMPUTER PROGRAMS.

Section 117 of title 17, United States Code, is amended as follows:

(1) Strike ''Notwithstanding'' and insert the following:

''(a) MAKING OF ADDITIONAL COPY OR ADAPTATION BY OWNER OF COPY.—Notwithstanding''.

(2) Strike ''Any exact'' and insert the following:

''(b) LEASE, SALE, OR OTHER TRANSFER OF ADDITIONAL COPY OR ADAPTATION.—Any exact''.

(3) Add at the end the following:

''(c) MACHINE MAINTENANCE OR REPAIR.—Notwithstanding the provisions of section 106, it is not an infringement for the owner or lessee of a machine to make or authorize the making of a copy of a computer program if such copy is made solely by virtue of the activation of a machine that lawfully contains an authorized copy of the computer program, for purposes only of maintenance or repair of that machine, provided that—

''(1) such new copy is used in no other manner and is destroyed immediately after the maintenance or repair is completed, and

''(2) with respect to any computer program or part thereof that is not necessary for that machine to be activated, such program or part thereof is not accessed or used other than to make such new copy by virtue of the activation of the machine.

''(d) DEFINITIONS.—For purposes of this section—

''(1) the term 'maintenance' of a machine means servicing the machine in order to make it work in accordance with its original specifications and any changes to those specifications authorized for that machine; and

''(2) the term 'repair' of a machine means restoring it to the state of working in accordance with its original specifications and any changes to those specifications authorized for that machine.''.

SEC. 8. PUBLIC BROADCASTING COMPULSORY LICENSE.

Section 118 of title 17, United States Code, is amended as follows:

(1) Subsection (b) is amended by striking paragraph (1) and redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(2) Subsection (b)(2) (as redesignated by paragraph (1) of this section) is amended by striking ''(2)'' each place it appears and inserting ''(1)''.

(3) Subsection (e) is amended to read as follows:

''(e)(1) Except as expressly provided in this subsection, this section shall not apply to works other than those specified in subsection (b).

''(2) Owners of copyright in nondramatic literary works and public broadcasting entities may, during the course of voluntary negotiations, agree among themselves, respectively, as to the terms and rates of royalty payments without liability under the antitrust laws. Any such terms and rates of royalty payments shall be effective upon being filed in the Copyright Office, in accordance with regulations that the Register of Copyrights shall prescribe.''.

SEC. 9. REGISTRATION AND INFRINGEMENT ACTIONS.

Section 411(b)(1) of title 17, United States Code, is amended to read as follows:

''(1) serves notice upon the infringer, not less than 48 hours before such fixation, identifying the work and the specific time and source of its first transmission, and declaring an intention to secure copyright in the work; and''.

SEC. 10. COPYRIGHT OFFICE FEES.

(a) FEE INCREASES.—Section 708(b) of title 17, United States Code, is amended to read as follows:

''(b) In calendar year 1996 and in any subsequent calendar year, the Register of Copyrights, by regulation, may increase the fees specified in subsection (a) in the following manner:

''(1) The Register shall conduct a study of the costs incurred by the Copyright Office for the registration of claims, the recordation of documents, and the provision of services. The study shall also consider the timing of any increase in fees and the authority to use such fees consistent with the budget.

''(2) The Register shall have discretion to increase fees up to the reasonable costs incurred by the Copyright Office for the services described in paragraph (1) plus a reasonable inflation adjustment to account for any estimated increase in costs.

''(3) Any newly established fee based on paragraph (2) shall be rounded off to the nearest dollar, or for a fee less than $12, rounded off to the nearest 50 cents.

''(4) The fees shall be fair and equitable and give due consideration to the objectives of the copyright system.

''(5) If upon completion of the study, the Register determines that the fees should be increased, the Register shall prepare a proposed fee schedule and submit the schedule with the accompanying economic analysis to the Congress. The fees proposed by the Register may be instituted after the end of 120 days after the schedule is submitted to the Congress unless, within that 120-day period, a law is enacted stating in substance that the Congress does not approve the schedule.''.

(b) DEPOSIT OF FEES.—Section 708(d) of such title is amended to read as follows:

''(d)(1) Except as provided in paragraph (2), all fees received under this section shall be deposited by the Register of Copyrights in the Treasury of the United States and shall be credited to the appropriations for necessary expenses of the Copyright Office. Such fees that are collected shall remain available until expended. The Register may, in accordance with regulations that he or she shall prescribe, refund any sum paid by mistake or in excess of the fee required by this section.

''(2) In the case of fees deposited against future services, the Register of Copyrights shall request the Secretary of the Treasury to invest in interest-bearing securities in the United States Treasury any portion of the fees that, as determined by the Register, is not required to meet current deposit account demands. Funds shall be invested in securities that permit funds to be available to the Copyright Office at all times if they are determined to be necessary to meet current deposit account demands. Such investments shall be in public debt securities with maturities suitable to the needs of the fund, as determined by the Register of Copyrights, and bearing interest at rates determined by the Secretary of the Treasury, taking into consideration current market yields on outstanding marketable obligations of the United States of comparable maturities.

''(3) The income on such investments shall be deposited in the Treasury of the United States and shall be credited to the appropriations for necessary expenses of the Copyright Office.''.

SEC. 11. COPYRIGHT ARBITRATION ROYALTY PANELS.

(a) ESTABLISHMENT AND PURPOSE.—Section 801 of title 17, United States Code, is amended—

(1) in subsection (b)(1) by striking ''and 116'' in the first sentence and inserting ''116, and 119'';

(2) in subsection (c) by inserting after ''panel'' at the end of the sentence the following:

'', including—

''(1) authorizing the distribution of those royalty fees collected under sections 111, 119, and 1005 that the Librarian has found are not subject to controversy; and

''(2) accepting or rejecting royalty claims filed under sections 111, 119, and 1007 on the basis of timeliness or the failure to establish the basis for a claim''; and

(3) by amending subsection (d) to read as follows:

''(d) SUPPORT AND REIMBURSEMENT OF ARBITRATION PANELS.—The Librarian of Congress, upon the recommendation of the Register of Copyrights, shall provide the copyright arbitration royalty panels with the necessary administrative services related to proceedings under this chapter, and shall reimburse the arbitrators at such intervals and in such manner as the Librarian shall provide by regulation. Each such arbitrator is an independent contractor acting on behalf of the United States, and shall be paid pursuant to a signed agreement between the Library of Congress and the arbitrator. Payments to the arbitrators shall be considered costs incurred by the Library of Congress and the Copyright Office for purposes of section 802(h)(1).''.

(b) PROCEEDINGS.—Section 802(h)(1) of title 17, United States Code, is amended—

(1) by amending the heading to read ''DEDUCTION OF COSTS OF LIBRARY OF CONGRESS AND COPYRIGHT OFFICE FROM ROYALTY FEES.—'';

(2) in the first sentence by inserting ''to support distribution proceedings'' after ''Copyright Office''; and

(3) by amending the third sentence to read as follows: ''In ratemaking proceedings, the Librarian of Congress and the Copyright Office may assess their reasonable costs directly to the parties to the most recent relevant arbitration proceeding, 50 percent of the costs to the parties who would receive royalties from the royalty rate adopted in the proceeding and 50 percent of the costs to the parties who would pay the royalty rate so adopted, subject to the discretion of the arbitrators to assess costs under subsection (c).''.

SEC. 12. DIGITAL AUDIO RECORDING DEVICES AND MEDIA.

Section 1007(b) of title 17, United States Code, is amended by striking ''Within 30 days after'' in the first sentence and inserting ''After''.

SEC. 13. TREATMENT OF PRE-1978 PUBLICATION OF SOUND RECORDINGS.

Section 303 of title 17, United States Code, is amended—

(1) by striking ''Copyright'' and inserting ''(a) Copyright''; and

(2) by adding at the end the following:

''(b) The distribution before January 1, 1978, of a phonorecord shall not for any purpose constitute a publication of the musical work embodied therein.''.

SEC. 14. CONFORMING AMENDMENT.

Paragraph (5) of section 4 of the Digital Performance Right in Sound Recordings Act of 1995 is redesignated as paragraph (4).

SEC. 15. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this Act shall take effect on the date of the enactment of this Act.

(b) SATELLITE HOME VIEWER ACT.—The amendments made by section 1 shall be effective as if enacted as part of the Satellite Home Viewer Act of 1994 (Public Law 103–369).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California [Mr. MOORHEAD] and the gentlewoman from Colorado [Mrs. SCHROEDER] will each be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. MOORHEAD].

GENERAL LEAVE

Mr. MOORHEAD. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1861.

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

There was no objection.

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

(Mr. MOORHEAD asked and was given permission to revise and extend his remarks.)

Mr. MOORHEAD. Mr. Speaker, I rise in support of H.R. 1861, the Copyright Clarifications Act of 1996. This important legislation will assist the U.S. Copyright Office in carrying out its duties, including giving the Office the ability to set reasonable fees for basic services, subject to congressional approval. It corrects or clarifies the language in several recent amendments to the Copyright act so that Congress' original intent can be better achieved. Two provisions resolve problems created by recent judicial interpretations of provisions of the copyright law. One of these amendments makes clear that the distribution of musical disks or tapes before 1978 did not publish the musical compositions embodied in the disks or tapes. The other amendment ensures that independent service organizations have the ability to activate a computer to maintain and repair its hardware components without being held liable by a court for copyright infringement due to that activation alone.

The U.S. Copyright Office is the agency charged with primary responsibility for implementing the provisions of the Copyright Act. In early 1995, the Copyright Office submitted to the Subcommittee on Courts and Intellectual Property a number of recommendations to clarify or correct the following: the Copyright Fees and Technical Amendments Act of 1989, the Audio Home Recording Act of 1992, the Copyright Royalty Tribunal Reform Act of 1993, the Satellite Home Viewer Act of 1994, and the Digital Performance Right in Sound Recordings Act of 1995. This legislation is the result of those efforts and I want to congratulate the Register of Copyrights, Marybeth Peters, and her staff, for their great initiative and hard work.

This legislation amends section 117 to ensure that independent service organizations do not inadvertently become liable for copyright infringement merely because they have turned on a machine in order to service its hardware components. The language contained in this section of the bill was driven by the introduction of H.R. 533, by Representative KNOLLENBERG of Michigan. I thank Mr. KNOLLENBERG for bringing this important matter to the subcommittee's attention and for leading the way in negotiations between the parties which resulted in the language contained in this bill.

A provision of this bill which clarifies the law to ensure that the mere distribution of musical disks or tapes before 1978 did not constitute a publication of the musical composition embodied in those disks or tapes comes from a decision of the Ninth Circuit in the case of La Cienega Music Co. which conflicts with 90 years of practice of the U.S. Copyright Office and the longstanding legal precedent in this country, thereby casting a black cloud over the rights of every U.S. music publisher for any pre-1978 composition released on phonorecords. I want to take a moment to thank Mr. Bernard Besman, the owner of La Cienega Music Co., who has fought so hard to exhaust his remedies in the courts, and who is primarily responsible for the necessary clarification to the law that exists in H.R. 1861. Music publishers, songwriters, and all those involved in the creation of music owe Mr. Besman deep thanks for his personal sacrifice

in pursuing through the judicial and legislative system a just solution to a wrong about which he felt strongly. He can be assured that we will work quickly to get this piece of legislation to the President's desk for his signature so that Mr. Besman's fight for all music writers and publishers can come to a rewarding end.

Mr. Speaker, all of the provisions contained in this bill are necessary for the proper functioning of the U.S. Copyright Office and the Copyright system, I am unaware of any opposition to this legislation, and I urge a favorable vote on H.R. 1861.

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

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

Mr. Speaker. I again thank my subcommittee chairman, the distinguished gentleman from California, [Mr. MOORHEAD], and I join the subcommittee chairman and the members of the subcommittee in supporting H.R. 1861, which has a whole number of provisions that clarify the copyright law.

So we are doing two things today. In the prior bill we increased the penalties, and here we are making it as clear as possible what the copyright law should be. Some of these provisions correct drafting errors in prior recent amendments to the law. Other provisions are intended to assist the Copyright Office in carrying out their duties. These provisions are basically technical and housekeeping in nature. This is one of the few housekeeping tasks I ever do in my role here. They are described in detail in the bill report that accompanies this.

Another provision reinstates the longstanding view of the Copyright Office that has been confirmed by the Second Circuit Court of Appeals that the sale or distribution of recordings to the public before 1978 did not constitute publication of the music composition embodied in the recording.

□ 1515

This longstanding view, however, was rejected by the ninth circuit last year, and that created a good deal of uncertainty for many musical works that have been recorded and sold before 1978. This bill is intended to remove that uncertainty by confirming the longstanding view of the Copyright Office and what everybody had thought had been the law before the ninth circuit decision.

Finally, there is a narrowly crafted provision that enables independent service organizations that have the ability to activate a computer to maintain and repair its hardware components without becoming liable for copyright infringement.

I want to emphasize the extremely narrow reach of this provision. It is designed to maintain undiminished copyright protection to authors of computer programs, while making it possible for third parties to service the computer hardware.

The provisions of this bill have received the support of the Register of Copyrights who testified before our subcommittee on behalf of the U.S. Copyright Office. I urge my colleagues to support this bill.

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

Mr. MOORHEAD. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. KNOLLENBERG].

Mr. KNOLLENBERG. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I want to thank Chairman MOORHEAD for pushing this bill through Congress. It is a tribute to his fine leadership—and leadership we will miss when he departs at the end of this Congress.

I am very pleased the chairman has provided this opportunity to move this important, bipartisan bill through the House. My bill, H.R. 533, has been included in this legislation, and I want to extend my appreciation to the chairman for choosing to include our language.

My bill is designed to ensure that independent service organizations [ISO's] do not inadvertently become liable for copyright infringement merely because they have turned on a machine in order to service its hardware components.

As it is written, current law holds them liable when they flip the switch. It places a heavy burden on our workers who need to service our computer systems. And a strict enforcement of this law could shut down the multibillion dollar high technology maintenance industry which provides thousands of jobs.

In today's business world, our computer service technicians must have the flexibility to do their jobs without the fear they are breaking copyright laws.

Every day our reliance on our computer systems is growing, and in today's deadline-filled, rushed business world, minutes can mean millions.

These restrictions also have a negative impact on consumers. Costs and convenience are major factors when using specific computer service people. Forcing consumers into strict requirements of who can and cannot service your computer will certainly negatively impact consumers and businesses alike.

With the personal computer as common in our day-to-day lives as any other household item, we need to give our computer repairmen the flexibility and opportunity to service our systems.

At this point I would like to enter into a colloquy with the distinguished chairman of the Courts and Intellectual Property Subcommittee.

Mr. Chairman, the report language states:

> When a computer is activated, that is when it is turned on, certain software or parts thereof (generally the machine's operating system software) is automatically copied into the machine's random access memory, or RAM.

In the very next sentence it states:

> During the course of activating the computer, different parts of the operating system may reside in the RAM at different times because the operating system is sometimes larger than the capacity of the RAM.

Mr. Chairman, does activating the computer mean allowing the entire operating system to be loaded by the computer into the RAM, even if different parts of the operating system are not loaded in one step?

Mr. MOORHEAD. If the gentleman will yield, Mr. Speaker, the gentleman is correct. Activation may include getting the different parts of the operating system through the RAM. Because the entire operating system may not entirely fit into the RAM, activation may proceed through a series of steps until the entire operating system is fully loaded.

Mr. KNOLLENBERG. Again, I want to thank the chairman for his efforts and hard work. I want to thank him for including my legislation in this bill.

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. MOORHEAD] that the House suspend the rules and pass the bill, H.R. 1861, as amended.

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

A motion to reconsider was laid on the table.

BOATING AND AVIATION OPERATION SAFETY ACT OF 1996

Mr. GEKAS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 234) to amend title 11 of the United States Code to make nondischargeable a debt for death or injury caused by the debtor's operation of watercraft or aircraft while intoxicated, as amended.

The Clerk read as follows:

H.R. 234

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Boating and Aviation Operation Safety Act of 1996''.

SEC. 2. AMENDMENT.

Section 523(a)(9) of title 11, United States Code, is amended by inserting '', watercraft, or aircraft'' after ''motor vehicle''.

SEC. 3. EFFECTIVE DATE; APPLICATION OF AMENDMENT.

(a) EFFECTIVE DATE.—Except as provided in subsection (b), this Act and the amendment made by section 2 shall take effect on the date of the enactment of this Act.

(b) APPLICATION OF AMENDMENT.—The amendment made by section 2 shall not apply with respect to cases commenced under title 11 of the United States Code before the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania [Mr. GEKAS] and the gentleman from Rhode Island [Mr. REED] will each be recognized for 20 minutes.

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

GENERAL LEAVE

Mr. GEKAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on H.R. 234, the bill under consideration.

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

There was no objection.

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

Mr. Speaker, I rise in support of H.R. 234, the Boating and Aviation Operation Safety Act and urge its adoption by the House.

Mr. Speaker, prior to 1984, it was possible in some realms in bankruptcy to have the spectacle of a drunk driver who causes untold adverse consequences, damages, and injuries to an innocent victim and then we could observe a phenomenon whereby a judgment would be entered against this drunk driver for the damage that he has caused and then to see the drunk driver enter bankruptcy and have his whole obligation wiped out, discharged, because of the safe haven that a bankruptcy would accord him.

In 1984, the Congress passed legislation that would make nondischargeable that kind of situation. That is, if that scenario were repeated after 1984, notwithstanding the fact that a drunk driver later would try to file for bankruptcy, even if he were accorded the safeguards of bankruptcy, this particular obligation on drunk driving damages that he had caused would not be discharged from bankruptcy.

Now, bringing us up to date here today, it has come to pass that several cases have come up on watercraft drunk operation, and then the courts became split as to whether the nondischargeability of a debt of a drunk driver would apply to a drunk boat operator.

So we have this legislation here to clarify all of those distinctions and controverted issues and solve the situation. In other words, this legislation would add watercraft of any type where operated by someone who is drunk, who causes damages, that kind of damage would not be dischargeable in bankruptcy to accompany the same prohibition that now exists in the law for drunk driving of land vehicles, as it were.

That is the whole purpose of the legislation. But there are some matters that we wanted to clear up, so we will enter into a colloquy, or after the statement of the gentleman from Rhode Island [Mr. REED], we will enter into a colloquy to further clarify some of these distinctions.

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

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

Mr. Speaker, I rise in support of the bill. The goal of chapter 7 and chapter 13 bankruptcy proceedings is to give the debtor a fresh start by discharging his or her debts, either after liquidation of assets and payments to creditors in chapter 7 or after a 3- to 5-year consumer reorganization repayment period in chapter 13.

However, certain debts, such as alimony and child support, are nondischargeable. The bankruptcy code already prohibits the discharge of debt arising from the operation of a motor vehicle while intoxicated, and there have been three reported cases interpreting this section of the bankruptcy code. Two have held that the motor boat falls within the meaning of motor vehicle; one held the opposite.

This bill, introduced by the gentleman from Michigan [Mr. EHLERS], would add watercraft and aircraft to the phrase motor vehicle in section 523(a)(9).

This addition would clarify and emphasize that current law already prohibits the discharge of debts incurred through the drunken operation of boats and aircraft, as well as cars. H.R. 234 would eliminate further confusion in the courts about the intended scope of this statute.

I commend the gentleman from Michigan [Mr. EHLERS] for his interest in this issue. My home State of Rhode Island is known as the Ocean State. We have thousands of people operating all types of watercraft off our shores. Regrettably, in the next few weeks we will probably have tragic incidents in which people are injured and perhaps killed by someone who irresponsibly drank and piloted a boat.

One of the witnesses at the subcommittee hearing on this issue testified that 25 percent of the reported boating accidents in Maryland involved people with elevated blood alcohol levels. Clearly, this type of dangerous and irresponsible behavior is something we must try to discourage by all means at our disposal, and using the bankruptcy code to do so I think is appropriate. This clarification is indeed a very useful clarification of the code.

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

Mr. GEKAS. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. EHLERS].

Mr. EHLERS. Mr. Speaker, I want to thank the chairman of the subcommittee not only for yielding time but also for taking this bill up in the subcommittee and lending his support to it.

As my colleagues have heard, this bill is necessary because the current law simply specifies motor vehicle, and that has been interpreted in three different ways by the courts.

In 1989, there was a case in Florida in which the judge ruled that motor vehicle included a boat or an airplane, operated respectively on a waterway or on an airway.

In a later decision in 1993, another court held that motor vehicle clearly was intended to apply only to an automobile and, therefore, did not apply to watercraft or aircraft.

Once again, in 1995, there was a judgment in another court that, indeed, motor vehicle included boats and aircraft.

So it is not only necessary to pass this particular bill to make certain that we include aircraft and watercraft as vehicles whose illegal operations by someone who is drunk or on drugs results in a nondischargeable debt during bankruptcy, but it is also very important to make this clear because the courts have ruled in different fashions in these various cases. Therefore, I appreciate the committee taking up the bill and giving us an opportunity to clarify this.

The bill itself is very simple. It simply makes clear that anyone who is operating a motor vehicle, a watercraft or an aircraft illegally by virtue of being intoxicated from using alcohol, a drug or another substance may not hide from responsibility for damages by making this a dischargeable debt by declaring bankruptcy. Clearly, this can be labeled as a victims' rights bill, because this will ensure that victims of such a drunk or drugged operator will receive adequate compensation and they cannot be deprived of that compensation simply by virtue of the perpetrator having declared bankruptcy.

I urge that the bill be passed, and I thank the chairman, once again, for his diligent work on this issue.

Mr. REED. Mr. Speaker, I yield myself such time as I may consume for the purpose of conducting a colloquy with my colleague, the distinguished gentleman from Pennsylvania [Mr. GEKAS], and I would ask the gentleman if he would answer a question.

Mr. GEKAS. Mr. Speaker, if the gentleman will yield, I would be happy to.

Mr. REED. Mr. Speaker, how is watercraft to be defined?

Mr. GEKAS. A watercraft is a buoyant craft operated by a person in the water—as an aircraft is an airborne craft operated by a person in the air or in the act of taking off or landing.

As I have said, our intent is to protect the public from intoxicated operators of watercraft and aircraft. It matters not whether the watercraft is a motorboat, a personal watercraft, a barge, a canoe, a kayak, a rowboat or whatever, or whether the aircraft is jet propelled, or propeller driven, or a glider or a hang glider—you name it. There is no requirement that the watercraft or aircraft be powered by an engine. Under this legislation, it is the unlawful operation of a watercraft or aircraft by an intoxicated operator resulting in death or personal injury that gives rise to a nondischargeable debt.

Mr. REED. I thank the gentleman.

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

Mr. GEKAS. Mr. Speaker, I want to thank the gentleman from Michigan

[Mr. EHLERS] for the initiative that he displayed in bringing this matter to the conclusion that it has found today, and I ask the Members to extend their support to the current legislation.

Ms. DELAURO. Mr. Speaker, I rise in strong support of H.R. 234, the Boating and Aviation Safety Act. The bill amends Federal bankruptcy law to ensure financial responsibility for individuals who cause deaths or injuries by operation of a boat or aircraft while under the influence of drugs or alcohol. Specifically, the measure prohibits bankruptcy courts from discharging an individual's debts for wrongful death or injuries if caused by the individual's operation of a motor vehicle, boat, or aircraft while intoxicated.

This legislation is extremely important to residents of my district, many of whom live on the shoreline of the Long Island Sound. Boating accidents are an unfortunate reality on a highly active waterway. As the summer boating season begins, it is essential to provide the victims of preventable boating accidents the same recourse for reckless piloting of boats on our waters as any victim of a accident in a car. This important legislation would extend the bankruptcy law that pertains to operators of motor vehicles to operators of boats and aircraft. This is a matter of fairness.

While some bankruptcy courts have used a broad interpretation of the motor vehicle to include operators of aircraft and boats in cases of injury or death to others due to intoxication, some have not. In order to ensure justice to the victims of boating accidents and their families we must pass this measure today.

We must send a strong message to boat operators: If you drink and operate a boat you are going to face the same harsh punishment that you would if you drink and drive. I strongly support this bill and urge its immediate adoption.

Mr. GEKAS. 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 Pennsylvania [Mr. GEKAS] that the House suspend the rules and pass the bill, H.R. 234, as amended.

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

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

□ 1530

ADMINISTRATIVE DISPUTE RESOLUTION ACT OF 1996

Mr. GEKAS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2977) to reauthorize alternative means of dispute resolution in the Federal administrative process, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2977

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Administrative Dispute Resolution Act of 1996''.

SEC. 2. AMENDMENT TO DEFINITIONS.

Section 571 of title 5, United States Code, is amended—

(1) in paragraph (3)—

(A) by striking '', in lieu of an adjudication as defined in section 551(7) of this title,'';

(B) by striking ''settlement negotiations,''; and

(C) by striking ''and arbitration'' and inserting ''arbitration, and use of ombudsmen''; and

(2) in paragraph (8)—

(A) in subparagraph (B) by striking ''decision,'' and inserting ''decision;''; and

(B) by striking the matter following subparagraph (B).

SEC. 3. AMENDMENTS TO CONFIDENTIALITY PROVISIONS.

(a) LIMITATION OF CONFIDENTIALITY APPLICATION TO COMMUNICATION.—Section 574(a) of title, 5, United States Code, is amended in the matter before paragraph (1) by striking ''any information concerning''.

(b) ALTERNATIVE CONFIDENTIALITY PROCEDURES.—Section 574(d) of title 5, United States Code, is amended—

(1) by inserting ''(1)'' after ''(d)''; and

(2) by adding at the end thereof the following new paragraph:

''(2) To qualify for the exemption established under subsection (j), an alternative confidential procedure under this subsection may not provide for less disclosure than the confidential procedures otherwise provided under this section.''.

(c) EXEMPTION FROM DISCLOSURE BY STATUTE.—Section 574(j) of title 5, United States Code, is amended by striking ''This section'' and inserting ''This section (other than subsection (a))''.

SEC. 4. AMENDMENT TO REFLECT THE CLOSURE OF THE ADMINISTRATIVE CONFERENCE.

(a) PROMOTION OF ADMINISTRATIVE DISPUTE RESOLUTIONS.—Section 3(a)(1) of the Administrative Dispute Resolution Act (5 U.S.C. 581 note; Public Law 101–552; 104 Stat. 2736) is amended by striking ''the Administrative Conference of the United States and''.

(b) COMPILATION OF INFORMATION.—

(1) IN GENERAL.—Section 582 of title 5, United States Code, is repealed.

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 5, United States Code, is amended by striking the item relating to section 582.

(c) FEDERAL MEDIATION AND CONCILIATION SERVICE.—Section 203(f) of the Labor Management Relations Act, 1947 (29 U.S.C. 173(f)) is amended by striking ''the Administrative Conference of the United States and''.

SEC. 5. AMENDMENTS TO SUPPORT SERVICE PROVISION.

Section 583 of title 5, United States Code, is amended by inserting ''State, local, and tribal governments,'' after ''other Federal agencies,''.

SEC. 6. AMENDMENTS TO THE CONTRACT DISPUTES ACT.

Section 6 of the Contract Disputes Act of 1978 (41 U.S.C. 605) is amended—

(1) in subsection (d) by striking the second sentence and inserting: ''The contractor shall certify the claim when required to do so as provided under subsection (c)(1) or as otherwise required by law.''; and

(2) in subsection (e) by striking the first sentence.

SEC. 7. AMENDMENTS ON ACQUIRING NEUTRALS.

(a) EXPEDITED HIRING OF NEUTRALS.—

(1) COMPETITIVE REQUIREMENTS IN DEFENSE AGENCY CONTRACTS.—Section 2304(c)(3)(C) of title 10, United States Code, is amended by striking ''agency, or'' and inserting ''agency, or to procure the services of an expert or neutral for use''.

(2) COMPETITIVE REQUIREMENTS IN FEDERAL CONTRACTS.—Section 303(c)(3)(C) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253(c)(3)(C)), is amended by striking ''agency, or'' and inserting ''agency, or to procure the services of an expert or neutral for use''.

(b) REFERENCES TO THE ADMINISTRATIVE CONFERENCE OF THE UNITED STATES.—Section 573 of title 5, United States Code, is amended—

(1) by striking subsection (c) and inserting the following:

''(c) In consultation with other appropriate Federal agencies and professional organizations experienced in matters concerning dispute resolution, the Federal Mediation and Conciliation Service shall—

''(1) encourage and facilitate agency use of alternative means of dispute resolutions; and

''(2) develop procedures that permit agencies to obtain the services of neutrals on an expedited basis.''; and

(2) in subsection (e) by striking ''on a roster established under subsection (c)(2) or a roster maintained by other public or private organizations, or individual''.

SEC. 8. PERMANENT AUTHORIZATION OF THE ALTERNATIVE DISPUTE RESOLUTION PROVISIONS OF TITLE 5, UNITED STATES CODE.

The Administrative Dispute Resolution Act (Public Law 101–552; 104 Stat. 2747; 5 U.S.C. 581 note) is amended by striking section 11.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.Subchapter IV of chapter 5 of title 5, United States Code, is amended by adding at the end thereof the following new section:

''§ 584. Authorization of appropriations

''There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this subchapter.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 5, United States Code, is amended by inserting after the item relating to section 583 the following:

''584. Authorization of appropriations.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania [Mr. GEKAS] and the gentleman from Rhode Island [Mr. REED] will each be recognized for 20 minutes.

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

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

Mr. Speaker, I rise in support of H.R. 2977 and urge its adoption by the House. The Administrative Dispute Resolution Act was signed into law by President Bush back in 1990. From what we were able to discern over the 5 years of its operation, it did a world of good.

This administrative resolution syndrome is one in which Federal agencies are given an additional tool to try to settle disputes that might arise between agencies or between an agency and a contractor, shall we say, a government contractor, or a private citizens group, or anyone who runs into and becomes embroiled in a dispute with a Federal agency. Hence, the administrative procedure that was set up

by the bill that we have referred to would set up a procedure for that purpose.

Well, this authority ran out in October of last year. We in the Subcommittee on Commercial and Administrative Law held an oversight hearing in December 1995, and I speak for the gentleman from Rhode Island, both he and I were sufficiently impressed with the cost saving and efficiency displayed in the various mechanisms employed by the Administrative Dispute Resolution Act that we, almost on the spot, reendorsed the concept of having these agencies being able to filter out disputes of this type before they should reach a court jurisdiction. So we proceeded to work together, and the product that we have before us today is one in which we co-worked and co-authored, as it were.

One of the phenomena that makes it even more important for us to pass this legislation was the phasing out of ACUS, the Administrative Conference of the United States, which had during its lifetime covered some of the mechanisms which now are more fully employed by what we propose to do here today.

But I would mention some of the improvements that we have fashioned in H.R. 2977 for the purposes of the RECORD: For instance, we amend the Federal Property and Administrative Services Act to clarify that agencies may use expedited procurement procedures when hiring neutral third parties for some of these proceedings.

It also amends the law to authorize agencies to use the services and facilities of State, local, and tribal governments in order to implement the ADR Act. That is enlarging the scope of the capacity to deal agency by agency in solving disputes before they reach a more hectic state.

Also, it amends the Contract Disputes Act to require that contract claims only in excess of $100,000 be certified in order to facilitate the use of ADR, and also a provision that broadens the definition of ''alternative means of dispute resolution'' to include the use of ombudsmen, while at the same time striking from that definition ''settlement negotiations,'' which was not deemed particularly useful, and so on.

It does some other improvements, and I will ask that these remarks be made a part of the RECORD so we will fully cover it, but I do wish to cover just one other little dispute that we resolved in a gentlemanly and bipartisan fashion.

There was a dispute as to whether we should allow binding arbitration when, let us say, a Federal agency became involved with a Federal contractor. If we had a binding arbitration conclusion, it would mean that this would be binding on the Federal Government. Then the dispute arose, can the Federal Government constitutionally surrender its decisionmaking to a nonelected official, thus bringing in a whole gamut of constitutional questions.

So what has been utilized over the past has been the opt-out provision, that if we do come to a kind of an arbitration conclusion, then government will have the right within a certain period of time to opt out, not to be bound by that decision, thus preserving the constitutionality of the agency representing the U.S. Government who could not delegate this kind of duty.

The penalty for that would be, though, that some of the costs and other costs could be garnered by the disaffected other parties, but at least the governmental constitutional safeguard would remain in place. What we have done in this legislation is to preserve in some fashion the opt-out provision, thus not facing the constitutional problems that this issue raises.

We also straightened out some items on confidentiality, and all-in-all have improved the concept to a degree that we feel comfortable in presenting it to the floor and having the gentleman from Massachusetts hurry us up to complete the process.

And so we offer our thanks to everyone who helped prepare the legislation.

Mr. Speaker, I rise in support of H.R. 2977 and urge its adoption by the House.

The Administrative Dispute Resolution Act [ADR] was signed into law by President George W. Bush on November 15, 1990, as Public Law 101–552. It was intended to encourage the use of alternative techniques to resolve disputes involving Federal agencies in the discharge of their regulatory responsibilities. The law provided explicit authority for agencies to engage in ADR and developed a framework meant to foster it.

The Subcommittee on Commercial and Administrative Law held an oversight hearing on December 13, 1995 on the ADR Act, which expired on October 1 of last year. The testimony that was presented before the subcommittee, I think, can be characterized as being uniformly favorable. Representatives of agencies, ADR practitioners and a corporate counsel all testified to savings attributable to the use of ADR techniques. Savings not only in time but also in considerable money, both to the Government and to private citizens and businesses. Not only I, but also the ranking minority member, were impressed and persuaded that a procedure that can facilitate such savings deserves to be reimplemented with whatever improvements have either been made necessary by time or will help effectuate even further savings.

Therefore, the gentleman from Rhode Island and I introduced this bill in a bipartisan spirit of cooperation attempting to focus attention on the most important areas of agreement and calculated to encourage the most expeditious passage of this legislation.

The bill makes a variety of changes to current law principally of a minor and technical nature to reflect things that have occurred since the ADR Act was first signed into law, for instance, the discontinuation of the Administrative Conference of the United States, which formerly had a primary role in promoting the act. But before ACUS went out of existence, it offered several recommended improvements to the act, some of which are included in H.R. 2977.

Improvements to current law proposed by H.R. 2977, include:

Amending the Federal Property and Administrative Services Act (41 U.S.C. 253(c)(3)(C) and 10 U.S.C. 2304(c)(3)(C)) to clarify that agencies may use expedited procurement procedures when hiring neutral third parties for ADR proceedings.

The bill amends 5 U.S.C. 583 to authorize agencies to use the services and facilities of State, local, and tribal governments in order to implement the ADR Act.

The bill amends the Contract Disputes Act to require that contract claims only in excess of $100,000 be certified in order to facilitate the use of ADR.

H.R. 2977 broadens the definition of ''alternative means of dispute resolution'' to include the use of ombudsmen, while at the same time striking from that definition ''settlement negotiations'' which was not deemed particularly useful.

The bill strikes language in current law that requires an alternative means of dispute resolution must be a procedure that is ''in lieu of an adjudication as defined in section 551(7) [of the Act]''. This amendment would broaden the possibilities for and encourages the use of ADR.

The bill deletes the exemption from ADR for the settlement of employee grievance proceedings specified under 5 U.S.C. 2302 and 7121(c), thus allowing parties to voluntarily use ADR to resolve employment related disputes.

It is perhaps appropriate to mention two things that are not in the bill and to explain briefly the committee's rationale for not including them. The first involves binding arbitration as it applies the Government and the second, which is in the bill to a lesser degree than proposed by some witnesses, concerns the confidentiality of ADR communications.

With respect to binding arbitration, current law contains a so-called opt-out provision that permits the Government a period of time in which to vacate an arbiter's decision or award. This procedure was developed in order to avoid a constitutional problem involving the appointments clause of the U.S. Constitution identified by then Assistant Attorney General William Barr in testimony before this subcommittee in 1990.

Mr. Barr expressed concern that straight binding arbitration would result in the delegation of significant executive authority to individuals not chosen in accordance with the aforementioned clause. The Congress responded by adopting the compromise procedure contained in current law which gives an agency a period of time in which to ratify or vacate the arbiter's award but also provides the assessment of costs against the Government in the event that the award is vacated by an agency—this to serve as a disincentive for such an action.

Repeal of this provision was suggested during testimony by the witness from the Department of Justice and may ultimately be a part of legislation in the other body. However, concern was expressed by members at the subcommittee's hearing, which I chair, that this would too abruptly reverse a decision the Congress had made little more than 5 years earlier and which had been motivated by constitutional concerns significant and persuasive enough to convince us to fashion a mechanism to allay them. There are also policy implications regarding accountability for the control of government spending inherent in binding arbitration that should be considered. I felt, and

the gentleman from Rhode Island does also, that this issue deserves more discrete consideration. Therefore, H.R. 2977 retains current law.

With respect to confidentiality, several witnesses testified at the hearing that the confidentiality protections in the ADR Act should be broadened in order to facilitate and encourage its use. Both the gentleman from Rhode Island and I agree that reasonable steps should be taken to encourage resort to dispute resolution techniques which have been shown to be effective at saving money and avoiding litigation. Broadening confidentiality protections would foster an atmosphere in which parties to the ADR process could exchange views in a spirit of candor and would also encourage the use of Government neutrals where appropriate.

The by-play between the ADR Act and the Freedom of Information Act [FOIA] has been of concern in this process, creating something of an anomaly, that is disclosure of information relating to ADR communications by both parties and neutrals is generally prohibited but is discoverable through FOIA. According to testimony, this has been a particular problem when the Government is a neutral and it often discourages the use of government neutrals.

One solution might be to simply exempt ''dispute resolution communications'' which are ''generated by or provided to an agency or neutral'' from the disclosure requirements of FOIA if they may not be disclosed under the ADR Act. But the gentleman from Rhode Island and I are aware that there is legitimate concern that this may be too broad a solution and H.R. 2977 proposes instead an exemption from FOIA only to apply to the Government when it acts as a neutral. This doubtless will not please those who feel that the ADR proceeding would operate best if surrounded by confidentiality, but on the other hand I think it is best to proceed with caution in this area and I think the bill represents that cautious approach.

As I noted, this legislation was developed in the best spirit of bipartisan cooperation which I hope bodes well for its expeditious consideration. I urge support from the Members.

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

Mr. REED. Mr. Speaker, I yield myself such time as I may consume, and I rise in support of this legislation.

Mr. Speaker, I just wanted to say how pleased I was to be able to work on this legislation with the subcommittee chairman, the distinguished gentleman from Pennsylvania, and I commend the chairman for his fine work here today.

The legislation before us today will permanently reauthorize the Administrative Dispute Resolution Act.

We are all concerned with reducing litigation. The use of alternative dispute resolution techniques—techniques designed to resolve conflicts consensually, generally with the assistance of a neutral third party—can lower the tremendous costs and ease the delays of Government litigation. This benefits the Government, as well as business and private parties.

The original ADR Act got agencies started on the road of using mediation, arbitration, negotiation, and other methods to resolve disputes. We heard excellent testimony at our hearing on the benefits and savings that accrue from the use of alternative dispute resolution.

For example, Joseph McDade, a deputy dispute resolution specialist from the Air Force testified before the Subcommittee on Commercial and Administrative Law that the Air Force had used ADR to resolve more than 1,000 civilian personnel disputes, with a settlement rate close to 80 percent. Likewise, 53 Air Force contracting cases have gone through ADR, and all have been resolved. The Air Force has begun adding ADR clauses to contracts, to ensure that disputes do not drive up acquisition costs.

According to a report of the Administrative Conference of the United States, the Department of Labor used mediation to resolve violations of labor or workplace standards in the Philadelphia region. Eighty-one percent of the cases were settled, usually in a single session, with a cost savings of 7 to 11 percent per case. The cases were resolved months faster than they would have been otherwise.

The FDIC and RTC have mediated disputes among failed financial institutions and saved millions in legal fees—over $13 million in estimated legal costs for the FDIC, and over $115 million for the RTC. The Departments of Health and Human Services and Education have used ADR in grant audits and disputes. ADR is being used increasingly in enforcement disputes. The Attorney General recently directed all civil litigation components within the Department of Justice to develop ADR case selection criteria and is requiring ADR training for all civil litigation attorneys.

While agencies inherently have the authority to use ADR techniques, testimony received by the subcommittee indicate that the expiration of the ADR Act has caused confusion and disruption in the field. The act provides a necessary framework for governmentwide ADR, as well as important incentives for promoting its use. The ADR Act sets uniform governmentwide standards for the use of ADR, provides the confidentiality protections that are necessary for a full and candid exchange between the parties, and provides the authority to hire neutrals as well as to use donated neutrals and space for ADR.

This legislation permanently reauthorizes the act and makes several important improvements:

It expands the range of cases that can be referred to ADR by eliminating the exemptions for certain types of workplace related disputes so employee grievances and discrimination cases under civil rights laws may, with the consent of the employee, be referred to ADR. The general provisions of section 572(b), which establishes criteria for identifying cases where ADR is not appropriate, would still apply.

It makes the procedure more user friendly by streamlining the acquisition process for hiring mediators.

It enhances the confidentiality provisions. Currently, section 574 of the act prohibits third-party neutrals and parties to the dispute from disclosing communications during an ADR proceeding, with limited exceptions. These communications are not necessarily exempt from disclosure under the Freedom of Information Act. In particular, the lack of an FOIA exemption may serve as an incentive to hire private neutrals who are not subject to FOIA, rather than Government neutrals. According to the testimony of the Federal Mediation Conciliation Service, this is a particular problem for Government agencies, like FMCS, that furnish employees as neutrals for proceedings involving other Federal agencies, since their neutrals notes, unlike the notes of private sector neutrals, may be subject to FOIA disclosure. The committee bill provides that the memoranda, notes, or work product of the neutral, are exempt from disclosure under FOIA. Exempting these communications from FOIA does not diminish the amount of information that would otherwise be available to the public if a neutral were not employed. A careful balance must be struck between the need for confidentiality in the ADR process and the basic purpose underlying FOIA, that openness in Government is essential to accountability. The committee was reluctant to expand the exemption from ADR Act should not be used as a shield to hide documents that otherwise would be available to the public. The principles of Government openness and accountability underlying FOIA are vital to the functioning of a democratic society.

When the ADR Act was first enacted in 1990, the Federal Government lagged well behind the private sector and the courts in using alternative dispute resolutions. Since then, almost every agency has experimented with consensus based dispute resolution techniques. Now, the Federal Government has the opportunity to become a leader in making dispute resolution easier, cheaper, and more effective.

Mr. Speaker, I urge an ''aye'' vote on this legislation.

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

Mr. GEKAS. Mr. Speaker, I yield such time as he may consume to the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. Mr. Speaker, I thank the gentleman for yielding time, and I would ask if he would engage in a colloquy with me.

Mr. Chairman, am I correct that H.R. 2977 does not include any language to remove from the district courts the so-called Scanwell bid protest jurisdiction?

Mr. GEKAS. Mr. Speaker, will the gentleman yield?

Mr. CLINGER. I yield to the gentleman from Pennsylvania.

Mr. GEKAS. Mr. Speaker, the gentleman is correct. It was our intent

that this bill not include any language regarding removal of Scanwell jurisdiction from the district courts. We would hope and urge our colleagues in the other body not to use legislation reauthorizing the ADR Act for such a purpose.

Mr. CLINGER. I thank the chairman, and I appreciate his intentions on this issue. As he knows, Congress recently made sweeping, extensive reforms to the Federal procurement system and the administrative bid protest forms. These reforms are only now really being implemented, and I am concerned that the system be given full opportunity to absorb the recently enacted changes before there is any further disruption in the system.

Mr. GEKAS. I thank the gentleman for his comments. We too have these concerns and understand the need to review the Scanwell issue before moving forward on further changes. We intend to hold hearings in the future to review whether eliminating bid protest jurisdiction from the Federal district courts is appropriate.

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

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

The SPEAKER pro tempore (Mr. UPTON). The question is on the motion offered by the gentleman from Pennsylvania [Mr. GEKAS] that the House suspend the rules and pass the bill, H.R. 2977, as amended.

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

A motion to reconsider was laid on the table.

OFFICE OF GOVERNMENT ETHICS AUTHORIZATION ACT OF 1996

Mr. CANADY of Florida. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3235) to amend the Ethics in Government Act of 1978, to extend the authorization of appropriations for the Office of Government Ethics for 3 years, and for other purposes.

The Clerk read as follows:

H.R. 3235

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Office of Government Ethics Authorization Act of 1996''.

SEC. 2. GIFT ACCEPTANCE AUTHORITY.

Section 403 of the Ethics in Government Act of 1978 (5 U.S.C. App. 5) is amended—

(1) by inserting ''(a)'' before ''Upon the request''; and

(2) by adding at the end the following:

''(b)(1) The Director is authorized to accept and utilize on behalf of the United States, any gift, donation, bequest, or devise of money, use of facilities, personal property, or services for the purpose of aiding or facilitating the work of the Office of Government Ethics.

''(2) No gift may be accepted—

''(A) that attaches conditions inconsistent with applicable laws or regulations; or

''(B) that is conditioned upon or will require the expenditure of appropriated funds that are not available to the Office of Government Ethics.

''(3) The Director shall establish written rules setting forth the criteria to be used in determining whether the acceptance of contributions of money, services, use of facilities, or personal property under this subsection would reflect unfavorably upon the ability of the Office of Government Ethics, or any employee of such Office, to carry out its responsibilities or official duties in a fair and objective manner, or would compromise the integrity or the appearance of the integrity of its programs or any official involved in those programs.''.

SEC. 3. EXTENSION OF AUTHORIZATION OF APPROPRIATIONS.

The text of section 405 of the Ethics in Government Act of 1978 (5 U.S.C. App. 5) is amended to read as follows: ''There are authorized to be appropriated to carry out this title such sums as may be necessary for each of fiscal years 1997 through 1999.''.

SEC. 4. REPEAL AND CONFORMING AMENDMENTS.

(a) REPEAL OF DISPLAY REQUIREMENT.—The Act entitled ''An Act to provide for the display of the Code of Ethics for Government Service,'' approved July 3, 1980 (5 U.S.C. 7301 note), is repealed.

(b) CONFORMING AMENDMENTS.—

(1) FDIA.—Section 12(f)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1822(f)(3)) is amended by striking '', with the concurrence of the Office of Government Ethics,''.

(2) ETHICS IN GOVERNMENT ACT OF 1978.—(A) The heading for section 401 of the Ethics in Government Act of 1978 is amended to read as follows: ''ESTABLISHMENT; APPOINTMENT OF DIRECTOR''.

(B) Section 408 of such Act is amended by striking ''March 31'' and inserting ''April 30''.

SEC. 5. LIMITATION ON POSTEMPLOYMENT RESTRICTIONS.

Section 207(j) of title 18, United States Code, is amended by adding at the end the following new paragraph:

''(7) POLITICAL PARTIES AND CAMPAIGN COMMITTEES.—(A) Except as provided in subparagraph (B), the restrictions contained in subsections (c), (d), and (e) shall not apply to a communication or appearance made solely on behalf of a candidate in his or her capacity as a candidate, an authorized committee, a national committee, a national Federal campaign committee, a State committee, or a political party.

''(B) Subparagraph (A) shall not apply to—

''(i) any communication to, or appearance before, the Federal Election Commission by a former officer or employee of the Federal Election Commission; or

''(ii) a communication or appearance made by a person who is subject to the restrictions contained in subsections (c), (d), or (e) if, at the time of the communication or appearance, the person is employed by a person or entity other than—

''(I) a candidate, an authorized committee, a national committee, a national Federal campaign committee, a State committee, or a political party; or

''(II) a person or entity who represents, aids, or advises only persons or entities described in subclause (I).

''(C) For purposes of this paragraph—

''(i) the term 'candidate' means any person who seeks nomination for election, or election, to Federal or State office or who has authorized others to explore on his or her behalf the possibility of seeking nomination for election, or election, to Federal or State office;

''(ii) the term 'authorized committee' means any political committee designated in writing by a candidate as authorized to receive contributions or make expenditures to promote the nomination for election, or the election, of such candidate, or to explore the possibility of seeking nomination for election, or the election, of such candidate, except that a political committee that receives contributions or makes expenditures to promote more than 1 candidate may not be designated as an authorized committee for purposes of subparagraph (A);

''(iii) the term 'national committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the national level;

''(iv) the term 'national Federal campaign committee' means an organization that, by virtue of the bylaws of a political party, is established primarily for the purpose of providing assistance, at the national level, to candidates nominated by that party for election to the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress;

''(v) the term 'State committee' means the organization which, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the State level;

''(vi) the term 'political party' means an association, committee, or organization that nominates a candidate for election to any Federal or State elected office whose name appears on the election ballot as the candidate of such association, committee, or organization; and

''(vii) the term 'State' means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States.''.

SEC. 6. PAY LEVEL.

Section 207(c)(2)(A)(ii) of title 18, United States Code, is amended by striking ''level V of the Executive Schedule,'' and inserting ''level 5 of the Senior Executive Service,''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida [Mr. CANADY] and the gentleman from Massachusetts [Mr. FRANK] will each be recognized for 20 minutes.

The Chair recognizes the gentleman from Florida [Mr. CANADY].

GENERAL LEAVE

Mr. CANADY of Florida. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3235, the bill under consideration.

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

There was no objection.

☐ 1545

Mr. CANADY of Florida. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 3235, the Office of Government Ethics Authorization Act of 1996, which reauthorizes the Office of Government Ethics for a period of 3 years. The Office of Government Ethics was established in 1979 as the entity within the Office of Personnel Management to administer executive branch policies relating to financial disclosure, employee conduct, and conflict of interest laws.

Congress authorized funding for the Office of Government Ethics in 1983 and 1988. The most recent authorization expired on October 1, 1994. H.R. 3235 reauthorizes the Office of Government Ethics through fiscal year 1999.

The system of ethics in Government enacted by Congress is designed to ensure that executive branch decisions are neither tainted nor appear to be tainted by any questions of conflict of interest on the part of the employees involved in those decisions. The Ethics in Government Act states that the Office of Government Ethics is responsible for providing overall direction of executive branch policies relating to preventing conflicts of interest on the part of officers and employees of any executive branch agency. Over time, the responsibilities of the office have expanded by statute and executive order to include providing interpretive guidance on, and administrative support for a number of additional requirements related to employee conduct. These functions comprise the ethics in government program of the executive branch.

Section 2 of the bill under consideration authorizes the Director of the Office of Government Ethics to accept gifts on behalf of that agency. Federal departments and agencies are not permitted to accept gifts unless they have specific statutory authority to do so. While the Office of Government Ethics currently has no such authority, 19 executive branch agencies and departments do have gift acceptance authority.

In testimony before the Subcommittee on the Constitution, Director Potts stated that the office intends primarily to use its government acceptance authority to support its education and training program in carrying out the office's training mission. The office provides multiagency ethics training sessions for Federal employees at locations both in Washington, DC, and throughout the United States. Often there is no Federal facility available that can provide adequate space and services for such training sessions. The gift acceptance authority contained in H.R. 3235 will allow the Office of Government Ethics to accept donated non-Federal facilities which in the past have been offered by State and local governments.

This gift acceptance authority includes the requirement that the Director promulgate rules establishing criteria governing gift acceptance to ensure the acceptance of any gift will not compromise the integrity of the agency's programs or create unfavorable appearances. It is the intention of the sponsor that these rules will safeguard against even the appearance of a conflict of interest in the acceptance of gifts by the Office of Government Ethics.

The 19 executive branch agencies and departments that have gift acceptance authority are not required currently to prescribe regulations governing the use of such authority. After the Director promulgate regulations establishing a set of criteria governing gift acceptance, these regulations will serve as a source of model guidance to be used by departments and agencies.

H.R. 3235 also adds a new limitation on post-employment restrictions. This provision will allow campaign related communications by former government officials which are currently prohibited. Currently former Members, staff, and certain executive branch employees are subject to a blanket 1-year prohibition on communications to Members, staff, or the employee's former executive branch agency, where the intent of the communication is to influence the actions that individual's former office. However, those individuals who wish to take a leave of absence or resign from an office to work on a campaign are prohibited from making anything more than ministerial communications with their former office.

The purpose of the existing 1-year cooling-off period is to prohibit an individual from pecuniary gain as a result of past relationships at that individual's former office. However, in the case of a leave of absence or resignation to work on a campaign, the issue is not one of pecuniary gain from past office relationships. Instead, the issue is one of allowing necessary communications integral to any campaign-related employment. Therefore, where the intention of the former employee is to participate in the electoral process subject to the narrow exception established by the protection of this bill, the revolving door restrictions of title 18 will no longer apply.

Finally, section 6 of the bill amends section 207(c) of title 18. This amendment is necessary so that Senior Executive Service level 4 employees will not be subject to the post-employment restrictions of section 207, which was the intention of the 1989 Ethics in Government Act amendments. Section 6 amends the last clause of the definition of ''senior'' official in section 207(c) by tying the basic rate of pay to a level equal to or greater than that of level 5 of the Senior Executive Service.

Section 207(c) of title 18 was amended in 1989 to define ''senior'' officials in part as those officials serving in any position for which the basic rate of pay is equal to or greater than that of an employee serving in an Executive level 5 position. In 1989, the definition of ''senior'' officials encompassed individuals at levels 5 and 6 of the Senior Executive Service.

The change made by section 6 of the bill is necessary because Congress has chosen for purposes unrelated to post-employment restrictions to freeze the rates of pay for positions on the Executive Level Schedule. The rates of pay for positions in the Senior Executive Service are set by the President through executive order. On January 7, 1996, Executive Order 12984 increased the basic rate of pay for a Senior Executive Service level 4 employee to an amount above that of an Executive Level 5 position. The result of this executive order is the unintended consequence of Senior Executive Service level 4 employees being subject to post-employment restrictions originally intended only for Senior Executive Service level 5 and 6 employees.

Mr. Speaker, the Committee on the Judiciary reported H.R. 3235 by voice vote. H.R. 3235 is the product of the combined efforts of the majority and minority in the Judiciary Committee with the significant input of the administration and the Office of Government Ethics. I would particularly like to thank the gentleman from Massachusetts [Mr. FRANK], the ranking member of the Subcommittee on the Constitution, for his work on this legislation.

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

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself less time than anyone else has taken today to express my appreciation for the gentleman's kind remarks, my agreement with the substance.

Mr. HORN. Mr. Speaker, the purpose of this legislation is to provide the reauthorization of the Office of Government Ethics and its activities. This extension and authorization would be for 3 years.

The Office of Government Ethics serves a useful function in assisting executive branch officials and employees to assure that they conduct their affairs in an atmosphere free of questions of improper influences on the decisionmaking process.

At a time when the activities of executive branch officials and employees are the subject of a number of inquiries, the Office of Government Ethics must be aggressive in ensuring that the highest standards of ethical conduct are followed by those the office is designed to serve.

The Subcommittee on Government Management, Information and Technology, which I chair, also has jurisdiction over this office. We will work with Mr. CANADY's subcommittee to monitor the Office of Government Ethics' effectiveness in the performance of its mandate.

This legislation has bipartisan support. It deserves that support. I congratulate Chairman HYDE and Chairman CANADY on their work to bring this matter to a vote.

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

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

Mr. SPEAKER pro tempore (Mr. UPTON). The question is on the motion offered by the gentleman from Florida [Mr. CANADY] that the House suspend the rules and pass the bill, H.R. 3235.

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.

SENSE OF CONGRESS THAT SECRETARY OF AGRICULTURE DISPOSE OF REMAINING COMMODITIES IN DISASTER RESERVE

Mr. BARRETT of Nebraska. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 181) expressing the Sense of Congress that the Secretary of Agriculture should dispose of all remaining commodities in the disaster reserve maintained under the Agricultural Act of 1970 to relieve the distress of livestock producers whose ability to maintain livestock is adversely affected by the prolonged drought conditions existing in certain areas of the United States, as amended.

The Clerk read as follows:

H. CON. RES. 181

Resolved by the House of Representatives (the Senate concurring), That, in light of the prolonged drought and other adverse weather conditions existing in certain areas of the United States, the Secretary of Agriculture should promptly dispose of all commodities in the disaster reserve maintained under section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a) to relieve the distress of livestock producers whose ability to maintain livestock is adversely affected by the disaster conditions, such as prolonged drought or flooding.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Nebraska [Mr. BARRETT] and the gentleman from Texas [Mr. STENHOLM] each will be recognized for 20 minutes.

The Chair recognizes the gentleman from Nebraska [Mr. BARRETT].

Mr. BARRETT of Nebraska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this concurrent resolution expresses a sense of Congress that the Secretary of Agriculture should dispose of all remaining commodities in the disaster reserve. At the present time, the Commodity Credit Corporation is holding approximately 45 million bushels of feed grains, primarily corn, barley, and sorghum. Release of this grain should help relieve the distress to livestock producers who are adversely affected by the prolonged drought conditions which are existing in certain areas of the United States.

Mr. Speaker, passage of this House concurrent resolution calling for the release of Government-owned feed grain is very important for several reasons. First, the drought is causing many areas of our country their worst natural disaster of this century. Dry areas include Texas, New Mexico, Colorado, Kansas, Oklahoma, in particular. In some of those areas, it is now being compared to the 1930s dust bowl. Farmers who own livestock are being severely hit with the drought conditions, especially when coupled with the low point in the cattle cycle and record high grain prices.

The grain in this disaster reserve, nearly 45 million bushels, as I said, is worth approximately $200 million and would provide for all the cattle on feed in these affected States enough feed to feed them for perhaps a little over 2 weeks.

Passage of House Concurrent Resolution 181 not only makes sense, it saves money. The Federal Government is currently spending approximately $10 million a year to store this grain.

In my opinion, the Government should not be paying huge storage fees and holding grain from the marketplace when this country is experiencing record low grain supplies.

This is an important concurrent resolution. I thank the leadership for providing its swift consideration. The release of this grain across the country should provide some temporary relief for our Nation's livestock sector.

Support for the resolution shows that this Congress is aware of the severe disaster taking place in drought regions across this country and of course we are willing to use what resources we have to make the situation just a little bit better.

I urge the adoption of House Concurrent Resolution 181.

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

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

Mr. Speaker, I rise in support of House Concurrent Resolution 181, which has been introduced by my colleagues on the Agriculture Committee, Mr. BARRETT and Mr. EMERSON. I applaud the actions of my colleagues in this effort and am pleased to join them in bringing the bill to the House floor this afternoon.

I would also like to note that the Clinton administration has been working on a similar effort to make Government-owned feed grain stocks available to hard-pressed livestock producers. I'm certain that Secretary Glickman will welcome the support shown by this concurrent resolution to continue this process.

There is no doubt that there is a need to alleviate the stress facing producers in many parts of this country due to the severe drought in the southern Plains and flooding and excessive rainfall in the northern Plains and eastern corn belt. These natural disasters come at a time when grain stocks are at their lowest levels in decades causing record market prices and cattle producers are receiving even less for their animals than during the Great Depression based on inflation-adjusted dollars.

The release of this grain would be in addition to the actions already taken by the Clinton administration to help alleviate the stress in the livestock and crop sectors. These actions include release of conservation reserve program acres for haying and grazing, extension of noninsured crop disaster assistance program coverage, extension of the livestock feed program, the release of additional funds for emergency loans, advance purchases of beef for the school lunch program, and export credit guarantees for meat.

In my own State of Texas we are facing devastation in the livestock and crop sectors in the range of $6.5 billion and the summer has just begun. Sixty-two percent of the rangeland in Texas is rated as being in poor to very poor condition and producers are facing $374 million in added feed costs for beef cows alone due to the deterioration of range and pasture lands. Dairy producers in Texas are facing a possible doubling of their normal feed costs due to the increases in the cost of feed and hay they depend on for daily milk production.

Similar statistics are available from other States: State agricultural officials in Oklahoma have indicated the possibility of 5,000 to 10,000 producers going out of business in that State. Kansas is facing their worst wheat crop since the Depression with the 180 million bushel harvest—less than half the normal.

There is no opposition to the bill that I am aware of and this should have very little effect on the normal movement of grain because it will probably be distributed directly to producers outside the normal channels of grain merchandising.

I would encourage my colleagues to support this resolution. The livestock sector in our country contributes billions of dollars to our economy and if we do not take actions to help stem the liquidation of herds now, we will pay the price later for rebuilding that infrastructure.

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

Mr. BARRETT of Nebraska. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Speaker, I join in support of this resolution. It is true that we have had a lot of droughts, a lot of floods, especially in my State of California, where agriculture is the No. 1 commodity. But I just this weekend spoke to a group of poultry producers, and they also say a large reason for the increase in cost and shortage of grain is that we have given so much grain overseas, in some cases sold it below the price, that our people are now having to pay expensive prices here in the United States.

For example, the price of chickens is going to go up 50 percent because of the cost of the grain. I would urge the producers of this resolution and the committee to take a close look before we sell grain overseas or give it away that affects our producers here in this country that we need to take a second look at it. I rise in strong support, and I thank my colleagues on both sides of the aisle.

Mr. RICHARDSON. Mr. Speaker, New Mexico is the driest that it has been in 101 years. People in the West need help from a severe drought that has devastated New Mexico, Texas, Arizona, Nevada, and southern California.

I rise in strong support of this legislation which will offer some relief for ranchers who do not have feed for their cattle.

The dry conditions mean no pasture, no hay, and a limited amount of grain.

The shortage of grain on a worldwide basis has heightened the already disastrous situation for ranchers affected by the drought. Because of a lack of grain, producers in my district are being forced to sit back and watch their cattle starve.

This legislation will allow the USDA to release 46 million bushels of feed grain that is being held in reserves.

Although this resolution is not amendable I would like to urge the USDA to make this grain available directly to the ranchers in the drought affected States who are in need.

New Mexico ranchers need this relief now.

Mr. BENTSEN. Mr. Speaker, I rise in strong support of House Concurrent Resolution 181, which directs the Department of Agriculture to release the national grain reserve. This action is necessary because of the severe drought conditions being experienced in the Plains and Southwest portions of this country.

Severe drought conditions have stunted the growing season for Texas cotton, wheat, and grain farmers. Soil erosion is becoming a critical issue as the dry season is beginning and summer winds will literally scour fields clean of nutrient rich topsoil.

Texas cattle producers are also being devastated by the drought because it requires them to buy more feed at a time when prices are extraordinarily high. Livestock producers in general are suffering tremendous losses because the natural forage withered due to lack of measurable rainfall.

This resolution allows the release of the reserve only if the President declares a natural disaster in the region, which President Clinton has done, or if we pass this concurrent resolution declaring that such reserves should be released.

Without immediate assistance, ranchers will continue to cull their herds, which will result in higher beef prices for consumers once the supply is exhausted. Mr. Speaker, this is not simply a rural issue. If prices of feed grain and beef are allowed to fluctuate wildly, all of us will feel the impact at the supermarket. We need stable food prices, and this resolution can help achieve that goal. I urge the Department of Agriculture to release this reserve directly to the cattle producers and not through the Commodity Credit Corporation to speed the aid directly to where it is needed.

Banks should also be allowed to extend nonperforming loans without increasing reserves. Allowing banks the flexibility to assist farmers will ensure my State's farmers can survive through this drought.

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

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

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Nebraska [Mr. BARRETT] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 181, as amended.

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

The title was amended so as to read: ''Concurrent resolution expressing the Sense of Congress that the Secretary of Agriculture should dispose of all remaining commodities in the disaster reserve maintained under the Agricultural Act of 1970 to relieve the distress of livestock producers whose ability to maintain livestock is adversely affected by disaster conditions existing in certain areas of the United States, such as prolonged drought or flooding.''.

A motion to reconsider was laid on the table.

□ 1600

GENERAL LEAVE

Mr. BARRETT of Nebraska. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on House Concurrent Resolution 181.

The SPEAKER pro tempore (Mr. UPTON). Is there objection to the request of the gentleman from Nebraska?

There was no objection.

PERIODIC REPORT ON NATIONAL EMERGENCY CAUSED BY LAPSE OF EXPORT ADMINISTRATION ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104–225)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed.

To the Congress of the United States:

As required by section 204 of the International Emergency Economic Powers Act (50 U.S.C. 1703(c)) and section 401(c) of the National Emergencies Act (50 U.S.C. 1641(c)), I transmit herewith a 6-month periodic report on the national emergency declared by Executive Order No. 12924 of August 19, 1994, to deal with the threat to the national security, foreign policy, and economy of the United States caused by the lapse of the Export Administration Act of 1979.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 4, 1996.*

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Hawaii [Mrs. MINK] is recognized for 5 minutes.

[Mrs. MINK of Hawaii addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina [Mr. JONES] is recognized for 5 minutes.

[Mr. JONES addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

DISCUSSION OF 1997 BUDGET

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Hawaii [Mr. ABERCROMBIE] is recognized for 60 minutes as the designee of the minority leader.

Mr. ABERCROMBIE. Mr. Speaker, I wish I could say it was a pleasure to be here today, but I intend to discuss the 1997 budget today.

Mr. Speaker, you may recall that I analyzed the 1996 budget activity in the context of an extended debate that took place on this floor, and in the other body, and you may recall, Mr. Speaker, that I invoked Members from the other body, like Mr. HOLLINGS and Mr. DORGAN, covering the full range of opinions certainly in the Democratic Party. I indicated in that discussion that I had in conjunction with the CONGRESSIONAL RECORD in 1996 that there was no such thing as a balanced budget being prepared, let alone put forward in 1996, and we have the same situation today.

Mr. Speaker, I do not doubt that it is very important for Mr. DOLE to resign from the Senate to run as citizen and/or candidate DOLE, because I do not think that in his role as Senator, let alone majority leader, that he would have the opportunity to have much credibility in the way of putting forward a balanced budget amendment, let alone putting forward a balanced budget for 1997.

My fundamental point, Mr. Speaker, is that the budget that will be presented to us shortly, possibly this week, and be dispatched as quickly as possible, as opposed to 1996, dispatched as quickly as possible because it is not a balanced budget.

Now, my good friend, my good and dear friend I would say, the gentleman from Ohio [Mr. KASICH], will come down, and he is an engaging individual. When I state my affection and friendship for him, Mr. Speaker, you know that it is a feeling that is genuine on my part. I value his friendship and I have genuine affection for him as an individual, but he has an impossible task. I grant he is probably the best one to try to put it forward.

As you know, Mr. Speaker, he is an avuncular person, even as yourself, and he will come down on the floor, and with his engaging smile and his wit and rhetoric, we will put the best possible face on the fact that this is not a balanced budget document. It is not balanced for 1997, it most certainly is not going to be balanced for the year 2002.

The reason I am taking the special order time, Mr. Speaker, with the budget, is that given the rules of the House it is virtually impossible to have any kind of lengthy discussion that

would illuminate for the public and for the Members exactly what the budget is all about. Most of this takes place in a hearing room, in the Committee on the Budget hearings, and in staff work that is being done, discussions between the House and the other body with respect to a conference on the budget. Suffice to say, and I will for the RECORD, and would be happy to engage, as I did previously when we discussed the 1996 budget, be happy to engage anyone from the Republican side or from the Democratic side, because the budget being prepared from the Democratic side does not balance either. The difference is that we can count, I can count.

As you know, Mr. Speaker, I would like to see the budget deficit disappear, but I think we should take a much longer period of time to do it so that we do not endanger the economy. I think that, interestingly enough, considering the labels that are put out about liberal Democrats and conservative Republicans or conservative Democrats and liberal Republicans, whatever these labels are, that I think the Federal Reserve, Mr. Greenspan's approach has been that the economy should be prevented from slipping into either recession or depression or slipping into a phase of inflation or hyperinflation. I think the stock market reflects this.

The fact is that the growth in the economy is such that with a judicious approach to deficit cutting, we could keep the economy robust and reduce the deficit. This is, in fact, what President Clinton has accomplished. I know this is a source of great distress to those who predicted disaster with the Clinton budget, as presented in 1992 and 1993, but the fact is that the deficit has been cut considerably both in percentage terms and in real dollars for 3 years running now, something which has not happened since the end of World War II.

So the President, not having the benefit of a Congress which is supportive of him in the majority; that is to say, a Republican Congress before him, has accepted the admonition of the majority to utilize the Congressional Budget Office figures in order to present to the public the idea of what would constitute numbers sufficient to have a balanced budget.

In that role; that is to say, of a President who is faced with a Congress that wants to balance the budget utilizing the Congressional Budget Office figures, he accepted that ultimately in 1996. His priorities were different. As a result of the priorities within those priorities were, the President vetoed various elements of the budget and the budget was ultimately settled in a series of confrontations, a series of recriminations and arguments back and forth as to who was doing what and why.

In the course of events, the Government was closed on various occasions and generally it was seen as a kind of sorry affair all the way around. Nonetheless, my point here is recounting that today is that we will not see that again, apparently, in 1997. We will go through the same series of illusions, using somewhat different numbers, but we will come to a much more rapid conclusion. The reason we will come to the more rapid conclusion is that we will not have the opportunity this year to go through—if the gentleman from Michigan would step to the microphone, I will be happy to yield at an appropriate point.

Mr. Speaker, if Mr. SMITH will grant me just a moment or two more to make the fundamental of my case, then I will be happy to yield to him. Always a pleasure to see him. In fact, he was one of the few people, as I mentioned previously, Mr. Speaker, who was willing to engage in a dialog and a colloquy on the question of the budget, and I value his input and exchange.

As I indicated, Mr. Speaker, in 1996, if you will recall, we went through weeks actually, not just hours or days of discussion but weeks of discussion, and in the course of that discussion I was on the floor reviewing the budget, and I will do so again for 1997. My fundamental premise is this, that just as there was only the illusion of a balanced budget proposal, whether single year or multiyear, in 1996, there will be only the illusion presented this year. It will be strictly for political consumption and will not amount to anything worth the paper that it is written on in such elaborate fashion.

I have here, Mr. Speaker, in my hand, and I will not have extensive charts down on the floor, I think the report speaks for itself, it is the concurrent resolution on the budget, fiscal year 1997, a report of the Committee on the Budget of the House of Representatives to accompany the Congressional Resolution 178 setting forth the congressional budget of the United States Government for the fiscal years 1997 through 2002, and it has additional minority and dissenting views.

Now, this document runs some 450-plus pagers, 455 pages or so, and it is a very interesting document. It takes 44 pages, which is the first 44, takes 44 pages to get to the actual budget, when we actually get to the fiscal year budget for 1997. It is preceded on the page 43 with the end of politics as usual. This, I take it, is not exactly an attempt at humor on the part of the Committee on the Budget, the Committee on the Budget not being known for its sense of humor, other than in the person of, as I said, the aforementioned chair of the Committee on the Budget, but in the end of politics as usual, functions by function description, it says, ''The discussions that follow describe the budget resolution's recommended priorities for the fiscal years 1997 through 2002.''

Now, it took us 44 pages to get there. We went through everything, including attacking corporate subsidies, economic assumptions of the budget resolution, the Clinton crunch, Americans' anxiety about their economic future, quite a rhetorical set-to in the first 44 pages. But what do we have then on page 44?

Well, it says at the end of each function, ''Additional provisions with budgetary effects are mentioned.'' Mentioned, Mr. Speaker. I am going to get into a little more detail. The discussions that follow reflect the assumptions underlying the House Committee on the Budget's recommendations concerning the funding priorities for programs in each function.

The actual changes for the programs fall under the authority of the authorizing and appropriating committees with jurisdiction over the programs.

□ 1615

Let me explain very briefly, for those Members who may not be fully familiar with the budget process and those members of the public which may follow the CONGRESSIONAL RECORD on this who may not be totally familiar with it, once the Committee on the Budget makes its recommendations, it provides through that recommendation a kind of game plan for us in the House and the other body, a game plan for the Congress.

Then the various committees in the Congress, whether they are authorizing committees or whether they are appropriating committees, authorizing meaning the program committees, the subject matter committees, and the Committee on Appropriations and its subcommittees, those who provide the money for the functions that are approved and authorized, they put the actual numbers and programs behind the Committee on the Budget recommendations.

So with that in mind, what do we get to? We hear from Mr. DOLE, Mr. Clinton, Mr. KASICH, Mr. SABO, heartfelt and I will say totally sincere admonitions to us to arrive at a balanced budget. Well, as I indicated, I think that can be done. I think it will take a lot longer period than 1997 to 2002, and I need only look at the actual budget document itself to come up with proof of that.

Let us examine what it actually says on page 44 of the budget resolution. Fiscal year 1997 through 2002, the deficit starting in 1997 will be—and these are estimates, they could go up or down. We realize that, but this is the best guess. And it is an informed guess by the Committee on the Budget and utilizing the congressional budget figures, and I take them at their word on this. And for conversation's sake, I will agree that these are the numbers that are under discussion and upon which we will vote—$163 billion deficit in 1995; 1996, it was $150 billion. The 1995 figure was down from the figures previous to that. You may recall during the last years of Mr. Bush's administration, the figures were 250 and above, between 250 and 300 billion. The number 163 then was progress. It may be too high for some people but unless you want to literally amputate the economy in order

to achieve a balanced budget, this is certainly within the range of acceptability. It certainly has been reflected, that acceptability has been reflected in the conservative bodies, if you will, of financial opinion in this country as manifested in the policies of the Federal Reserve and the response of the stock exchange. So we had 163 billion, down considerably from the 250 to 290 billion plus of previous years; 1996, 150; 1997, the estimate is 147.

This is a deficit I am citing. It is not something I am making up. I am taking this directly from page 44 under the column line deficit/surplus. Either it is a deficit or a surplus. This is the deficit. We get deficits in 1998, 1999, the year 2000, 2001, going from 147 to 142 to 114 to 87 to 39, certainly progress, then suddenly, as if by magic, Mr. Speaker, in the year 2002, we get a plus 3 billion, $3.185 billion.

To me it is like watching a television show I saw recently, I think it was called the Wonderful World of Magic. This is the wonderful world of congressional budgeting. When someone is sawed in half, I saw this again, that is one of the oldest tricks, sawing a, generally a young woman in half, we do not really saw her in half. You have the illusion of her being sawed in half. She waves from one end, and the box is split in half and the feet are wiggling at the other end. Then the box is brought back together again and magically she reappears. That knife that went through that body apparently was an illusion.

Well, the deficit cutting knife that is going through the deficit here between the years 1997 and 2002 is an illusion. Because suddenly, she is whole, the budget is whole, the budget has been balanced in 2002. Yet what happens then between 1997 and the year 2002, we have had an accumulated deficit of 528 billion. But magically, after that 528 billion in increasing deficit has occurred, suddenly, 528 billion later we achieve a $3 billion surplus for that 1 year. After that the deficit explodes again.

Mr. Speaker, surely you can see and surely Members can see and surely the public, upon reading this document, will see that this is a game that is being played, a ballet with the books, a budget that is in name, a budget balancing act which is in name only, an act, yes, but certainly not balanced.

I see the gentleman from Michigan [Mr. SMITH] has taken the rostrum down on the floor and I presume would like to have some discussion. I yield to the gentleman from Michigan.

Mr. SMITH of Michigan. Mr. Speaker, I hope we could also carry on a colloquy and make clear to the American people what is happening on this budget. When you speak of the young lady being sawed in half, I always figured that was contortions with one whole person in each half of the box. I think that contortions on the budget is something that Congress has become accustomed to.

I appreciate the gentleman from Hawaii suggesting that the budget is not a true balanced budget in terms of the fact that it does not consider whether it is borrowing from the 153 odd trust funds, the large contributor to that lending, of course, is the Social Security trust fund, but still——

Mr. ABERCROMBIE. Mr. Speaker, I had not gotten to that, but as Mr. SMITH knows from our previous discussion, that is where in fact the money comes from. We borrow the money to mask the deficit, do we not?

Mr. SMITH of Michigan. Well, I think there are two things. Technically, if you take all revenues coming into the Federal Government and then you subtract what you spend and if that number is a plus or minus, maybe technically it is balanced, but honestly, the fact is you are exactly right, which we are still continuing to borrow, in the year 2002, $100 billion from the Social Security and other trust funds.

Mr. ABERCROMBIE. That year?

Mr. SMITH of Michigan. That particular year. So we have now amassed approximately $500 billion that we have borrowed from Social Security and no way to pay it back. But let us not take our eye off of the ball that we are talking about. It seems to me that that ball, in terms of the Federal budget, is cutting spending. We have the ability in Congress to cut discretionary spending. But when you realize that discretionary spending only involves about one-third of the budget and we have got about 20 percent that goes to the interest on the money that we are borrowing and then almost half of the budget is entitlement spending, so I think your example of an illusion that somehow magically the budget is going to be balanced in these out years is exactly that, because will we stick to our guns and balance the budget?

Mr. ABERCROMBIE. Mr. Speaker, I do not think it is necessary for us to yield back and forth inasmuch as we have eye contact. I think we can do this, with the Chair's permission, carry on a conversation, because this is a colloquy and a conversation.

Would the gentleman agree then that there is no plan stated that I could find in this budget document, I have gone through all 450 plus pages, including the dissenting opinions, that provides a plan for repayment of the money that is borrowed to achieve this balancing of the budget in the year 2002, at least on paper?

Mr. SMITH of Michigan. That is correct. The gentleman is correct on that. Since 1986, when we started bringing in the greater surpluses from Social Security and some of the other trust funds, such as the Federal retirement trust fund, a law was passed back in the 1980's that says any surplus money automatically goes to the Treasury for borrowing. I think that is wrong. It is an incorrect way to be fiscally responsible for the future of Social Security and the other trust funds.

Mr. ABERCROMBIE. Would you agree that it is very convenient for the Committee on the Budget then to be able to cite the so-called surplus in the Social Security fund as a source of providing the funds for balancing the budget?

Mr. SMITH of Michigan. But I think we should make it clear, this is not Republican or Democrat. It is what everybody has been doing, and so I appreciate the opportunity to make people aware of the serious nature of Social Security. If I just might, 2 weeks ago, one of the former commissioners of Social Security said that she perceived that it would be possible sometime in the year 2005, that part of that year there would be less money coming into Social Security than was required for a payout; in other words, not having enough money. And so when do we start and how do we start paying back the money we own Social Security?

Mr. ABERCROMBIE. I am not an advocate of term limits. It all depends on whether you and I are here or not. But for some people who are advocating a balanced budget and have been castigating one side or the other over the lack of a balanced budget and who say they are for term limits, they want to pass this budget, they will be gone out of the Congress. And suddenly, 2005 will be here and they will say, it is not my fault, I had nothing to do with it.

Is it not our responsibility, if we are telling people that this is a balanced budget and there will be a balanced budget in 2002, that that be meaningful, that that not reflect an illusion, reflect borrowing for which there is no payback plan? You and I cannot borrow. If we say we should run the Government more like a business or the general illusions, we should at least be honest about our borrowing. You and I could not borrow money and not have a payback plan, could we?

Mr. SMITH of Michigan. I do not think we want to pick on the President, but we want to certainly include him in this discussion. Seventy percent of his discretionary cuts come in the last 2 years, that even if he is reelected he is not going to be here either. To pretend that we are going to do these gorgeous things in the last 2 years is not honest and it is not fair. We should have lower spending every year.

Mr. ABERCROMBIE. Would the gentleman agree that what is called back loading in the last 2 years is not limited to the President's budget, that it is also reflected in this budget put forward by the majority in the House?

Mr. SMITH of Michigan. Would the gentleman permit me to define what I see as the difference in those two budgets? The President's budget says that if it is not going to balance without the changes in the welfare and entitlement spendings, we want automatic spending reductions to come out of discretionary spending in those last 2 years. The Republicans have suggested, in your budget resolution book that you carry, that we are going to start changing those welfare entitlement spending programs. And that is a gradual transition so we start with some minor

spending cuts, and those spending cuts, by changes in the legislative language, become greater amounts in the out years. But, yes, both budgets depend on those last 2 or 3 years for a significant part of what is going to end up being called a balanced budget.

Mr. ABERCROMBIE. Both budgets depend on balloon payments?

Mr. SMITH of Michigan. Both budgets depend on those out years to accomplish the final goal. I think that should call to our minds and attention that we should have a gradual sloping line. We should get on that glide path and reduce spending every year for the next 6 years to make sure that we have a balanced budget, not leave it up to future Congresses in case you and I are not here.

Mr. ABERCROMBIE. You and I may not be here after today. Although I must say that this does show, I think, that this is not so much a question of majority versus minority. It is a question of whether you want to be honest about it.

My defense, if you will, of the President's approach under this is that the President has accepted, and I will say in good faith, the congressional budget numbers as offered by the majority. His difference comes in this, in how he prioritizes the spending changes. We can argue that and I think we should argue it a lot more.

My fear is, and what I said earlier today was, because it is so difficult to understand terms like out years and whether a surplus is really a surplus and those kinds of things, because it is so difficult, the majority, I am given to understand, intends to put forward the budget and the amount of discussion that is going to take place about the budget, such as you and I are having right now, will be minimized. In fact, it will be virtually nonexistent. From what I can gather, both sides are apparently quite content to do that. Although I would welcome the opportunity, if Mr. SOLOMON and the Committee on Rules would agree, to open up the budget for 3 or 4 or 5 days' review.

□ 1630

Mr. SMITH of Michigan. Do you agree, Mr. ABERCROMBIE, if I might presume to ask you a question, that we should cut spending enough, both discretionary spending and the welfare entitlement spending, enough so that at the end, when we call it a balanced budget, we are no longer borrowing from Social Security.

Mr. ABERCROMBIE. I not only agree, but I think we should have an extensive discussion as to what exactly constitutes welfare, what exactly constitutes discretionary spending, what programs should we have and not have.

For example, my understanding is that the Speaker, for some reason unknown to me, is proposing a defense act or bill which revolves around national missile defense. Now, I would say, and I would hope you would agree, that the majority has not only very able, but extremely well-informed, experienced legislators on the Committee on National Security, of whom I can name two or three right now: Mr. WELDON, Mr. HUNTER, and Mr. CUNNINGHAM. I can th1nk of just three offhand. And the minority has people like Mr. SPRATT.

Mr. DELLUMS, others I could name, Mr. PETERSON of Florida, who are equally capable, and equally capable, by the way, of defending and rebutting on the question of national missile defense.

But the Speaker has said he wants to bring forward a missile bill. Now, I do not think the Speaker knows any more about missiles than he knows about Hawaiian malasadas, and I do not think he knows much about malasadas, and I will spell that after this is over, but take it from me, it is a Portuguese donut, and I do not think he knows much about it. I think Leonard's knows all about it out in Honolulu.

But that budget, if we are going to talk about spending and welfare, has to be looked at very hard. The Congressional Budget Office, as I understand it, came up with figures just to acquire this defense system, missile system, national missile defense, of between $30 and $60 billion. Now, that is a serious question; and we cannot hide behind the idea that somehow, if you are for it, you are for defense, if you are against it, you are against defense, when you have to put it in terms of what constitutes proper spending under the admonitions that you just enunciated.

Mr. SMITH of Michigan. Just as a footnote, my understanding is they are talking about a program that would be closer to $5 billion now, but just for everybody I think we should put it in perspective of what the military budget is in relation to other spending.

The military budget, 1 of the 13 appropriation bills, is approximately 15 percent of the total Federal budget. The welfare entitlement programs are approximately 50 percent of the budget. I think we need a discussion in our effort to balance the budget, what should be the obligations of the Federal Government——

Mr. ABERCROMBIE. I agree.

Mr. SMITH of Michigan. What is its priorities and what should we do, and I think the gentleman would agree, whether we are spending $350 or $340 billion, that defense is an absolute responsibility of the Federal Government.

Mr. ABERCROMBIE. I am sure the gentleman would agree also that an investment in our children, an investment in the educational infrastructure and foundation, both literal and figurative, of our children is equally a national priority and a defense of the Nation. So what we need is a discussion as to what constitutes an actual strategic policy of the United States with respect to procurement of military technology and what constitutes an investment in our people as well. That deserves a discussion.

I am not saying necessarily a lengthy discussion, but it certainly deserves a discussion in depth, and perhaps the gentleman could indicate whether my understanding is correct, that the intention of the majority, the intention of the majority leader and the Committee on Rules is to dispatch this budget within a day or so of our discussion today.

Mr. SMITH of Michigan. Well, I think, Mr. ABERCROMBIE, what I will do is make one more comment. I feel somewhat guilty using your hour of time——

Mr. ABERCROMBIE. No; not at all.

Mr. SMITH of Michigan. And doing part of the talking, but it seems to me when you mention, when you mention having an investment in our children and our grandchildren and in future generations, it seems to me that there is something immoral about the fact that we think our problems today are so great that we are borrowing the money that they have not even earned yet, that somehow we are saying, look, we are going to borrow the money, and our kids and our grandkids are going to have to pay it back, our debt today, like they are not going to have serious problems of their own in the next 20 or 30 years.

So, No. 1, I say it is immoral for us to overspend and borrow the money and make our grandkids pay for it; No. 2, I say it is dumb economically because what we are doing now is we have a Federal Government that borrows 41 percent of all the money lent out in the United States. Alan Greenspan, the chairman of the Fed, said, ''Look, if you guys balance the budget, you're going to end up with interest rates that are 2 percent lower. You'll see this economy and jobs go like they have never gone before.'' Yet we, as politicians, find it difficult not to say ''yes'' to everybody.

Mr. ABERCROMBIE. Well, are you making an argument to vote against this budget then, because it does not balance, as you indicated, and it does borrow immorally against a future, the immediate future.

Mr. SMITH of Michigan. I would say the first thing I did when I came to Congress 3 years ago was introduce my own balanced budget.

Mr. ABERCROMBIE. I credit you for that.

Mr. SMITH of Michigan. I balance it in 5 years. I think we should be even more frugal than this Republican budget. I think we should cut more spending. I think we should be more aggressive in our determination to end up with what you suggest, a true balanced budget, but it's the best we have got.

Mr. ABERCROMBIE. Let us talk about that.

Mr. SMITH of Michigan. This Republican budget is the best one of the whole bunch that we have got, certainly much better.

Mr. ABERCROMBIE. Let us talk about it just a minute. Would you indulge me and stay a moment longer because you know I want to catch you up on the importance of what you are saying, what I think I understand you to be saying.

You think it is immoral to borrow money that you have no plan to pay back for because our kids have to pay for it; right?

Mr. SMITH of Michigan. Yes.

Mr. ABERCROMBIE. And this budget does that over the next 5 years, or whatever the timeframe is, approximately 5 years, and I asked you then, I said, well, do you think then this is an argument against this particular budget? And you said, well, no, because you thought maybe you could even be more harsh. Certainly you did not mean that there should be greater cuts now and more borrowing.

Mr. SMITH of Michigan. No; I think there should be more cuts.

Mr. ABERCROMBIE. Well, either you do the cuts—can you come up with $528 billion?

Mr. SMITH of Michigan. Can I come up—you mean—are you talking about $500 billion that we owe——

Mr. ABERCROMBIE. I do not ask you that in a pejorative fashion. I am just trying to take the figure that is here in the budget because—that is presented by your party, by the majority party—because, as I understand this budget, they anticipate over the next 5 years a deficit of $528 billion. So it seemed to me that you would have to come up, if we are to balance the budget according to the—and I accept your premises; I mean I do not think they can be accomplished, but I accept that you mean these premises and you are putting them forward in good faith.

What that would mean in any estimation is that you would have to come up with a plan, not you personally necessarily, but the majority would have to come up with a plan for saving or cutting $528 billion and most certainly probably could not have a tax cut——

Mr. SMITH of Michigan. But, see, by definition, if you were to cut out that 500, that means a balanced budget this year. That means no overspending. And I think the pickle that we have got ourselves into by continuing to promise more and more people more and more things that we cannot afford, whether it is Social Security or whether it is Medicare or Medicaid or AFDC or anything else, we are going to have to gradually phase this down. As a conservative that thought we should balance the budget as a high priority, I thought we should do it in 5 years. The decision was: Let us get the economy going with tax breaks and do it in 7 years.

So I say OK, but let us take the best, the most frugal budget that gets us closer to the balanced budget, and so far it is the Republican budget.

Mr. ABERCROMBIE. Thank you very much. I appreciate it.

As usual, Mr. SMITH has been very forthright in his presentation, and I am appreciative of that. However, I would hope, Mr. Speaker, that you would consider what has been said during this colloquy, which I hope was at least informative, if not illuminating, and in the process then think about what Mr. SMITH said.

We know what he would prefer. He would prefer the deficit to disappear more quickly, and the reason that I find the notion amusing is I would prefer to be able to dunk a basketball, but I probably would have to pay a lot more in taxes. But I do not think that is going to happen. I mean it is an interesting thing to think about. In fact, I thought about it a lot in my life. I look at that basket up there, and I think, you know, it would be interesting to be able to dunk the ball. But it is a fantasy, and the difference between, I think, a sane person and someone who is steeped in illusion is to know the difference between fantasy and reality.

It is a fantasy, and by Mr. SMITH's own calculations it is a fantasy, to believe that we are really going to balance the budget in 5 years' time, or 7 years' time, because we have not taken into account where we borrowed the money to be able to put the numbers on the page to pretend that we were balancing the budget. Or we have imagined savings that somehow are going to take place like a balloon payment.

You notice I mentioned the phrase balloon payment because I think that is as close as the average person would come to be able to relate their own budget, say their own mortgage, to what is taking place here in the Congress.

I take no pleasure in going through this. On the contrary. I am glad Mr. SMITH was down here so that it does not look at if it is just something I am conjuring up in order to take up time or to try and make some remarks that can be seen as very smart and sophisticated and dismissive of the genuine problem that exists with respect to the deficit. On the contrary. I would take what Mr. SMITH said very much to heart.

If you recall, if I recall correctly, he stated something: We should do it more gradually. Well, say 7 years was gradually to him. Well, maybe it would take 17. After all, we take 30 years to pay a mortgage on a home. In many instances we take 5 or 6 years to pay a car, we take some months or even years to pay off an appliance. It seems to me that if we are talking about the economic stability of the United States of America, to put a 30-year timetable or a 15-year timetable on paying down our deficit so that our economy stays stable, in fact stays robust and growing, that inflation stays in check, and interest rates remain low, and confidence high, that that would be an excellent use of our time vis-a-vis the growth capacity and possibilities of the U.S. economy.

So there is no need to go through this kind of a charade with the budget unless we are trying to score political points and not deal realistically with the question of the budget and balancing it.

Let me further state then at this point a subject that we got into very briefly; that is to say Mr. SMITH and I got into it very briefly: How do you balance the budget when you are borrowing against Social Security, the so-called surplus in Social Security? And parenthetically, Mr. Speaker, let me say that that is not really a surplus. What we are doing now is what the average person thinks about when they put their savings together. They save now in order to be able to draw upon it in the future when it is needed.

Now, the rough parallel to that is the Social Security System. We are paying into Social Security more than we take out presently because we know that in the future those funds will be called upon to be paid out. More people will be drawing upon Social Security with less people paying into it, we will have to make adjustments at some point in order to take that into account. Now, presumably the economy will grow, the percentage that may be taken in your Social Security tax, your payroll tax, et cetera, may increase in absolute numbers because the economy grows.

All of those things can be guessed at, taken into account, but nonetheless the general proposition is, is that the Social Security trust fund must take in more money than it pays out as it goes along in order to be able to meet the requirements that Social Security will have to meet sometime in the next century in the early part of the century.

If that is the case, and we are borrowing from Social Security trust fund and other trust funds, principally Social Security, if we are borrowing from them and have no plan to pay it back, because I think Mr. SMITH agreed that nowhere in the 1997 budget projections through the next 5 years is there a plan to pay back Social Security, now, Mr. Speaker, if you and I borrowed money from ourselves and had no plan to pay it back, I do not think either of us would feel that that money somehow would magically appear in the year 2002.

All that being said, Mr. Speaker, the borrowing, the deficit rising, no plan to pay it back to the Social Security System, how then is it possible to claim that the budget will be balanced in 2002? How is that possible and at the same time have a tax cut that will take revenues out of the system?

Does it not make sense to you, Mr. Speaker, that if you are borrowing money in order in order to mask a deficit, that if you have a tax cut, which in fact increases the amount of money that will not be going to the Treasury, in addition to what you are borrowing, you are actually increasing the deficit? you are actually increasing the deficit even more.

This is why I oppose this idea of cutting taxes while you say you are balancing the budget. I have no objection

to a tax cut if the tax cut is not couched in terms of balancing the budget. Surely we have been through this before.

□ 1645

Mr. Speaker, I have no objection to tax cuts as such. Quite the opposite. I would like to see tax incentives. I would like to see, for example, and I think it is well known, I believe that we should have a business meal entertainment deduction increase. I would like to see it at 100 percent. I have no objection to supply-side economics, as such, when we can justify it, deliberate it, and discuss it on an issue-by-issue basis. I think that I could make a case that the business meal entertainment deduction is a job provider, is a job generator; that we could find labor and management on the same side of the table on that. I think the spousal deduction for travel ought to be put forward as an incentive to boosting the economy.

I think we will find, Mr. Speaker, in our home States that tourism, entertainment, and travel constitute one of the top three business endeavors in our States. Tourism, travel, and entertainment is the top money producer and job generator in some 13 States, and it is one of the top three in 30-plus States.

I am willing, Mr. Speaker, not only willing but eager, to have a discussion about where we can have tax incentives and tax breaks, and discuss what constitutes, as I said with the gentleman from Michigan previously, what constitutes welfare. Welfare is not just something that comes with a single mother and children. Welfare can come to corporations, too.

I notice that Mr. Trump was not hurting for people to come to his aid and rescue when he needed all the benefits of corporate welfare, when he was running through his various real estate machinations in New York and Atlantic City and elsewhere. Business has these incentives and breaks all the time.

I think individuals ought to be able to finance their education. We cannot exist in the 21st century without a good education, and I think that would be a good investment, if we can find a way to provide tax incentives and breaks to accomplish that. I think we would benefit from that.

The argument against that is the immediate consequences of some incentives and cuts and breaks, whatever we want to call them, may be a drop in the Treasury. I would argue that. We would have to determine whether or not, for example, with business meal entertainment deductions and the spousal travel deduction, if we were able to increase that, I think more business would be done, and I could make an argument that revenues would increase. This is essentially the supply-side argument that took place in the 1980's.

However, if we take it in such a broad brush that it is to cover everything, then I think we run into the trouble that this budget runs into, that we cannot make the numbers add up. That is where I think the difficulty occurs here. I would like to think, and I certainly hope that I am a reasonable person who takes his oath as seriously as anyone does in all of the Congress, and I believe every one of my colleagues and yourself, Mr. Speaker, takes himself or herself quite seriously when it comes to carrying out their duty under their oath of office.

As a result of that, I would like to think that while we may have disagreements as to the precise way in which we can accomplish our goals, that nonetheless, the discussion as to how to arrive at that is not only very valuable, but crucial to determining whether or not we are actually going to accomplish the goal. The goal here is ultimately to balance the budget while keeping the economy robust, and to see to it that the average American throughout the spectrum of opportunity and individual capacities and abilities does the very best that they can nationwide. That is what we do.

Mr. Speaker, it used to be a point of pride in this country that people earned a good living, that they could end up better than where they started. Now we seem to see an ethos developing of cost-cutting, which means people-cutting. People are being rewarded at the top of the corporate hierarchy for being able to cut jobs out, and to see to it that people are maligned simply for trying to get an increase in the minimum wage.

I do not think this is the atmosphere in which we want to discuss something like balancing the budget, because if the only way to balance the budget is to take it on the backs of children or on people trying to better themselves in life, that is no solution. To me, that runs counter to my understanding of what the American dream is all about.

So in that context, then, it seems to me that what is very important here is that we discuss what is actually happening. What actually is happening is that the budget is gradually being balanced, as it should be, without endangering the economy. The deficit declines for the fourth consecutive year in 1996. This is the first time it has happened since the Truman administration. I am going over some of the elements that I have cited before in a little more detail.

The traditional Congressional Budget Office baseline projections include discretionary spending at caps established in 1993 and show the deficit rising after 1996 and reaching $210 billion in 2002. This is $18 billion lower than the December projection of this year, and $80 billion lower than April of 1995. In other words, these numbers can change with the wind, but the wind has to be blowing in the right direction.

The direction of the budgetary wind is this: That we have a prudent understanding of what it takes to have the budget balance. To simply do it arbitrarily, as is done in this 1997 budget, and to think about the idea of cutting taxes at the same time that you are trying to achieve a balance in the budget and a reduction of the deficit, more than a reduction, the balancing of deficit spending, I think is beyond credibility.

I would indicate, Mr. Speaker, because I have had some considerable time to discuss it, and perhaps not all of our colleagues have heard the whole discussion, the hypothesis that I am putting forward, the thesis that I am putting forward, is that if you have as the budget, and the document I am referring to is the budget of the majority, the Committee on the Budget of the House of Representatives, if we have, as the Committee on the Budget indicates, deficits for every year from 1997 through 2001, and then suddenly find a surplus in the year 2002, it is just not credible. Try and sell that in Ravenswood, WV.

I talked with friends there today. I said I was going to make a presentation today. They were interested in what I was going to say, what my premises were going to be. I just asked whether or not this sounded credible, that you could have deficits, declining as they might be right up to 2001, and suddenly come up with a surplus in 2002, and then from 2003 on just watch the deficit expand again.

I hope that we are not going to be subject, Mr. Speaker, to Member after Member coming to the well of the House and regaling us with stories about their children and their grandchildren and all this mawkish, overblown rhetoric about how they are so concerned with their children and grandchildren, presumably none of the rest of us are, which I find a little bit farfetched, but rather, if we are so concerned about children and grandchildren, maybe we should be a little more honest with them right now.

My fundamental point is this budget does not balance. The budget in 1998 does not balance. The budget in 1999 does not balance. The budget in 2000, 2001, it does not balance. How is it going to balance in 2002? Even if it does on paper, how long is it going to last? Merely the time it takes to say it: ''Oh, the budget is balanced''? Well, it was balanced, because it was balanced when I said it, but now we are 3 seconds beyond that time and it is not balanced anymore. But we balanced it for that moment, on paper, just to go through that allusion. I do not think it is worthy of this Congress to do it.

So, Mr. Speaker, I think if we look at 1996 and what we went through, we did not have a balanced budget but we did manage to cut the deficit. We did manage to cut the rate of the deficit. We did hold inflation down. We held steady on interest rates. I think on the whole, then, the President's priorities were met. The majority ultimately voted for a budget that was more in line with the President's priorities, so the President is entitled to credit for sticking to a

position with respect to the rate of the deficit reduction under the premises established by the majority in the Congress, the Republican majority, and it worked.

Now the President is coming forward again, saying that he would like to see these priorities carried forward on education, on Medicare, on Medicaid and the environment, and that he has certain standards that he desires to maintain under pain of exercising his veto. That is his constitutional right. In fact, it is his obligation as President, even as President Bush and President Reagan before him exercised the veto dozens and dozens of times, most of which we were unable to overcome when we were the majority here in the House of Representatives or the majority in the Senate. They prevailed. That is our constitutional system.

It is supposed to be hard to pass legislation in the United States of America. What many people call gridlock is the wheels of government turning precisely the way the Framers of the Constitution intended for them to turn. The Congress of the United States makes policy, yes, but only if it achieve the approbation of the executive. The executive can prevail against the legislative body only if the executive can be sustained in the legislative body. We have the judicial side to see to it that we both keep a proper balance. That is our system.

Mr. Speaker, I do not find it regrettable in the least that it is difficult to pass items like the budget. What I find regrettable is that we seem to be passing it so easily this week, Mr. Speaker. That is what bothers me. This is the single most important document with respect to the legislative business and what follows from it that we will have before us this year. It certainly is the most important piece of legislation before the election which is to take place in November. As a result, it seems to me we should be devoting considerable time to it.

I appreciate the fact that the gentleman from Michigan [Mr. SMITH] came down and was willing to spend some time discussing it. I think the import of the arguments that he made essentially supports my position. Of course, I can make that statement now because he has left the floor and cannot taken an opposing position to that, but I think I can extract from what he said at least a reasonable basis for saying, as I have, and indicate again to you at this moment, that we need to be much more gradual about it. To that degree, the President seems to be taking the right approach. He has accepted the will of the majority with respect to the premises upon which it bases its balanced budget projections, the Congressional Budget Office.

It is not necessary for me to explain to you, Mr. Speaker, what the Congressional Budget Office is. Suffice it to say that every legislative body relies upon individuals, experts in their field, to make recommendations and to draw upon statistics and information made available to them from their various professional fields and backgrounds in order to complete a picture. In this instance, it is a picture of what the economy is like and what we can expect.

This does not mean they are going to be absolutely correct in every instance, but all individual families, all companies, all businesses, all organizations, in fact, all nations, have to utilize the best brains that they have available, accumulate the most knowledge that they can, and try to draw reasonable conclusions as to what the future might bring so they can make decisions. That is all the Congressional Budget Office does with respect to the budget. It makes the best estimate that it can based upon the premises that are agreed upon.

In this instance, Mr. Speaker, we have agreed upon premises which, by definition of the budget, do no add up to a balance. I have no objection to passing this budget, Mr. Speaker, with the admonition that we should take up the President's disagreement with respect to the priorities. I voted for the budget previously, and despite my own misgivings, so it is not a question of whether we should vote on a budget, it is question of what the priorities should be.

I have no objection to saying that this could be a step in the direction of balancing the budget, if we have the President's priorities involved in it. I do object to us indicating to the American people that somehow this is going to lead to a balanced budget, just as I object to the idea of going through this illusion and farce, which apparently is going to take place in the other body, about passing a balanced budget amendment. The balanced budget amendment will no more achieve a balanced budget than this document does.

□ 1700

This does not achieve a balanced budget, and neither does passing the balanced budget amendment accomplish anything of the kind, any more than vows in a marriage guarantee that there will be happiness and prosperity in it. You can have the intention, but unless you put behind it the activity which will ensure that happy consequence, then you cannot claim that it will happen.

What I am saying here is if we put forward a budget that says, yes, we will cut spending and we will cut spending in a way that will continue to reduce the deficit over time and we hope at some point then to be able to reach balance, then that is all right. Not only is it all right, but that is the right way to do it.

I mentioned a mortgage before. Let me draw the analogy for my colleagues here and for those who may be interested in the record.

Just as you are not expected to have cash on hand to buy your house but, rather, you are expected to be able to make your payments, be able to meet your obligations over a period of time, then you can go forward with the purchase of that home and say that you own it. Do you actually own it? No. Because the bank owns it. We are going to have a mortgage-burning ceremony perhaps in 30 years.

But that bank is making a bet. That bank is betting that you have the capability and the capacity to make those payments for that period of time. Think about it. Twelve times a month for 13 years. That is pretty good guessing. Perhaps it bespeaks a knowledge of finance and general economic trends that is fairly reliable.

Now, that being the case, I think we need to do the same thing with this budget. Let us not con the American people into thinking for a moment that this document is moving toward balancing the budget in the year 2002. It is not true. It is not going to happen. That is irrefutable.

Mr. SMITH certainly did not refute it. On the contrary, he agreed with my premise. It is not going to be balanced because we do not take into account how we are going to pay for all of the money that we borrowed to presumably create the illusion of balancing this budget.

What we can do is create over time an ability to pay, a robust economy that will enable us to gradually draw down the amount of the deficit with prudent spending, with a clear understanding of what programs we want to support and why we want to support them and how they benefit the American people, and over that lengthy period of time accomplish this goal. There is nothing not only wrong with that, that is the sensible, practical, reasonable way to do it, because it maximizes the opportunity for the great mass of American people to join in the prosperity, to be able to better themselves in what they want to accomplish for themselves and their family.

So I stand here today, Mr. Speaker, I do not think a lonely voice or a single voice. I think I stand here enunciating fairly clearly for the American people, and I hope for my colleagues, most certainly, the idea that we should not utilize the budget process for political purposes merely because there is an election, but we should utilize our opportunity with this budget process to begin to make progress towards reducing the deficit, coming into balance, having the economy grow and seeing a robust, prosperous economy for all.

Mr. Speaker, inasmuch as there is only a minute left, I want to thank you for your courtesy today in allowing me to speak and for sharing this time with me. I hope that I have made some contribution today. I intend to, in the future, towards reviewing the 1997 budget and reviewing the whole question of the budget deficit, the budget balance proposition, and seeing to it that all Americans now and in the future are able to enjoy a prosperous future.

MAKING BUDGET PRIORITIES CLEAR

The SPEAKER pro tempore (Mr. BARRETT of Nebraska). Under the Speaker's announced policy of May 12, 1995, the gentleman from Connecticut [Mr. SHAYS] is recognized for 60 minutes as the designee of the majority leader.

Mr. SHAYS. Mr. Speaker, I appreciate having this opportunity to speak at this special order. I thank you for presiding.

Mr. Speaker, I appreciate also the opportunity to listen to the sincere comments of my colleague from Hawaii. Many of his points I agree with. There is area to find common ground, but there also, obviously, are major disagreements.

I think sometimes people look at the debate we have on the floor of the House and it looks like a food fight in a high school cafeteria, but there are significant differences that I think my colleague would agree separate us, and then there are also things that bind us together. Obviously, we care deeply about the future of this country.

Mr. ABERCROMBIE. Mr. Speaker, will the gentleman yield a moment?

Mr. SHAYS. I yield to the gentleman from Hawaii.

Mr. ABERCROMBIE. Mr. Speaker, I just want to state that the gentleman in the well, Mr. SHAYS is well known for his sober consideration of these issues and his comity with other Members with respect to their discussion, and I will be pleased to listen to his presentation.

Mr. SHAYS. I thank the gentleman.

Mr. Speaker, we have three primary objectives in our effort to get our financial house in order and balance the Federal budget and save our economy. We have three major objectives as we sit and work on this floor of the House.

Our first is, in fact, to get our financial house in order and balance our Federal budget. The next is to save our trust funds, particularly Medicare, from bankruptcy. The third is to transform what I would call our caretaking, social, corporate and farming welfare state into a caring opportunity society.

It is probably that last one that ends up being the most controversial; but, clearly, the first is controversial as well, because you cannot separate the budget from politics and from priorities.

The bottom line is that we have to set priorities. If we spend money here, we may not be able to spend money there. It is a concept of opportunity cost. We give up an opportunity when we decide to put our priorities here and our resources here. We give up the opportunity to spend them here.

Our plan is designed to help Americans earn more so that they can keep more and so that they can do more.

The debate we had last year was quite controversial, but there were some basic facts that simply cannot be denied. We tried to increase the earned income tax credit; we tried to increase school lunch programs; we tried to increase the student loan program; and we tried to increase Medicaid and Medicare.

Under our plan last year that was vetoed by the President, we had the earned income tax credit, which is presently $19 billion. We sought in the seventh year to increase it to $25 billion.

The earned income tax credit is a credit given to those who make money but make so little money that they do not pay taxes. In fact, they get back an earned income tax credit from the taxpayer. Others who make enough who pay taxes pay some, the working poor, more money than they earned. That is called the earned income tax credit.

It was said last year when the President vetoed our plan that we were cutting the earned income tax credit, and yet the earned income tax credit went from $19 billion to $25 billion. Only in this Chamber and perhaps in Washington when you spend so much more do people call it a cut.

The school lunch program grew from $5.2 billion to $6.8 billion. I can remember seeing the President and some of my Democrat colleagues on the floor of the House talking about this issue but going to schools as well. At schools they were telling the students that they would not under the plan of the new Congress, the Republican Congress, have school lunches in the future. Yet our plan grew from $5.2 billion to $6.8 billion. Instead of it growing 5.2 percent a year, it was going to grow at 4.5 percent a year, of new money, each and every year.

So we slowed the growth of the increase, still allowing it to grow from $5.2 billion to $6.8 billion in the seventh year. Again, only in this place when you spend so much more do people call it a cut. But that disease is spreading around the country.

The student loan program, the one that we were criticized the most for under our plan last year grew from $24 billion to $36 billion, an increase of 50 percent. Now, if the program is growing from $24 billion to $36 billion, how could people call it a cut? Because the plan was to grow ultimately to about $40 billion? Is that the reason you can say that when you spend $24 billion to $36 billion it is a cut?

What we have to do in this country is slow the growth in spending. Now, we were able to do that by a simple effort. Students receive a grace period from when they graduate to when they get their first job 6 months later, and that grace period, the taxpayers pay the interest on their debt.

We suggested that the students, once they had their job 6 months later, would pay the interest during that 6-month period. For the average loan, it amounted to $9 more a month amortized over their loan. So we were saying to the students that we would allow them to get the same grants they got in the past, up to $49,000. We were saying, they could still get those loans, they would still quality, but they would pay the interest on that part that accrues from when they graduate to that 6-month grace period. It is $9 more a month, which is the cost of a pizza or the cost of a movie theater and a Coke.

I have no problem telling our young people that they can pay that cost when, in fact, it only amounts to $9 a month.

Now, why would we want to do this? Why would we want Medicaid to grow from $89 billion to $127 million, Medicare from $178 billion to $209 billions? Hardly a cut. Medicaid growing from $89 billion to $127 billion, Medicare from $178 billion to $289 billion, the student loan program from $24 billion to $36 billion, the school lunch program from $5.2 billion to $6.8 billion, the earned income tax credit from $19 billion to $25 billion. Not a cut, but a slowing of the growth of those programs.

Why would we want to do it? Because in the last 22 years our national debt has grown 10 times. It has grown 10 times in 22 years. It has grown from about $480 billion to $5.1 trillion, $5,100 billion, a 10-fold increase. Not a doubling, not a tripling, but a 10-fold increase in the national debt.

On a per-person share in current dollars, it grew from $1,800 to $18,000. But even if we do it in constant dollars, it was grown. In 1945, $1,700 per individual to $18,000 today per individual.

The Federal debt in today's dollars was only $2,462 billion, now it is $5,100 billion. So it is 50 percent larger, even in today's dollars.

Now, as we look at this issue, we have to say, how can it be twice as much now as then? And people said, well, it did not really matter, because it was like that after World War II and it did not really affect us.

Let us take what we have right now in today's budget. In today's spending, from 1991 to 1996, we spent $8.7 trillion. From 1991 to 1996, we spent $8.7 trillion. In the next 6 years, we are looking to spend $10.4 trillion. Hardly a cut. An increase in total spending of 20 percent over the last 6 years to the next 6 years.

The student loan program under our plan this year will grow 42 percent. It will grow from $26 billion to $37 billion, a 42-percent increase in the student loan program.

The earned income tax credit will grow 43 percent. In the last 6 years we spent $109 billion, and in the next 6 years we will spend $155 billion over the next 6 years. Only in Washington when you spend so much more do people call it a cut.

Welfare spending. Over the last 6 years, it was $441 billion. In the next 6 years, we will spend $575 billion. Under our plan, we will spend 30 percent more in the next 6 years than we did over the last 6 years.

Medicaid spending over the last 6 years was $463 billion. In the next 6 years, it will grow to $731 billion. We

will spend in the next 6 years $731 billion. In the last 6 years, we spend $463 billion, hardly a cut in spending, a significant increase of 58 percent.

□ 1715

Medicaid growth went from $463 billion to $731 billion. The President is proposing that we spend $749 billion, an increase or difference of $18 billion over a 6-year period. So the President is criticizing the increased spending that this Congress will do, when in actual fact his numbers are almost identical, an $18 billion differences over a period of 6 years, which gets us to what we are going to find out next year.

Medicare is divided into two parts, Medicare part A and Medicare part B. Medicare part A is the money we pay in taxes to the trust fund that pays for all our hospital services. That is money that individuals who are working today put into a fund, the Medicare part A trust fund, and that fund should be growing. But we learned that it is starting to actually have a decrease in the amount of money going into the fund. Medicare is going bankrupt, and the trust fund we were told 2 years ago will become bankrupt in the year 2002, we are learning now that it will go bankrupt not in the year 2002 but possibly in the year 2000.

What are we doing in spending on Medicare? In the last 6 years we spent $920 billion. In the next 6 years we intend to spend $1,479 billion. We intend to spend 61 percent more on Medicare in the next 6 years as opposed to what we spent in the last 6 years.

On a per person basis, Medicare will grow from $5,200, which is what it is in 1996 per beneficiary, to $7,000 in the sixth year, the 2002. That is a 35-percent increase per beneficiary.

We are going to spend 61 percent more in terms of Medicare dollars in the next 6 years as opposed to the last 6 years. But in terms of a per person expenditure, we are going to spend 35 percent more, hardly a cut when you go from $5,200 to $7,000.

Now we know that Medicare part A is going bankrupt in the year 2000. We know that we have to do something to save that fund from bankruptcy, and so we came forward with a plan last year which was vetoed by the President.

In fact, our plan last year would have saved the trust fund until the year 2010, whereas now it is going to go bankrupt in the year 2000. That means that all the money that goes in by the year 2000 will go out, and will simply go out to beneficiaries with no money in the fund and not enough for all the bills that we have to pay.

This to me summarizes the challenge that we have and the fact that our plan made so much sense that it is hard for me to understand why the President vetoed it. Our Medicare plan saved Medicare from bankruptcy. It increased spending from $5,200 to $7,000, and it did it without an increase in the premium, without an increase in copayments, without an increase in the deductibles.

In addition, we gave Americans choice. For the first time we allowed Americans to have the same opportunity that I have as a Federal employee, not as a Member of Congress but as a Federal employee. I have the opportunity to choose a lot of different health care plans.

We devised a plan that allowed beneficiaries, only if they wanted to, to go and choose their own health care. They could stay in the traditional fee-for-service health care plan, or they could choose to leave that traditional fee-for-service that was devised in the 1960's and move from that plan into an HMO or other private health care plan.

The only way those other health care plans could offer their service is if they offered better than the fee-for-service. They had to provide some kind of eye care, dental care, a rebate in copayment or a rebate in the deductible. Maybe some private carriers, like they are doing in some States, would pay part or all of the MediGap, which is the 20 percent that seniors pay above and beyond what Medicare pays. Medicare pays the 80 percent and seniors pay the 20 percent unless they buy a MediGap program.

Private health care plans want to get into the Medicare system because there is so much money, so much waste in which to realize savings that they could actually save money and provide a better program for seniors.

So a senior under our plan does not have to pay an increase in copayment, does not have to pay an increase in the deductible, does not have to pay an increase in the premium, that will remain at 25 percent of program cost, and yet now they can get choice. They can get choice and a private health care plan that will offer them more than the traditional Medicare plan will offer. It will offer eye care, dental care, it will offer rebate in copayment or deductible, or maybe an elimination of premium or maybe part of MediGap.

So why was it vetoed? Well, the reason it was vetoed is the President said we were cutting Medicare because we saved over $220 billion by our plan last year, and this plan this year saves about $158 billion. It still grows significantly. From now until the sixth year, it still grows significantly, yet we are able to have savings. We are able to have savings because we allow the private sector to come in and offer programs, and we are able to make savings because they realize savings as well.

So this Congress which was elected in 1994, we came in recognizing that the national debt had increased 10 times in simply 22 years. We realized that Medicare was just simply growing and growing and growing, and Medicaid was growing and growing and growing, and the student loan programs were growing and growing and growing, and we had to find a way to slow their growth so that the taxpayers would not have to keep paying more and more of their income in taxes.

Mr. Rabin said, before he died, the former prime minister of Israel, he said the politicians are elected by adults to represent the children, and that is what we are trying to do. Because if we fail to get a handle on the growth in Government spending, we are going to find that anywhere from 60 to 80 percent of all the income we make as Americans will go to Federal, State and local taxes if that trend lines continues.

So we are trying to slow the growth in spending, still allow it to grow but not grow as quickly, for the good of our children.

Our plan will help Americans earn more so that they can keep more and so that they can do more. Our plan also tries to reduce the overall growth in taxes so that ultimately we can return more to the American people, and so that we can downsize the size of Government and have it move from the Federal Government to State and local governments.

I notice my colleague is trying to rescue me from my dialogue here.

Mr. KASICH. Mr. Speaker, I wanted to take just a second to compliment my colleague from Connecticut, Mr. SHAYS. I want to compliment him for a special order that is designed to let people know precisely what the facts are in regard to our program, but let me, if I could, take a second to suggest that, of course, we have the courage to do this and this has been very difficult.

I remind the gentleman that in 1982 Ronald Reagan tried to deal with reforming entitlement programs and Republicans got crushed at the polls in 1982 and in 1986 we lost the U.S. Senate, Republicans did, because one other time they tried to reform entitlements. So we knew that trying to do something to put the good of the country first and politics second would mean that we would catch some heat. But we are willing to do it. And we are willing to do it for a couple of reasons. One is obviously the children, and I am sure that the gentleman has talked about out commitment and the difficulty that our children will face. We do not want to give them a world where they work longer and harder to pay for the bills that we are ringing up and create marginal tax rates that approach 84 percent. I mean, the country will not survive at that rate. I think that we owe our children, we owe the next generation, we owe the pioneers of the next millennium an opportunity to have an America that gives that a chance and gives them hope, allows them to live their dreams. I mean, it would be wrong and selfish for us to have been able to have a lot of our hopes and dreams realized and then say to the next generation, ''Forget it.'' That is wrong. And so we put the children first and that is why we have been willing to walk over some of these hot coals and encounter some political criticism.

But we are not just doing it for the children. It is like I say to a minister friend of mine, you cannot tell people the only reason you ought to get involved in religion is because in 20 years

when you die, you will reach salvation. There has not to be something for you today to get involved in religion and in terms of balancing the budget. And frankly it is about giving people more security in their jobs, real wage increases. Because America again has to become a country that is a saving country, an investing and a risk-taking country so that we in fact can put tools in the hands of American workers so they can compete and win in the world marketplace, getting paid a good wage for what they are producing and being able to be assured that their job is going to exist. More and more Americans are working longer and harder not to get ahead but to stay even. We are trying to fix that by creating a program that will reward savings and investment and risk-taking so our workers can have the tools. But I think what is most important when we look at the charts on Medicare or welfare or Medicaid or any of these programs, frankly the Republican mantra is amazing here at the end of the 20th century. The Republican mantra is power to the people. Essentially what we are trying to do is systematically transfer power and money and influence from this city back to the neighborhoods and communities where our constituents live so that they can begin to design local solutions to local problems.

Just to take one program, I have no doubt that virtually any neighborhood in America could design their own welfare program that would not only show proper compassion but would also use local solutions to local problems at less cost. Frankly, you could not design a welfare program that is worse than the one that we currently have. What we are arguing for is, let us take the program out of this city, let us have faith that real people living in real neighborhoods with real compassion looking at real problems can design real solutions. I believe they can. I believe in the power of people to get it right at the end of the day. And I do not think it is necessary to substitute or to interface a bureaucrat with people in the neighborhoods of America. We are going to solve crime problems in Los Angeles not from Washington but in the neighborhoods of Los Angeles. We are going to solve housing problems in Columbus, OH, not from bureaucratic Washington but, rather, let us let the housing authority officials have the power to do it the way it works in our community. We want to design local welfare solutions. Frankly, we do not need to ask Federal bureaucrats to tell mothers and fathers whether their children are learning or not.

So our program is one of real compassion. It also allows us at the end of the day to stand at the end of that very dark tunnel with a very powerful searchlight signaling the next generation into the next millennium that they have got hopes, they have got dreams and in fact they can be realized.

But the way in which that is achieved is to not keep everybody's power and money and influence in this city but basically to pry it out of the hands of Washington bureaucrats, put it back in the hands of people in local communities, demand excellence from one another, accountability, and realize that if we just believe in ourselves, believe in the power of the individual rather than the power of government, the 21st century will be the best we have ever seen on the face of this earth.

I appreciate the gentleman taking this special order and yielding.

Mr. SHAYS. I would love to just say to the gentleman that I remember well in 1989 he offered an amendment to try to get a handle on government spending and I think there were only 38 Members who supported him. Each year he kept offering amendments to slow the growth of the Federal Government, to not make these deficits so large, and each year he got more and more support. It was just a constant effort on his part.

I remember him asking Mr. Greenspan at the hearing he chaired, he said, ''Mr. Greenspan, are you concerned that we will cut spending too much?'' He responded by saying, ''Mr. Chairman, I don't go to sleep at night fearful that when I wake up the next day that Congress will have cut too much.''

But you are not just talking about cutting, because what you are also talking about is growing this economy and to move it from the Federal Government to the State government which is so important.

Mr. KASICH. Let me say to the gentleman I am not really any more enamored with State and local government or not much more enamored than I am with Federal Government. I think the 21st century is not going to be about the power of government or the power of bureaucracy or indebtedness or taxation or regulation. I think the 21st century is about the power of people like you and me, removed from this place, living in neighborhoods, the ability of us to soar, in the age of the computer, where Americans have more tools and more freedom. You do not have to wear a necktie in the morning anymore. You do not have to go to an office anymore. You can sit in your own den and you can use a magical instrument called a computer to shake things around the world.

□ 1730

I do not want to look forward to a 21st century where I have got to call a Washington bureaucrat to ask him whether I should log on or not. No, it is not just about balancing a budget, but it is systematically giving people their money, their power, their authority, their influence back to develop creative solutions to what exists in their neighborhoods. I think that really what it is all about into the next century and what this debate is going to be all about is whether we are successful in saying to Americans, not powerful Americans but Americans like my mom and dad and the families in the neighborhood that I grew up in, that we trust you, we believe in you. The 21st century is going to be more about the power of individuals than it is going to be about the power of the United States Congress.

We have had our way for about 40 years and for a lot of the time we have done good job. But frankly, it is now time for the pendulum to swing back to the neighborhoods. We need to revitalize our neighborhoods and our families, our communities. That is what the 21st century has to be all about. In the course of doing it, we will save the next generation. We will provide greater security economically. Let us forget this economic security and just say good jobs that last for Americans.

So I just think the gentleman from Connecticut is a patriot. I love the fact that he takes the time to do this. On that committee, the Committee on the Budget, he has been the most persistent advocate of trying to bring about changes in this system. I will say to the gentleman and for those Members who may be watching, you see, our victory is inevitable. But it is going to be a long road. The road to change is always long, and it is always rocky, and it is always winding. But if you stay committed to principle, at the end of the day you will have traveled up that road and you will have success.

Mr. Speaker, this city cannot go back. We are going to be debating a waiver program for the State of Wisconsin where people in Wisconsin believe they can design a welfare program better than people in Washington can. I mean, it is just patently absurd to say: Oh, no, no, we are not going to let you. We are not going to let you design your program. You think you know how to get people to work, you think you know how to get people trained? Do you think you have a solution in Wisconsin that we do not have here in Washington? Oh, no, no, we are not going to let you do it.

That is the kind of thing that goes on inside this town. You know, the liberals, the Washington liberals, God bless 'em, they do not believe people can get it right at the end of the day. But the Washington liberals, they are jealously guarding our power. It is not theirs. They took it from us. Now we want it back, and they do not want to give it back. So we are going to have to pry it out of their hands and get our money back out of their pockets, get our money back out of their pockets. That is what makes the fight so tough. But frankly, this is the future. We have started the revolution.

Frankly, it started with the shot fired across the bow on the Penny-Kasich bill, which signaled to this town we are never going to go back to the way we were for 40 years and we are going to win. There is a reason to be uplifted by this. Let us just keep at it.

Mr. SHAYS. Mr. Speaker, I thank the gentleman for participating.

As the gentleman was talking, I thought about when I was elected in 1974 to the statehouse. When I was in the statehouse, we had a law that said you could not spend more than you took in in revenue. I see my colleague from Michigan as well, and I know that he represented, was in the statehouse as well. I think he probably had that same kind of requirement; did he not?

Mr. SMITH of Michigan. I thank the gentleman. In fact, most States have the requirement of a balanced budget. So it is a shame that the United States that is overspending so much and that taxes so much does not have the same kind of legal obligation. I guess the gentleman from Connecticut, Mr. SHAYS, and I are still hoping that the Senate might be successful in passing that balanced budget bill. Somehow something has got to give us the intestinal fortitude to do what is very difficult to do, and that is to cut down on some of the spending in Federal Government.

Mr. SHAYS. Well, when I was in the statehouse, I was always amazed that our Federal leaders could continually spend more money than they raised in revenues and their incredible reluctance to do it. I kept asking myself how could it happen, and I think that we have to acknowledge that the blame was bipartisan and also shared with Congress and the White House as well.

I think it is fair to say that some on our side of the aisle, the Republican side of the aisle, did not see a defense program they did not like and were quite willing to keep spending. And on the other side of the aisle, there was no concern to control the gigantic growth of entitlements. I notice that my colleague may have a pie chart that illustrates that 50 percent or more now of all that we spend are entitlements.

Before referring to the chart, I would just like to talk about what that means. It means that half of our budget we do not even vote on each and every year. It is one reason why Congress was simply not getting a handle on that budget and the White House. Almost 50 percent of the budget was on automatic pilot. You fit the title in welfare, you get it. You fit the title in Medicare, you get it. You fit the title in Medicaid, you get it. You fit the title on certain agricultural subsidies, you get it.

Mr. Speaker, I did not have to vote in each and every year to set priorities with other priorities. So they just kept growing and growing. I would love to yield to my colleague to talk more about this issue.

Mr. SMITH of Michigan. I think really this borrowing has masked, it has hidden the true cost of government. If we had to pay this out in taxes, I think the American people would say: ''Hey, wait a minute; I earned that money; do not take so much of it away from me''.

As we borrow and somehow we make future generations obligated to pay our overindulgence, our overspending today, somehow it is easy to say: Well, somehow it will be taken care of.

Yes, this chart, this chart represents the fact that Congress has lost its power, its constitutional power, to control spending. I just want to start out with a little white in the pie chart, because the white in the pie chart represents that part of the budget that is now paid and expended just to cover the interest on the Federal debt. This 15 percent, this 15 percent does not cover the interest on what we owe Social Security and the other trust funds when we borrow the surplus money coming into those trust funds.

If we added the interest that is paid by the Federal Government on Social Security, for example, it would amount to an additional $90 billion that we are paying in interest. That means that interest is the largest part of this budget. But what Mr. SHAYS is suggesting is just take a look at the blue portion of this pie chart. This is what over the last 40 years, inch by inch and step by step, the Congress of the United States has said we are going to put on automatic pilot and give the authority to the President, whether or not we continue these spendings.

So this is the entitlement spending, the welfare spending, the AFDC, aid to families with dependent children, it is the food stamp spending, it is the Medicare spending that Mr. SHAYS has become such a leader in in trying to get a grip and a handle on. It is the Social Security spending.

By the way, even on Social Security, the unfunded liability, or what is called the actuary debt on Social Security, now approaches $4.5 trillion. Our overspending annually is $5 trillion. We are in a great deal of trouble, and we have got to start looking at some of these issues. We have the other side continue to demagogue and say: Look, look at those cruel, mean-spirited Republicans that are trying to cut spending.

Mr. SHAYS. But the bottom line to this is that each and every year we vote on about a third of the budget. We do not vote on the interest on the national debt, and we do not vote on half of the budget, which are what we call entitlements, that long list that we have there. So we have been trying over a number of years to try to control spending by just looking at defense and nondefense, what is spend out of the Committee on Appropriations.

Mr. SMITH of Michigan. That is right.

Mr. SHAYS. To our credit, that is the one area where Congress has greater control than the President. When we spend and appropriate an item and the President vetoes, we get zero.

Mr. SMITH of Michigan. Will the gentleman yield?

Mr. SHAYS. Happily.

Mr. SMITH of Michigan. Mr. Speaker, it is hard not to be aggressive when talking about this issue. Even today I heard a Member of the more liberal party suggest that look at how deficits have come down. Look how they came down in 1995. Look how they came down in 1996. Of course what happened is, when Republicans came into Congress January 1, 1995, the first thing we did was cut $13 billion our of the 1995 budget. Then we set the 1996 budget.

Mr. SHAYS. If the gentleman will yield, that is the budget we were already in.

Mr. SMITH of Michigan. That was the budget we were already in. We only had 6 months left or 9 months.

Mr. SHAYS. We rescinded certain expenditures. In fact what we did do, if I could be a little more precise, we actually cut $20 billion from that budget, but then added $11 billion back that the President requested and would have been in the budget if we had not even made the $20 billion. We had a net savings of $9 billion. But then we had the debate in 1996 and the shutdown of Government.

We had the shutdown of Government in part because when we gave the President certain budgets, he vetoed it. We ended up with zero and a disagreement on how much we should spend. Ultimately we have now a full agreement with the President on the 1996 budget, the budget we are in now, and which will end the end of this September. The thing that we need to point out is the President wanted to spend $7 billion more than we spend in 1995, and we ended spending $23 billion less. We ended up making a savings ultimately to his plan of $30 billion, $23 billion of actual reductions in this year less than we are spending, less than we spent last year.

Mr. SMITH of Michigan. I do not mean to brag, and I do not mean to make a greater separation between Republicans and Democrats. But still, the reason that the overspending is so low is because Republicans were very aggressive in what is called the rescission bill of reducing the 1994–95 budget, again in the 1995–96 budget with a great deal of frugality of making tough decisions. Everybody should know it is not easy to cut spending. People that have gone to the Federal Government, to the trough, if you will, and become accustomed to having those Federal services do not like those services cut out. So it has been easy for the liberals to demagogue the issue, to say look at these mean-spirited cuts.

Mr. Speaker, the bottom line is we now borrow 20 cents out of each dollar the Federal Government spends, and that is too much borrowing. It is not responsible. I think it is immoral for our kids and our grandkids.

Mr. SHAYS. We have had really three main objectives. One is to get our financial house in order and balance the budget. We came forward with a 7-year plan. We actually have real and absolute cuts, absolute cuts in what we call discretionary spending. We were going to spend less in some programs next year than we spent this year, and we spent less this year than we did in the year before. Those are true cuts. But in 50 percent of the budgets, some programs that are very important in Medicare and Medicaid, we are allowing for

significant increases in both of those programs.

We are just trying to slow the growth. So our first effort is to get our financial house in order and balance the budget. Our second one is to save Medicare from bankruptcy. We are going to learn tomorrow that the Medicare plan fund, the Medicare part A, which was to remain solvent, not bankrupt, remain solvent to the year 2002 and will actually probably become bankrupt maybe in the year 2000, which is 2 years sooner than we thought.

Mr. SMITH of Michigan. Mr. Speaker, I mentioned earlier that Social Security has got very serious problems and that actuary debt or unfunded liability amounts to about $4.5 trillion. But in Medicare, it is even more serious than that. So the promises that past Congresses have made of what they are going to do for health care for senior citizens is now in a great deal of financial problems. If it is not corrected, we could lose Medicare.

So I would ask the gentleman from Connecticut just to very briefly repeat some of the fact that there is not much difference between what the President suggested, what the Republicans have suggested. So to use this issue politically by scolding Republicans is not a fair accusation.

Mr. SHAYS. Well, first off, it is just important that we recognize that the program is growing significantly. The program is growing significantly, it is not being cut. On a per person basis, we are going to allow it to grow as it did last year from $4,800 to $7,000 per beneficiary. We did it without an increase in the copayment, without an increase in the deductibles, and without an increase in the premium.

The premium will stay, except we did do something for the wealthiest. Those who make over $100,000 and are single will pay more in their premium. If they make over $150,000 and they are married, they will pay more in their premium. So we did say the very wealthy should pay more. It is not something that Democrats like to say that Republicans do, ask the wealthiest to pay more.

Sometimes I have to say sometimes Republicans do not like to acknowledge that we are asking the wealthiest to pay more. But people who are receiving Medicare, it is the best buy in town. Those who can afford it should pay more, and we are asking the very wealthy to pay more.

Now, what we are also doing is we are allowing for choice. We are allowing for people to get the same opportunity that the gentleman from Michigan, Mr. SMITH, and I have. I mean, we have the opportunity to choose a whole host of different health care plans. We are not looking into one. If we get a more expensive plan, we have to pay for more dollars. We have to still pay a greater amount if we get a more expensive plan. But we are given choice. Mr. Speaker, under the traditional Medicare system, there is no choice. It is a traditional fee-for-service.

Mr. SMITH of Michigan. You know, somebody asked me last Thursday, look, we do not smoke. Why should we pay more of our taxes, more of our premiums for Medicare to cover the people that do not take care of their own health, that smoke, that do otherwise? My reaction was, look, that is what we are trying to do with one of these options, medical savings accounts, so the people that do take care of themselves can end up sharing some of that savings.

I think it would be good if the gentleman mentioned some of the options.

Mr. SHAYS. Mr. Speaker, one of the options will be that we will allow private care plans to offer to seniors a whole host of different services.

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They may offer eye care or dental care, they may give a rebate on the copayment or the deductible, they may give a rebate on the premium. They may even pay, because in some areas the cost of health care is so much less than we actually pay in Medicare, they may actually be able to pay almost all of the Medigap, pay all or part of the Medigap, which a lot of seniors pay today, and they will still make money off the plan.

They will be able to give them annual checkups, which some seniors do not get now. Now, if a senior does not like it, they get into the private care and they do not like it, they have 24 months, each and every month, 2 years in each and every month, to get back to their fee-for-service plan.

So we do not increase copayments, we do not increase the deductible, we do not increase the premium, we give seniors choice.

Mr. SMITH of Michigan. And if a person wants to stay in exactly the same program they are in, they can do that.

Mr. SHAYS. They can. And it is not like the telephone system, where if you were on AT&T and you automatically find you are with Sprint or MCI, no, you stay in the plan. You stay in the traditional fee-for-service. You have to ask to be out and then you can request immediately to be put back, and within a month you are back in the old plan.

So it is hard for me to understand why the President vetoed. The reason he vetoed is he said we were cutting, even though the plan grew so much. It is true we were able to save. We were able to save the fund from bankruptcy. We had it remain solvent to the year 2010, and we were able to save the taxpayers over $200 billion. So it was just difficult for me to understand why the President would not have accepted that plan.

Mr. SMITH of Michigan. Mr. Speaker, a little while ago I was reading at my desk, and in a letter, one of my constituents in Michigan sent me this application. She was asking me is this a legitimate organization; what are they doing?

And what that was, it had a big sheet that they were sending all these senior citizens. They probably went to the driver's license bureau or someplace and got this list of names of everybody over 65, and it says there are some people in Washington that are trying to balance the budget on the backs of the health care of senior citizens. Send us your $20 or $40 and we will work to protect your rights.

You know, I think that that kind of attitude, that kind of solicitation to take advantage of senior citizens to try to make more money for whoever, is washed up, because I think most senior citizens, as they decide what they want to leave this world with, I think most of them want to leave their kids and their grandkids and their great grandkids the same kind of opportunities they had. They do not want to keep sucking up on financial, to ask the young working people of this country to pay more of their benefits. They are willing to tighten their belts just like everybody else is to make sure that Medicare is solvent, that Social Security is solvent, that this country gets their house in order so we can have a continuing great America with continuing opportunities.

That sounds a little like a speech.

Mr. SHAYS. Well, it is a speech, but it is a very accurate speech. We are saying that last year we spent $4,800 per senior. It will grow to 72 and now $7,000 in the 6th year from where we are today. That is a significant increase. And yet while seniors will still get that significant increase, we save, under our new plan, $158 billion.

At one time it would have been over $200 billion, but the President vetoed that plan. We have a plan that will save $158 billion to the taxpayers. It still gives seniors more, and yet they will contribute to helping save this country candidly from financial ruin.

We talk about getting our financial house in order and saving our trust fund. This fund is a little more nebulous, but it is something that is very near and dear to me because I believe that is where we probably have the biggest controversy and that is we are trying to transform other caretaking, social, corporate and farming welfare state into a caring opportunity society.

We want people to be independent and not dependent on the Federal Government, and we want them to learn and to grow. We are not saying to someone in an urban area, your mother was on crack, you did not graduate from the 5th grade, I am sorry, you are on your own. No, we have to have a caring, aggressive plan to help individuals, but it cannot be the traditional handout.

I say this as a moderate Republican, some might call a moderate Republican a liberal Republican, but I think I am pretty much down the center of the political spectrum. I look at a lot of what Government has done, and I think if we have an honest debate, we do see 12-year-olds having babies, we do see 14-year-olds selling drugs and 15-year-olds killing each other, we do see

18-year-olds who cannot read their diplomas, we see 24-year-olds who have never had a job, and frankly not because a job does not exist but because they have got in their own mindset that it is a so-called deadend job. We see 30-year-old grandparents. That, to me, is the legacy of the welfare state.

Mr. SMITH of Michigan. And it is sad. We talk about a $5 trillion national debt, but we have spent $5 trillion on the welfare program since they started in 1965, and we have been successful in transferring wealth, but in the process somehow we have taken away the spirit. With a lot of people we have taken away their self-respect by sending them signals that they are often going to be better off not to go to work, not to bust their gut trying to help their community and help other people and pay their fair share of taxes. so they stay on welfare, and we are now in the fourth generation.

And we are a humane society. We are a caring society. We want to help people that are down on their luck. But people take advantage of it, and not only stay on it for all of their essential working lives but then we end up with their kids being on and their grandkids being on.

Mr. SHAYS. And if my colleague would just yield, I would point out that we are also not just talking about social welfare, we are talking about corporate welfare.

Mr. SMITH of Michigan. Good point.

Mr. SHAYS. We are talking about writeoffs that businesses have been able to get over the last 40 years through, candidly, this former Congress. They have been able to get a significant writeoff, approved by, candidly, Republican presidents, so both hands have been involved, where they have gotten certain writeoffs that are unique to them in their business opportunity. They then become dependent on what are true writeoffs and, in my judgment, are nothing more than corporate welfare. So we are looking to have our Federal Government not have so many corporate writeoffs.

And while I am probably on more sensitive ground, being that the gentleman comes from a farming area, I think you would acknowledge there are certain Federal programs that farmers have become so dependent on, it has changed their behavior. It is not like they do not work. They bust their guts. But they are working following a Federal program that sometimes has an incentive not to plant or to plant the wrong things that simply are costly.

Mr. SMITH of Michigan. That used to be true. Now, we have passed what is called the Fair Agricultural Act that does away with all of those subsidies. Over the next 7, or 6 years now, it phases out all of those Federal farm program subsidies, so the Federal Government is no longer managing that farm, and individual farmers will have the freedom to decide how much of what crop to plant.

I think that is good. I think the Federal subsidy programs have tended to be a disservice to agriculture. We have seen smaller family farms forced out of business because the larger farms had a greater advantage with those Federal programs.

So the ag programs are phasing out, but corporate welfare, the lobbyists and the PAC's flow to that Committee on Ways and Means because just a few changes in the words, can make millions of dollars of difference.

Mr. SHAYS. One comma, one little bracket, taking out a word, adding or not can make a difference. This Congress is looking to get after all three types of welfare, the social, the corporate, and where it was in the farming. There are a few programs still remaining that did not get out, but a gigantic leap forward, phased out over 7 years.

I would say to the gentleman that I had to ask myself where have I been a constructive force. And I have been able to go back over my time in the State house and in Congress and say, well, I voted for this program, and I have been able to feel good. But when I analyze some, not all, but some of those votes, I have had to say I have made people more dependent rather than less.

I have made a practice in the last 4 years of asking people who have had to pull themselves up by the boot straps and have succeeded, why. And in almost every instance, it was a father, a mother, a brother, a sister, a schoolteacher, but somebody pushing them, someone recognizing that and making sure that individual knew that nobody was going to do it for them.

I was thinking, and, to me, one of the most memorable was when I had a young woman come in, 35 years old, a doctor, an M.D., and she said she was 12 years old when her father passed away. She had six younger brothers and sisters. She became almost the second mother in the family, raising, as a 12 year old, her younger brothers and sisters. But her mother had one dream, that they would all get degrees; not just college degrees but advanced degrees.

There were two doctors in that group, there was a psychiatrist, there was, fortunately, only one lawyer, there was a schoolteacher, and she was just there to tell me that I had a dream, we moved forward, and no one gave me. We worked for it. Her mother was a schoolteacher, with not a lot of income, and obviously she turned to a lot of different sources for help. But she made sure that each of her children knew they had to do it on their own.

Which gets me to a kind of wonderful quote that Ann Landers said, and it was in my calendar. You have seen these calendars that have the quote of the day. My dad, when he used to work in New York, would come home, when I was a young kid, and give me different quotes from the newspaper, and sometimes Ann Landers would show up. And she said, ''In the final analysis, it is not what you do for your children, but what you have taught them to do for themselves that will make them successful human beings.''

I see this and I think about that, and I think about the march on Washington. One, we cannot burden our children with tremendous debt; but, second, we have to have those kind of government programs that teach them what to do for themselves.

Government does have an active role. I would like to think more State and local government and less Federal Government, with a one-size-fits-all mentality. The government does have a role, but it has to be a role, not to give a hand-out, but to really teach people.

I think, as my colleague wants to, if we want to have English be a primary language in this country, we have to, as colleagues, recognize and make sure that there is no American who is missing the opportunity, and no alien who is a resident here who is missing the opportunity to learn how to speak English. We may have our feelings about bilingual programs, but there has to be that alternative, I would just say to my colleague, and I am happy to yield.

Mr. SMITH of Michigan. It seems to me we need to remind ourselves what made the United States of America so great, and that was the concept that the people that worked hard, that really tried, that invested, that took chances, that got up every morning when they did not feel like it and went to work and produced, were better off than the people that do not.

Now we are moving into sort of a gray area where often the individuals on some of the welfare programs are better off than working poor. That cannot be the formula for a successful America. We have to get back to the concept that those who are trying every day, that are working hard, that are striving to make their family and their kids more independent and more successful, by encouraging them when they come home every night, are the people that are going to make the future of America and make it greater.

We cannot continue to rely, as an aging industry, on increasing taxes on business and individuals as a way for government to have more funds to make it right for everybody else. We have to have the kind of policy that encourages those individuals to be more responsible for their own destiny.

Mr. SHAYS. I do not know how we do that, though, unless we get our financial base on a firm foundation.

Mr. SMITH of Michigan. Absolutely. That has to be the first step.

Mr. SHAYS. So we have to get our financial house in order and balance that budget as the foundation. Not as the solution, but as the foundation for then saving our trust funds, which are obviously related to the first issue, but then, ultimately, transforming this caretaking, social, and corporate welfare state into a caring, into a very caring opportunity society.

Instead of taking this pie and deciding how we divide up limited resources,

what can we do to grow this economy. And that clearly is a very important element to the last part of our plan, and that is beside just getting our financial house in order to have certain tax incentives to encourage growth in this economy.

Mr. SMITH of Michigan. And I think the people that talk about or advocate a flat tax or a consumption tax or a value added tax or a national sales tax are not saying that, look, this is the golden way to have a successful tax, they are saying, look, the tax system we have now is failing us. We are penalizing investment, we are penalizing savings, we are discouraging businesses from expanding and creating more and better jobs by putting more and better tools and facilities in the hands of the greatest work force in the world, which is the American work force.

Somehow, in our look-see to changing our tax system, it has to be an admission, an acknowledgment that what we have now, that has been written many times over by the special interest lobbyists and their huge PAC contributions to candidates for office, has ended up being not what is good for the future of America.

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So I think it is important that we do exactly what you are suggesting, Mr. SHAYS, that we have the kind of tax policy changes that encourages savings, that encourages investment.

Mr. SHAYS. And encourage people to pay their taxes. It is estimated we could lose almost $100 billion in revenue, one, because it is not simple enough and, second, that people simply have found a whole host of ways to avoid paying taxes in the course of trying to do what they think are legitimate or maybe not legitimate write-offs.

Mr. SMITH of Michigan. There are so many loopholes and so many corporate tax breaks that probably should not be there that it justifies a whole new look at our tax system.

Mr. SHAYS. I would like to spend the last 5 minutes and just summarize what we are trying to do.

We are trying to do what Prime Minister Itzhak Rabin said. We are elected by adults to represent the children, and we are trying to get our financial house in order and balance the Federal budget. We are trying to save our trust funds from bankruptcy, particularly Medicare. And we are trying to transform our caretaking, social, corporate and farming welfare state into an opportunity society. We do that by allowing our spending to grow.

We allow it to grow 20 percent more each year, 20 percent or more in the next 6 years as opposed to the last 6 years, 20 percent more, from 8.7 billion to 10.4 billion. We do it by allowing the student loan program not to cut but to grow from 26 billion to 37 billion, a 42-percent increase.

We take the earned income tax credit, which is an expenditure made by taxpayers to the working poor where they actually receive money rather than pay taxes, and that program over the last 6 years we spent 109 billion. We are going to spend 155 billion under our 6-year plan. Under welfare spending over the last 6 years we have spent 441 billion. In the next 6 years we will spend 30 percent more; we will spend 575 billion.

In Medicaid we will grow from 463 billion over the last 6 years to 731 billion. We are going to spend 58 percent more in the next 6 years under Medicaid, which is health care for the poor and nursing care for the elderly.

Then we are going to deal with Medicaid, Medicaid spending, which grows from 463 to 731, just to point out that our numbers are not that different than what the President's numbers are, except we want to allow for more flexibility on the State and local level under this plan and not have a one-size-fits-all Medicaid plan done by the Federal Government.

Medicare is going bankrupt. It is going to be highlighted tomorrow when the trustees report that Medicare part B, the money we pay in our payroll tax, we will run out of money potentially by the year 2000, rather than what we originally thought, the year 2002. We had a plan to save Medicare until the year 2010 and the President vetoed it last year. Our new plan will not stretch it out entirely to the year 2010 but close to it. We spent in the last 6 years 920 billion; in the next 6 years we are going to spend 1.4 trillion, a 61-percent additional expenditure in dollars.

In Medicare premiums we are going to grow from 5200 this year to 7000. Last year they were 4800. So we are allowing this plan to grow per beneficiary and we do it without increasing the copayment, without increasing the deductible, without increasing the premium. We give seniors choice. We do ask the seniors who are the wealthiest, making over 100,000 plus, to pay more of their Medicare part B premium. But for all other seniors the program remains the same, no increase in copayment, deduction or premium, and we give them extensive choice.

With that, Mr. Speaker, I would like to say that I am absolutely convinced that this Congress is on the right track, trying to get our financial house in order, trying to balance the Federal budget, trying to save our trust funds and trying to transform this social and corporate welfare state into a truly caring opportunity society.

SAFETY NET FOR CHILDREN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes.

Mr. OWENS. Mr. Speaker, I would like to begin by congratulating the Children's Defense Fund and Marian Wright Edelman and all of the other sponsors of Stand for Children which took place here in Washington last Saturday, June 1.

They came from all over, all parts of the Nation. They came from every ethnic group, every religion, every race, they were all together, children and families, making it clear that in America the great caring majority stands for children and American policies. Government policies at this point in our Nation's history reflect this fact. They reflect the fact that this Nation stands for children. The policies of the Government stand for children.

Mr. Speaker, the problem that they did not talk very much about on Saturday is the problem of the present attempt to change those government policies, to turn our policies around and make this a Nation whose policies are hostile toward families and children.

In contrast to the Stand for Children that was taking place in Washington here, more than 200,000 people by the official estimates, in contrast to that Stand for Children, let us consider for a moment the problem of Brazil and Colombia, where large numbers of children are being found dead in the streets every day. They are being found dead as a result of being shot the night before. They are killing children in Brazil. They are killing children in Colombia. They are killing children in certain other South American countries.

Mr. Speaker, I do not mean child abuse in the usual sense. There is a high degree of child abuse in these nations, but there is a phenomenon which we have not yet experienced in America. That is they are shooting children at night, and you find the dead bodies the next day. The elite classes of Brazil and Colombia and certain other South American countries are the classes of people that are envied by our Republican majority here in this country.

We have an elitist philosophy driving an attempt by the Republican majority to change the policies that have an impact on children. The previous speakers talked about they were not cutting school lunch programs because after all the figures, the numbers will show that there is an increase in the numbers over the years. They do not tell you that the number of children will increase faster than the dollars that they have put in the budget will increase. If you did a simple mathematical calculation of dividing the number of children into the number of dollars available, you will see that the amount of dollars available, you will see that the amount of dollars per child will go down as a result of the cuts that they are proposing.

They are also taking out large blocks of children and saying that immigrant children shall not be served and we are going to just leave them on their own. We are going to leave them to fend for themselves. So the contrast is very important, to take into consideration the fact that in this Nation at this point in history, the majority of Americans still stand for children. They stand for

children regardless of what the Republican majority in the Congress right now is trying to do.

They are going to reject the attempts wholesale to change the policies which favor children and families. They are going to reject it in November, but in the meantime we have a serious problem of trying to beat back the threats to the policies and the programs in our Government which support families and children.

There are three examples I would like for you to consider. Consider the fact that in America we do stand for children. Still our Government policies are favorable to children and families. In Brazil, Colombia and certain other South American countries, they do not have the safety net for families and for children, so they have gone in the opposite direction.

They have created so many problems with families and children that large numbers of children roam the streets day and night, and they have begun to hate those children. They have begun to demonize those children. They are wiping out those children at night through vigilante groups. Many groups involved are even considered to be close to the police, or in a few examples the police themselves have been accused of murdering children at night.

These children become a nuisance because they steal in the daytime. They obstruct the beauty of the sidewalks. They do a lot of things which make people very upset with them. Society will not deal with them in a rational way. Society will not provide programs which will guarantee that they have a decent home or decent meal, school lunches, will not guarantee that they have some safety net so that families are not thrown into the streets, that society ends up at the other extreme, exterminating children, large numbers of children are being killed.

Contrast the societies of the industrialized nations that the United States is in economic competition with. Brazil, not Brazil, Italy, England, France, Germany, those societies have safety nets which are far greater than any safety nets that we have here in America. They treat children far better. Recent articles in the newspaper, the New York Times talked about in Italy the mothers under the provisions which allow family leave have abused it to the point where certain mothers have stayed off a whole year from work and gotten paid. That was an example of abuse. But then they described the kinds of programs that they have for family leave in a country like Italy. They showed how a person who wanted to abuse the system could do that. What they were saying is that there is a very strong family net there for people who have children.

In this country, which has a gross national product which is smaller than ours, Italy is not a rich industrialized nation, as rich as the United States, but in Italy they have policies for families which are far better. In France, they are always citing the day care programs in France, unparalleled, no parallel programs anywhere in the world to the kind of day care programs they provide in France.

In Germany, the programs for workers that allow vacations and sick leave and so forth are unparalleled in terms of any workers anywhere in the world. So on the one hand you have families and children in certain industrialized nations who are far better off and supported far more by the government and the country as a whole than we have in this country.

On the other hand, you have the other extreme, the elite minorities of South America, the rich leadership of South America who are envied by the elite minority here in this country. They do not pay very much taxes. They are not bothered with the nuisance of taxes. You have billionaires in South America who are scot-free from responsibilities of trying to guarantee that there is a safety net for children and families, and our Republican majority here wants to create a situation for our elite minority to have a similar situation. They want more and more advantages for the rich, less and less taxes, less and less disturbing their abilities to make maximum number of dollars in profits.

In South America they do not have environmental laws. They do not have a number of things which force our corporations and businesses to act in a more humane way, ways which are supportive of life in general and of families and of children. So they have gone to the extreme in places like Brazil and Colombia.

On the other hand, we are at least in the middle. We have some safety net programs. Right now we are at a critical point in our history where a Republican majority in control of the Congress is striving to try to eliminate those safety net programs.

Mr. Speaker, I am going to talk in a little while about specific examples of programs for children that the Republican majority has attempted to eliminate, programs for families that the Republican majority is attempting to eradicate at this very moment. One of the most important programs of course is Medicaid, the Medicaid entitlement. Families will be hurt a great deal if the program passed by the Republican majority in this House were to be signed into law.

Last Thursday there was another program, the reauthorization of IDEA, the Individuals with Disabilities Education Act. That, too, was under the hammer by the Republican majority. They are chipping away at that program now and creating a situation where it is possible that the Federal Government may pull out of its support for children with disabilities, the education, completely. I will talk more about that later.

Mr. Speaker, let me just go for a moment to some clippings related to Brazil. I want to make the point clear here that, if a society takes the route of accepting no responsibility for the poor families within that society, the society takes the route that it is against minimum wage. So those who are working cannot earn a decent living and then takes the route that those who are not, those who cannot find jobs and are on unemployment do not deserve any help from government. If it takes the route of cutting back on job training programs as all of these routes taken by the Republican majority here in this Congress, you take that route, you are eventually going to end up in a situation where the children are demonized and hated because they are running out there without any support. Families cannot keep them at home. Families cannot keep them. Families cannot house them. Families cannot clothe them. So they are on the street.

□ 1815

Where do they go if not onto the streets? And once they are on the streets, they become scum in the eyes of the general population. It is not surprising that it is the police that sometimes end up being involved in trying to eradicate these children.

These are not my words. Let me just quote from a story that appeared, a United Press International story, on April 25, 1995. I use this story because it is an example of a situation where they caught, for the first time they caught some of the people who were doing the eradication of children. Children have been dying, being shot, like flies. You know, they have been dying in large numbers and being found on the street dead, shot in large numbers, and nobody has been held responsible. This is the one example where there was a witness, and they actually arrested people, and a trial was taking place last April related to the killing of these children.

Let me just read from the United Press International article of April 25, 1996. A former military police agent in Brazil confessed Thursday to his part in the 1993 killings of eight street children as they slept outside the Candelaria Church in Rio de Janeiro and said people scheduled to go on trial are innocent. The police agent was one of those accused, and as he came up for trial, he confessed, but he said certain other people that were accused were not innocent.

The important thing about this is that the prosecutor, Jose Muinos Pineiro, said that this trial was the first ever in the case of the killing of street children, and the trial was to begin as planned, and it would be a landmark in Brazil, although for years they have been finding children shot in the streets in the morning, and nobody has ever been punished. So this was the first case.

Mr. Santos, who was a former policeman, confessed, said he decided to confess because of conflicts of conscience, conflicts of conscience. The witness who identified Mr. Santos and the others is a boy named Wagner dos Santos,

and Wagner dos Santos, the little child who identified the assailant, the assassins, has suffered two assassination attempts since the time he identified them and the time of the trial. He has been so threatened that he had to be moved to Switzerland and kept there between the time of the assassinations of the children and the time of the trial; the only trial being held; only time they have caught the killers of children in the streets of Brazil.

Now, am I exaggerating the situation? Here is another article dated October 12, 1995 from Inter Press Service, and it states that a study, according to the article, a study by the United Nations Children's Fund, UNICEF, reported that Colombia's average of 2,219 child killings each year now outstrips the more notorious death by violence of children in Brazil, where the figure was 1,533 annually.

Now, I am not talking about child abuse, I am not talking about child deaths as a result of neglect. We are talking about children being shot in the streets, children being shot like rats.

The Colombian city with the highest children's death rate in Medellin, with 64 children murdered for every 100,000 inhabitants. The city of Cali, the third largest city, has 13 deaths per 100,000 children. We know some of these names because they are drug centers in Columbia. In the capital of Colombia, Bogota, they have a better record: Eight children die violently each year per 100,000 inhabitants.

Now, I quote these statistics to let you know, you know, in a civilized society, and these are civilized societies, they are quasi-democracies in some cases, but the situation has deteriorated to the point where instead of standing for children, the citizens stand against children, enough of them stand against children to allow this to go on day in and day out, night in and night out, and the children are picked up in the morning like rats, dead rats.

Human Rights Watch stopped short of describing the widespread murder of street children as government policy, but it did state that the police agents are involved in a broad range of abuse against minors, including torture, corporal punishment and widespread killings. Human Rights narrated the story of Frankie, a Bogota street urchin who had managed to escape three social cleansing operations. It also discussed the case of Andres, a child prostitute who, according to three friends, was taken out of the center when he was working by three armed men dressed in police uniforms, and several days later this body was found on the outskirts of Bogota.

The report notes that the most extreme attack took place November 15, 1992, when eight children and one adult who were members of a community group were murdered in Villatina, a marginal barrio of Medellin, in the northwest of Colombia. According to witnesses, the youths were gathered at night on a street corner in the barrio when 12 men in three vehicles approached and demanded that they lie on the ground, and opened fire on them.

One of the victims reportedly managed to tell his mother before dying that he recognized his killer as a member of the judicial police. One human rights organization linked the Villatina massacre to the deaths of two police officers the same day and said that because those police officers had been killed, they were out to get revenge on the children before this massacre took place.

Now, I only mentioned police and make a point about police because police are an agent of government. Police are the front line of what people really want. And when societies have degenerated to the point where they are killing children and policemen are involved or turning their back, refuse to investigate, then you know that the society is culpable. It is not something out there on the outskirts, on the edges of society, taking place that does not have approval from a large number of citizens.

You know Daniel Goldhagen has written a book called ''Hitler's Willing Executioners,'' and in the book, ''Hitler's Willing Executioners,'' Daniel Goldhagen says that what Hitler did could not have happened if the Nazis had not taken over the government. They had control of the government, and they had power over people, but the extent to which the mass murders occurred, the massacre of 6 million Jewish people occurred, they also had to have a willing population, and that too many people in the German population cooperated because they had come to the point where they demonized Jewish people and saw them as subhuman, and because they saw them as subhuman, they could participate in these outrageous acts without any conscience.

When a society reaches the point where frustrations and failure of government and failure of institutions is such that children become a nuisance, a threat, and the society begins to demonize its children, then they can do unspeakable things to its children, like murder them in the streets like rats.

Mr. Goldhagen also makes some references to slavery. Slavery took place in a situation where large numbers of human beings were treated in a outrageous subhuman, criminal manner for 232 years in America. Slavery in South America lasted longer. Slavery in South America was more brutal. Slavery in South America did not have the constriction of early laws which forbade the import of slaves, so for a much longer time in South America they were importing slaves. And South America was much more brutal in the treatment of its slaves because they were expendable, they did not try to keep their property alive the way the American slave owners did, they did not set up breeding farms and try to breed slaves and take care of female slaves because they were valuable property. In South America they had an access to large numbers of incoming slaves, and the tradition was they just worked them until they worked them to death. The brutality was so much greater and the heritage of that brutality probably has something to do with the fact that they are shooting children down in the streets of certain South American countries right now.

I might add, my colleagues, that in these South American countries there is a black population. Colombia has, I learned on the radio this morning, 6 million, at least 6 million, people who are of African descent. In Brazil at least half of the people in Brazil are of African descent, and probably, if you use the general yardstick that is applied in America that if you have one drop of African blood you are of African decent, the majority of people in Brazil are of African descent.

The children who are shot down in the streets are usually black or mixed children in the streets of Colombia; it is the black and the mixed children who are being murdered in the streets of Brazil because they are the bottom of the economic ladder, they are the despised ones who have no safety net, there is no welfare program, there is no school lunch program, there is no Medicaid, there is no program for children with disabilities. So they are thrown into the streets.

This is my introduction to my discussion of the Stand For Children. I applaud the Stand For Children because it says a lot about where the majority of Americans are at this point.

There was one thing that happened with Stand For Children that disturbed me. Marian Wright Edelman, who is the organizer of this Stand For Children, on last Saturday did a brilliant job, and we all know Marian Wright Edelman on the Hill very well. Republicans and Democrats are familiar with the work of the Children's Defense Fund, and they have done a great job, and they are very knowledgeable about the political process. They are nonpartisan, and sometimes they have appealed to us to act in a bipartisan way, but they are political. I was disturbed in Marian Wright Edelman's final speech, her closing speech on Saturday when she said to people, ''Go back home,'' and she asked them to follow God. ''Don't follow politicians, follow God.''

Now, by all means they should follow God. But I wonder why she had to say do not follow politicians. It struck me as strange and sounded dangerous because in my community I have had a problem with people putting down politicians, not wanting to get involved in the political process, not even bothering to go out and vote because they are so fed up with following politicians, they are fed up with the political process, they do not participate, and therefore the people who do participate and those who have the power are making

rules and laws which are very much to the detriment of those people. ''Don't follow the politicians.''

You know it is strange in many ways because it lets all of us off the hook. All politicians, Members of Congress, city council members, members of State legislatures, you are off the hook if you do not have responsibility for children because we have been told, the people have been told, not to follow us.

I do not think Marian Wright Edelman meant this at all; I am positive she did not, because nobody has more political sophistication in America than Marian Wright Edelman. But it came over that way. For a layman listening, it sounds as if we should not follow politicians, that God, you know, cannot be for politicians.

Some politicians are not following God. You know, the scenario, as I see it, is God is up front there, and if you want to get something done through the political process, you have to have certain laws change, you have to have programs in this country and public policy in this country which benefit children; then to do that you got to get behind the politicians. God is in front, the politicians are behind God; some of them are, some of us are. We are the advocates of God's work, we are the advocates for children.

□ 1830

You have to get behind us. If you are going to go in another arena, you want God to be up front. If you want educators and teachers to be up front, get behind them. If you go into the arena where you are talking about health care and you want the doctors in the health care system and the nurses, God is up front and the doctors and health care system and nurses are behind God.

If you want to accomplish something in this world, you have to do it through men and women who make decisions. God is not a dictator. God is not totalitarian. God has left us with free will. God will not intervene in America and deal with whether the Medicaid entitlement stays in place or not. God is not going to come down and deal with that directly. God will act through agents.

There are some advocates that follow God and will fight to guarantee that we keep Medicaid, because it is a life and death matter. We must keep the Medicaid entitlement. There are some advocates who are on the side of God, who are behind God, who will guarantee that we have children with disabilities be supported by the Federal Government. God will not get involved. God will not intervene. That is what free will is all about.

I am not a theologian or deep philosopher, because we have gone through that over and over again. The decision has been made that God leaves mankind free to make certain decisions. God sits and watches, and he is disappointed sometimes. He must spend a lot of time crying about the kinds of decisions that we make. From time to time horrible things are done by men and women who are making the decisions. Horrible things are done by men and women who have the power. God must be very disappointed.

On the other hand, there are men and women who do things that God, I am sure, appreciates a great deal and supports, and in the final analysis I think that those people who are following God, doing God's work, will triumph. But never tell people not to follow politicians, follow God. Tell them to follow the politicians who are in line behind God, and it makes much more sense.

The Children's Defense Fund certainly knows that the political process requires that you talk to politicians, that you confront the Members of Congress, confront the Senators, confront the Members of the House. All that is necessary in order to get things done.

I think that the Children's Defense Fund does its homework very well. Some of the documents they put out clearly show that they do not believe that politicians should not be followed. Or maybe what she is really saying is do not follow them, push them; get behind them and push them. Or maybe it meant that you should get in front of them with some ropes and pull them, because the Children's Defense Fund certainly engages us. We are engaged in problems with children, and I applaud them for that. I applaud them for engaging us year in and year out on problems related to children.

They gave us a list. They sent it around to all the Members of Congress. This list says, ''Who's for Kids and Who's Just Kidding?'' This came from the Children's Defense Fund, the top 10 kids' votes in the 104th Congress. In after school and summer programs for kids, they give a record of how the Congress voted on the after school and summer programs for kids.

Cut school lunch, that is another vote that was taken. They give a record of how Republicans and Democrats voted. Cut basic education and Head Start and summer jobs, a third vote that was taken which directly impacts on children, on families. Allow parents to block out violent or sexual TV shows. That was a vote that directly affects children and families. If you stand for children, they indicate that you would have voted yes on that vote.

No. 5, cut student loans and children's health and nutrition programs. We heard a discussion before from our Republican colleagues, that they really are not cutting student loans and they are not cutting children's programs. The amount of money is increasing, but they do not tell us that the number of children, the number of students, is increasing, and when you divide the number of children for these programs into the amount of money, as the children increase, the amount of money is going down per child.

No. 6, restore $3.1 billion in education cuts. We restored that, yet the vote to do that is important. Cut education by $3 billion, that was a vote taken. She is recapitulating past history over the last few months, where the Republicans tried to cut education and to cut job training and to cut summer youth programs and to cut school lunches, and we stood firm. We took our case to the American people. We made it clear to everybody out there what was happening, and they backed down. But she is recounting how the votes went down. These were votes against children.

Accept the Senate's proposal for higher spending on education. That is a vote that is important. Provide a $5,000 adoption tax credit. That is a vote for children on which I think we almost had unanimous consent, we almost had every person on both sides of the aisle voting for the $5,000 adoption tax credit. They note that. That was a vote for families and for children.

Cut funding for basic education and Head Start by 20 percent. Originally the Republican majority voted to cut Head Start by $300 million. I am happy to say that we had yet another vote where we put it back in. I do not know how many Republicans voted to put it back in, but the bill passed which put the money back in for the Head Start cut. Those are concrete things the Children's Defense Fund, the stand for children people, sent around as examples of votes that impacted on children. They understand the political process. They understand clearly.

In another place they make it clear that the Republicans have come up wanting as a party. As a fact, they say, and it is not that they are bipartisan, they are not Democrat or Republican, but they state the facts clearly. I am going to quote from an item in a letter of March 27, 1996, signed by Marion Wright Edelman. This is when the Children's Defense Fund first announced it was the prime sponsor for the Stand for Children.

''Every child in America needs and deserves a healthy start, a had start, a fair start, a safe start, and a moral start in life. Yet this year's book shows that we continue as a Nation to leave millions of our children behind. Despite overwhelming evidence of child suffering and neglect, proposals pending in Congress would return America to the past rather than prepare children for the future; weaken rather than strengthen the guaranteed safety net for children and families during times of need, recession, and disaster; and decrease rather than increase cost-effective child investments in order to give a tax cut to the non-needy. At a time when more than 15 million children are poor, over 3 million are abused and neglected, and more than half a million drop out of school, it is essential that Congress strengthen rather than shred the Federal guaranteed safety net for children.

''I hope that you will find this information, including State by State tables contained in the Appendix, valuable as a resource and as a guide for future action on behalf of America's children. If I or my staff can be of assistance, please contact,'' et cetera, et cetera; a letter from the Children's Defense Fund in March of this year, saying that we still are taking steps that threaten children and threaten families.

Here is a statement that came out just last week, along with a copy of the top 10 votes for kids. I read from the statement: ''The record of the Republican-led 104th Congress on protecting our children is truly an outrage. While Republicans talk about a pro-family agenda, they have voted repeatedly to slash funding for education programs, student loans, child nutrition, health care for children, foster care and other child protection services, and aid for disabled children. The Republican agenda of the 104th Congress has been everything but kid-friendly. In fact, it's been hostile.''

Continuing to quote from the item distributed by the Children's Defense Fund last week, it says ''This Republican agenda threatens the education and well-being of our Nation's children, effectively abandoning the promise and future of America. Without healthy children in good public schools, our businesses will not be able to compete in the new global economy, and yet throughout, the Republican agenda essentially balances the budget on the backs of our Nation's future.''

We heard our Republican colleagues talk before about how important it is to get rid of the deficit and to deal with the budget so children in the future can not have the burden of having to pay for those programs. The debt must be eliminated because of the children in the future.

It seems to be a pattern of the Republican Party that is escalating. It is the children in the womb, they are very much concerned about unborn children. We all should be, because you do not have children unless they get born. But they are excessively preoccupied by the unborn children, but the minute the children arrive and get here, they abandon them.

They do not care what happens to them in terms of the WIC program and the program for infants and mothers. They do not care what happens in terms of mothers who have to stay home to take care of their children. They do not care what happens when the children go to school and have a school lunch program. It is the unborn child, and then it is the child in the future, posterity.

Republicans are concerned about children who are unborn and they are concerned about children who have not been conceived yet, those in the far future. There is something wrong with the sudden lapse and the gap between the child who arrives here and the child in the womb and the children of posterity, there is something radically wrong with the reasoning.

I wrote a little rap poem on April 19 which talked about this, and said that it seems that we are sending a message to the fetuses, and I place the situation in terms of a message from the newborn to the fetus. The newborn is saying ''I've arrived here and I find all this hostility. Stay in there. Don't come out here. Don't come into this mean world, you know. ''There is a real danger here.'' The people who talk about a right to life make the right to life just an empty slogan unless it is accompanies by programs and policies which provide an even playing field of opportunity for all children.

At that time I was announcing on April 19, 1996, my support, my applause for the Children's Defense Fund's call for a Stand for Children. Quoting from my entry into the CONGRESSIONAL RECORD on that day, I said, ''On June 1st the Children's Defense Fund is sponsoring a great summit in Washington called Stand for Children. This is a gathering which deserves the support of all Members of Congress. We should all join the Stand for Children on this specific day, and for all the days before and after June 1, Congress should refocus on the business of protecting our most precious resource, children outside of their mothers wombs, as well as children inside the wombs.'' The I go on to give the rap poem which I will read later.

To close out this particular item that was circulated last week by the Children's Defense Fund, and I quote again from it, ''Fortunately, the Democrats in Congress and the Clinton administration have successfully fought off many of the damaging cuts that the Republicans have put forth. For example, Democrats have successfully restored most of the education cuts endorsed by the GOP, and President Clinton has vetoed many damaging cuts in children's programs in the GOP welfare and budget reconciliation bills.''

This is material that was distributed, despite the fact that this is a nonpartisan group. They just stated the facts. Those are the facts. This is a nonpartisan group that said they did not want any politicians to speak. I accepted that. I was there Saturday. I did not think it was a great problem that politicians could not speak, Republicans or Democrats. There were many other voices that ought to be heard. But I do have a problem if you tell people not to follow politicians, not to follow any politicians, to put us all in one category. That is very unreal and dangerous.

Let me just return to this list. In this list of the top 10 votes in the 104th Congress, there are some things that are left out. There are some things that we need to add. If needs to go beyond 10. We need to bring to light the fact that programs that will impact on children go beyond these 10 areas.

The cuts in public library aid, public libraries receive very tiny amounts of Federal money, but those amounts are very important. We even cut those tiny amounts. We get the best bargain in education in public libraries. For the amount of money spent we get a greater return than anywhere else. They were cut.

Summer youth employment, they did mention that in the 10 points that were made. The destruction of opportunity to learn standards. Most people do not know that the Congress passed a reauthorization of the Elementary and Secondary Education Act, which had in it an item which called for States to establish opportunity to learn standards.

This is all voluntary. States do not have to do it, but if States are going to participate in the program where they establish curriculum standards and they establish testing standards, the curriculum standards and testing standards focus on the children. The onus is on the children to live up to the curriculum standards. They are going to be tested. We added, after much debate, a set of standards called opportunity to learn standards. Opportunity to learn standards mean exactly what they say, the opportunity to learn.

You must have standards which talk about what opportunities to learn are you providing at the State level. Are the teachers qualified? That is an important opportunity to learn standard. Are the buildings safe and conducive and modernized so that learning can take place? Does the library have books that are current, or do they have 35-year-old history books or geography books that are dangerous for children to read, because they read the wrong information?

Do they have laboratories for science and math? That is important. Do they have laboratories for science? Do they have supplies for the laboratories? All of these things are basic, commonsense items. That is what opportunity to learn standards are all about.

□ 1845

We had a great debate during the time when we were reauthorizing the Elementary Secondary Education Act, a great debate among ourselves in the House. Then when the bill was in conference, there was a great debate between the House and the Senate, and those of us who are in favor of opportunity to learn standards prevailed in the authorization process in the 103d Congress. Lo and behold, it violated all the rules. The appropriations process, this Republican majority, through a stealth attack, in the conference process took out the opportunity to learn standards.

They do not want to talk about ways in which we can help children to learn and have that discussed openly the way we discuss testing children. We want to test children until they are tested right out of school, but we do not want to provide a discussion of what are qualified teachers and what is an appropriate set of learning aids in science and math. We do not want to deal with

the responsibilities of the local education agency, the responsibilities of the State government, and the responsibilities of the Federal Government.

So the destruction of opportunity to learn standards should be added to this list of votes that hurt kids.

Last Thursday, in the reauthorization of the Individual with Disabilities Education Act that I referred to before at the committee level, the Economic and Educational Opportunities Committee reauthorized a bill which has a drastic set of cuts and a drastic set of negative provisions which do not advance current law but, in my opinion, they build a beachhead for later destruction of the Federal Government's participation in programs to educate children with disabilities.

I sit on that committee, and I am very much aware of the dangers there; and, of course, the Children's Defense Fund could not know exactly the extent of what was happening at the committee level, because the process has gone on for several weeks.

I congratulate the chairman of the committee for holding up the process for 3 weeks while a number of programs that deal with children with disabilities, representatives of organizations, tried to get them to change critical parts of the bill. They at least entered into a dialogue, and for 3 weeks the process did not go forward while the debate took place and the groups were involved.

Finally, in very critical areas, the majority of the groups agreed; and they were overridden by two or three who did not agree on certain critical provisions of the bill.

One of those critical provisions was the provision related to the cessation of services for children. Children with disabilities now are protected in current law. You cannot expel them and throw them out on the streets no matter what happens in terms of their problems in the classroom. You have to, if you are going to remove them from the classroom, most all States now under the Federal law are obligated to provide alternative education. You cannot just throw them out.

In many States, they have State laws which say you cannot throw children out. Whether they have disabilities or not, you cannot throw them out of school without providing them some alternatives.

But there are many States that do not have it. Those children who have disabilities and would for some reason be expelled would be thrown into a situation where it would be very difficult for them to, without the support of public schools and public education, get an education or to get acclimated. They would be thrown out there on the streets and abandoned.

That is the worst thing we can do. We do not want to go in the direction of Brazil and Colombia, South American nations which, by ignoring their children, set up a situation where later on their children are despised and demonized, and later on they are murdered. We want to maintain some sense of civilization as reflected through how we care for the least among us.

So I made a statement at the beginning of the markup, which to save time I will just read it here. It summarizes some of my concern with IDEA, Individuals with Disability Education Act reauthorization. I said, and I quote, at the beginning of this markup, ''It would be useful for all concerned if we made a sincere effort to move away from sensational headlines about special education and establish a more objective perspective as advocates for public education.''

I am talking about sensational headlines that appeared related to special education being too costly or special education threatening mainstream education because it takes money away from the children who are in regular classrooms. That is a situation that has been generated from this Capitol. This is a situation that the Republican majority has blown out of proportion and made it appear that there is a great threat out there to mainstream education flowing from special education concerns.

''This markup is for the purpose of reauthorizing a program for the most needy children in America. In the overall constellation of Federal funding, IDEA receives only a tiny amount of money. $2.3 billion is proposed for grants to States in fiscal year 1996. Please consider this amount within the context of recent exposures of an unaudited slush fund at the CIA which totaled $4 billion.''

Some $2.3 billion is proposed for grants to the States in the fiscal 1996 budget for children with disabilities. That is less than the $4 billion that the CIA had unaudited in the slush fund that they did not know they had. Let us keep our perspective straight. How can we be bankrupting America by providing $2.3 billion to the States for children with disabilities when we have lying around in the CIA $4 billion that we do not even know we have?

''At the Federal Reserve Bank the GAO discovered an unaudited rainy day fund which totaled $3.7 billion even though that agency has not had a rainy day in 79 years.''

The rainy day fund has been there. They have been adding to it. That $3.7 billion is far more than we appropriated for children with disabilities, sitting around at the Federal Reserve Bank unutilized. Let us keep our perspective and understand.

The problem is not that there is too much money going to special education needs. The problem is there is too little money going to education as a whole. The problem is that we have to be concerned, members of the Education Committee and members of all other committees, with where the money is going. Education cannot be examined in isolation.

The people in the education community have come to see the budget for education as being the universe that they have to deal with. So they are looking at the total amount for education at present and saying that special education is getting too much of what is available. Let us make more available so that you do not have to cannibalize each other. You do not have to take from one to give to the other. We have the money in the CIA. We have the money in the Federal Reserve Bank. We have the $13 billion additional funding for the Defense Department.

My colleagues from the other side who spoke before never said a word about increasing defense by $13 billion. We talked about the need to balance the budget and need to be more responsible in government expenditures, but nobody said anything about $13 billion more than the President asked, which for has been added to the defense budget this year.

Quoting again from my own statement, ''Against the background of continuing monumental waste in B–2 bomber programs and excessive farm subsidies, we should alert all members of the education community to the fact that there is no need to participate in cannibalization among education programs. Special education will not bankrupt the overall education budget. Long overdue increases for all education programs is the solution. Demonization and scapagoating special education promulgates a disaster for overall education funding.

''This bill,'' the reauthorization of IDEA, which is to come to the floor of the House in the next two weeks, ''attacks special education as if it was an enemy. This is a fatal flaw.''

''At the time I think it is appropriate to consider the conclusion of Kathleen Boundy, Co-director of the Center for Law and Education, and I quote from her and her closing comment on the present reauthorization bill.

'''Despite the earnest efforts of many who have attempted to improve this bill and existing law, it is our view that such efforts have ultimately been unsuccessful in both the Senate and the House, and that Part B of IDEA, regardless of its shortcomings, should be left alone in 1996.'''

It is a bill that was not broken, did not need to be repaired, but is being drastically overhauled in the direction of cutting back on the commitment of the Federal Government. It will be to the detriment of children. The neediest children in America are children who are in special education programs. It is to their detriment that we have embarked upon a course which may end up cutting back on a long-term commitment to children in special education.

The Senate has a bill that has not yet passed the House. It passed out of committee. We hope that the Senate is understood by all the people out there that care about education and care about children, we hope they understand that it is not too late.

Certainly people in the Children's Defense Fund ought to put this on their list and consider calling it to the attention of people that care about children in America. If you stand for children, it is still possible to deal with the House legislation H.R. 3268 and the Senate bill S. 1578, part of the revisions of special education law, Public Law 94–142. It is still possible that we can wake up the decisionmakers here in Washington to the fact that they will hurt children if they go ahead with the provisions in this bill which call for a cessation of services completely for children who are disciplined for certain problems.

Without getting into a debate about what those particular kinds of problems are, there are some, and I agree with them wholeheartedly, who take the position that we should never cease services for children, services of any kind. Cessation of services, the throwing of children in the street, will lead us step by step into where Brazil and Colombia are at this point.

The provision which relates to the cessation of services is due to the fact that it is perceived that large amounts of disruption in classrooms is ruining the education process, and they want to stop disruption, whether it is by children with disabilities or anybody else.

Discipline is a major problem in education. Discipline is what I hear teachers talk about all the time. In this Capitol, we ought to address the problem of discipline. The States do not seem to be able to solve the problem and bring it down to reasonable dimensions. The cities, the local education agencies are not able to deal with it and bring it down to a reasonable dimension. It goes on and on, the problem with discipline.

So why not deal with the problem of discipline without invading special education? Special education suffers because large numbers of children who are discipline problems are classified as having a disability. I have complained year in and year out about large numbers of African-American males who have problems of one kind that lead to discipline problems being shunted off into a category called emotionally disturbed.

We took steps when we reauthorized the bill several years ago to begin to deal with this in a constructive way. We wanted to bring more African-American teachers into the system. We had grants for that. Historically, black colleges were encouraged to get involved in training of teachers of children with disabilities.

We wanted to get mothers and families and communities more in tune to what was involved in the way programs for children with disabilities, special education programs operate so that they would not be victimized one way or the other. The children who needed the service should have the proper identification, and they should be placed. Children who did not need special education should not be shunted there because they have certain discipline problems.

□ 1900

All of those things are cut out of the bill. The cessation of services was one very important item that we lost on. The majority of the groups that had debated the problem, had discussed the problem with representatives of the Republican majority in the final analysis said they could not accept the reauthorization bill as it is considering that it has the cessation of services.

Mr. Speaker, I would like to submit for the RECORD a letter addressed to the Honorable WILLIAM F. GOODLING, chairman of the Committee on Economic and Educational Opportunities, from the long list of organizations which includes the National Association of School Administrators, the National Education Association, National Parent Teacher Association, Council for Exceptional Children and many, many others. I would like to enter it in its entirety into the RECORD.

MAY 22, 1996.

Hon. WILLIAM F. GOODLING,
Chairman, Committee On Economic and Educational Opportunities, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Our organizations believe that all students, even those who break school rules, should receive educational and related services. In that spirit, we urge your strong support for including provisions in the reauthorization of the IDEA that ensure all students have access to appropriate educational opportunities. Providing quality educational opportunities to children and youth is a critical component in the development of both individual achievement and in achieving a highly skilled, competitive workforce.

The fact that students with disabilities have unique needs is recognized through the policy and practice of collaboration and individualized education programs. (IEPs). Our organizations support provisions that would help schools balance the rights of students with disabilities with the need to maintain order and discipline in the schools through preventive measures such as appropriate behavioral interventions, additional classroom and student supports, adequate financial support and other intervention strategies. Should preventive measures not prove adequate, however, we believe it is imperative that continuing educational and related services be provided to all students—even those who need to be served in alternative settings due to suspensions or expulsions from the regular settings—in order to help such students better adapt socially and educationally.

We urge you, as the author of the reauthorization bill for IDEA, to include language that will ensure access to educational and related services for all students with disabilities, even when they violate school discipline rules or policies.

Sincerely,

American Association of School Administrators, National Education Association, National Parent Teacher Association, Council for Exceptional Children, National Association of Secondary School Principals, National Easter Seal Society, Bazelon Center for Mental Health Law, National Association of Protection and Advocacy Systems, Learning Disabilities Association, Brain Injury Association.

American Psychological Association, Adapted Physical Activity Council, National Consortium of Physical Education and Recreation For Individuals with Disabilities, National Therapeutic Recreation Association, National Coalition on Deaf-Blindness, American Council of the Blind, Children and Adults with Attention Deficit Disorders, American Occupational Therapy Association, American Association on Mental Retardation, Federation of Families for Children's Mental Health.

American Academy of Audiology, National Mental Health Association, National Association of Developmental Disabilities Councils, National Parents Network on Disabilities, Association for Education and Rehabilitation of the Blind and Visually Impaired, National Association of School Psychologists, American Foundation for the blind, American Association of University Affiliated Programs, Joseph P. Kennedy Jr. Foundation, American Academy of Child and Adolescent Psychiatry.

Justice For All, The Arc, Council of Great City Schools, National Association of the Deaf, Convention of American Instructors of the Deaf, American Speech-Language-Hearing Association, National Association of School Nurses, Washington PAVE, Project PROMPT, Vermont Parent Information Center.

Special Education Action Committee, Parent Information Center of Delaware, Federation for Children with Special Needs, Connecticut Parent Advocacy Center, Inc., Very Special Arts, American Counseling Association, American Physical Therapy Association, Council of Schools For The Blind, National Council On Independent Living, CAUSE.

Center for Access to Resources and Education, National Coalition For Students With Disabilities Education and Legal Defense Fund, National Down Syndrome Congress, Systematic Training of Military Parents, Washington State Special Education Coalition.

On the other very important controversial point that I spoke on, personnel standards, children with disabilities are now in a situation where they require people who have special training. That has been recognized for decades. We have steadily had programs to develop more teachers, to develop more people who are able to deal with these problems. This legislation all of a sudden, we not only cut out the development programs and the requirement for personnel development but the Republican majority has put in a waiver of the requirements, the qualifications can be waived for individuals. The waiver is an open door to a complete retreat from any quality standards for the personnel. Just as children who are in math and science classes should be taught by teachers who majored in math and science in college, we think that children who have special problems with respect to disabilities ought to be taught and handled by teachers and personnel who have had training in that area. The waiver says that you do not have to do it anymore. Yes, the waiver says that it is for a 3-year period, that unqualified individuals can teach children who have disabilities for 3 years only. For 3 years you can destroy a lot of lives. And the waiver is

such that large numbers of people will get these 3-year waivers.

The problem is money. School boards and local education agencies will see themselves saving large amounts of money by accepting unqualified people, giving the waivers, saving the money. In the meantime the children are the victims of unqualified personnel who do not know what they are doing.

Mr. Speaker, I again made a statement which I would like to read in its entirety:

This amendment concerns a provision which is at the core of the Federal Government's commitment to a free and appropriate education for children with disabilities. Without properly trained personnel, the best that children with disabilities can expect is to be warehoused. The worst that will happen under the tutelage of the untrained and inexperienced will be psychological and emotional damage, as well as a substandard education.

In a letter from the Center for Law and Education which I am attaching to this statement, a co-director concludes that we should just abandon this effort and leave the bill alone.

I would like to strongly echo these sentiments. IDEA, Individuals with Disabilities Education Act, was not broken. The current law did not need to be overhauled. The current law did not need to be replaced. This bill is not a reauthorization. The bill that passed out of committee last Thursday is an attack to establish a beachhead. From this beachhead the Republican majority, which has already drastically indicated its contempt for all public education, will attempt a total annihilation of Federal support for special education.

Like a sledgehammer pounding away at a thumb tack, massive power is being brought to bear on programs for the education of children with disabilities, a very tiny component of public education in America. A slander campaign waged against special education has generated distorted perceptions which scapegoat a very productive and beneficial program. Despite these distorted perceptions, special education is in no way a threat to mainstream education. This tiny minority deserves fairer treatment at the hands of the education majority. This minimal program for the most needy students also deserves continued support from both Democrats and the Republican majority.

I congratulate the community of people with disabilities and their consensus group which launched a monumental effort to maintain workable legislation consistent with the original intent of the law and bowing to no partisan dogmas. The language before us is in many ways improved beyond the original doctrinaire attack as a result of the efforts of these negotiators. But the revisions do not go far enough in several fundamental areas. Personnel standards is one of these areas.

This bill, with premeditated stealth, wrecks the carefully developed protections which have been thoughtfully crafted over many years with the input of both recipients and providers of service to children with disabilities. Obliteration of these requirements is a contemptuous and hostile act against children with disabilities. No member of this committee would ever support the wholesale waiver of standards for science and math teachers in the schools located in his or her district. Waiving personnel standards only serves one ignoble purpose: Compliance can be achieved cheaply. For less money, the quality of teaching and other services will most likely be adulterated.

Mr. Speaker, I wish to submit the statement in its entirety for the RECORD.

STATEMENT OF HON. MAJOR R. OWENS ''RESTORATION OF PERSONNEL STANDARDS'' MAY 30, 1996

This amendment concerns a provision which is at the core of the federal government's commitment to a Free and Appropriate Education for children with disabilities. Without properly trained personnel the best that children with disabilities can expect is to be warehoused; the worst that will often happen under the tutelage of the untrained and inexperienced will be psychological and emotional damage, as well as a substandard education.

In a letter from the Center For Law and Education which I am attaching to this statement the Co-Director of the Center, Kathleen Boundy, concludes as follows:

''Despite the earnest efforts of many who have attempted to improve this bill and existing law, it is our view that such efforts have ultimately been unsuccessful in both the Senate and the House and that Part B of IDEA, regardless of its shortcomings, should be left alone in 1996.''

I would like to strongly echo these sentiments. IDEA was not broken. The current law did not need to be overhauled. The Current law did not need to be replaced. This bill is not a reauthorization. This bill is an attack to establish a beachhead. From this beachhead the Republican Majority, which has already dramatically indicated its contempt for all public education, will attempt a total annihilation of federal support for Special Education.

Like a sledge hammer pounding away at a thumb tack, massive power is being brought to bear on programs for the education of children with disabilities, a very tiny component of public education in America. A slander campaign waged against Special Education has generated distorted perceptions which scapegoat a very productive and beneficial program. Despite these distorted perceptions, Special Education is in no way a threat to mainstream education. This tiny minority deserves fairer treatment at the hands of the education majority. This minimal program for the most needy students, also deserves continued support from both Democrats and the Republican majority.

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This bill, with premeditated stealth, wrecks the carefully developed protections which have been thoughtfully crafted over many years with the input of both recipients and providers of service to children with disabilities. Obliteration of these requirements is a contemptuous and hostile act against children with disabilities. No member of this Committee would ever support the wholesale waiver of standards for science and math teachers in the schools located in his or her district. Waiving personnel standards only serves one ignoble purpose: Compliance can be achieved cheaply. For less money the quality of teaching and other services will most likely be adulterated. Children will most certainly be shortchanged. But on the surface, the letter of the law will be met.

In this bill funding for staff recruitment and development has been gutted. Efforts to overcome the critical shortage of minority staff have been abandoned. The problem of qualified staff shortages will be solved superficially and dishonestly by simply ignoring the need to employ persons who are qualified. We are civilized leaders agreeing to a savage solution. We would never take the same route to resolve a problem of a shortage of airline pilots or a shortage of open-heart surgeons.

At this point it should be noted that the current law contains a component which would have offset the negative consequences of the waiver of personnel standards, but this has also been greatly reduced. Provisions which facilitated the recruitment, training and certification of personnel have been adulterated. During the negotiations with the Consensus group it was generally assumed that these provisions would remain substantially as they are in current law. The Republican Majority, unfortunately, violated the good faith effort of the negotiators and destroyed and most relevant parts of this component.

In summary, I urge the adoption of this amendment as the first giant step away from this bill's oppressive posture against children with disabilities. This oppressive posture of the Republican Majority generates an impact which is destructive and deadly.

Let us move forward in a bi-partisan spirit to ensure that this body creates the proper federal legislation and resources to provide quality programs and quality staff for children with disabilities.

Mr. Speaker, I would like to say that standing for children means that you stand for children with disabilities, and you stand for policies that are going to promote children across the board. We are fortunate in this Nation that we presently do stand for children. Never let us go to the other extreme and be in the position of Brazil and Colombia where they are killing children instead of standing for children. We stand for children and we should continue to stand for children.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mr. ABERCROMBIE) to revise and extend her remarks and include extraneous material:)

Mrs. MINK of Hawaii, for 5 minutes, today.

(The following Member (at the request of Mr. BARRETT of Nebraska) to revise and extend his remarks and include extraneous material:)

Mr. MCINTOSH, for 5 minutes, on June 6.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. ABERCROMBIE) and to include extraneous matter:)

Mr. HOYER.
Mr. FAZIO of California in two instances.
Mr. LIPINSKI.
Mrs. MEEK of Florida.
Mr. BENTSEN in two instances.
Mr. LEVIN in two instances.
Mr. BERMAN.
Mr. WAXMAN.
Mr. MENENDEZ.
Mr. KENNEDY of Massachusetts.
Mr. STARK.
Mr. DEUTSCH.
Mr. HAMILTON.
Mr. BROWN of California.
Mr. STUPAK in two instances.

(The following Members (at the request of Mr. BARRETT of Nebraska) and to include extraneous matter:)

Mrs. MORELLA.
Mr. HOKE.
Mr. SOLOMON.
Mr. PORTER.
Mr. GILMAN.
Mr. FRANKS of New Jersey.
Mr. SMITH of New Jersey.

(The following Members (at the request of Mr. OWENS) and to include extraneous matter:)

Mrs. CLAYTON.
Mr. KENNEDY of Massachusetts.
Mr. CHRISTENSEN.
Mr. SHUSTER.
Mrs. KELLY in two instances.
Mr. RICHARDSON.
Mr. HUNTER in two instances.
Mr. TORRES.
Mr. ACKERMAN.
Mr. NEUMANN.
Mr. GALLEGLY.
Mr. SANDERS.

ADJOURNMENT

Mr. OWENS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 5 minutes p.m.), the House adjourned until tomorrow, Wednesday, June 5, 1996, at 10 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports and an amended report concerning the foreign currencies and U.S. dollars utilized by various individuals and delegations authorized by the Speaker of the House of Representatives during the fourth quarter of 1995 and the 1st quarter of 1996 in connection with official foreign travel, pursuant to Public Law 95–384, are as follows:

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO BOSNIA, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN DEC. 9 AND DEC. 12, 1995

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Greg Ganske	12/9	12/10	Italy		188.00						188.00
	12/10	12/11	Yugoslavia		140.00		26.19		43.79		209.98
	12/11	12/13	Croatia		188.00				34.94		222.94
Julie Pacquing	12/9	12/10	Italy		188.00						188.00
	12/10	12/11	Yugoslavia		140.00		26.19		43.79		209.98
	12/11	12/13	Croatia		188.00				34.94		222.94
Terry Peel	12/9	12/10	Italy		188.00						188.00
	12/10	12/11	Yugoslavia		140.00		26.19		43.79		209.98
	12/11	12/13	Croatia		188.00				34.94		222.94
Dudley Tadami	12/9	12/10	Italy		188.00						188.00
	12/10	12/11	Yugoslavia		140.00		26.19		43.79		209.98
	12/11	12/13	Croatia		188.00				34.94		222.94
Barry Jackson	12/9	12/10	Italy		188.00						188.00
	12/10	12/11	Yugoslavia		140.00		26.19		43.79		209.88
	12/11	12/13	Croatia		188.00				34.94		222.94
Jim Varey	12/9	12/10	Italy		188.00						188.00
	12/10	12/11	Yugoslavia		140.00		26.19		43.79		209.98
	12/11	12/13	Croatia		188.00				34.94		222.94
Hon. Sam Farr	12/9	12/10	Italy		188.00						188.00
	12/10	12/11	Yugoslavia		140.00		26.19		43.79		209.98
	12/11	12/13	Croatia		188.00				34.94		222.94
Hon. Frank Mascara	12/9	12/10	Italy		188.00						188.00
	12/10	12/11	Yugoslavia		140.00		26.19		43.79		209.98
	12/11	12/13	Croatia		188.00				34.94		222.94
Hon. Roger Wicker	12/9	12/10	Italy		188.00						188.00
	12/10	12/11	Yugoslavia		140.00		26.19		43.79		209.98
	12/11	12/13	Croatia		188.00				34.94		222.94
Hon. John Mica	12/9	12/10	Italy		188.00						188.00
	12/10	12/11	Yugoslavia		140.00		26.19		43.79		209.98
	12/11	12/13	Croatia		188.00				34.94		222.94
Hon. Maurice Hinchey	12/9	12/10	Italy		188.00						188.00
	12/10	12/11	Yugoslavia		140.00		26.19		43.79		209.98
	12/11	12/13	Croatia		188.00				34.94		222.94
Hon. Dan Miller	12/9	12/10	Italy		188.00						188.00
	12/10	12/11	Yugoslavia		140.00		26.19		43.79		209.98
	12/11	12/13	Croatia		188.00				34.94		222.94
Hon. Frank Riggs	12/9	12/10	Italy		188.00						188.00
	12/10	12/11	Yugoslavia		140.00		26.19		43.79		209.98
	12/11	12/13	Croatia		188.00				34.94		222.94
Hon. Helen Chenoweth	12/9	12/10	Italy		188.00						188.00
	12/10	12/11	Yugoslavia		140.00		26.19		43.79		209.98
	12/11	12/13	Croatia		188.00				34.94		222.94
Hon. Jim Bunn	12/9	12/10	Italy		188.00						188.00
	12/10	12/11	Yugoslavia		140.00		26.19		43.79		209.98
	12/11	12/13	Croatia		188.00				34.94		222.94
Ray Mock	12/9	12/10	Italy		188.00						188.00
	12/10	12/11	Yugoslavia		140.00		26.19		43.79		209.98
	12/11	12/13	Croatia		188.00				34.94		222.94
Hon. Martin Hoke	12/9	12/10	Italy		188.00						188.00
	12/10	12/11	Yugoslavia		140.00		26.19		43.79		209.98
	12/11	12/13	Croatia		188.00				34.94		222.94
Hon. Van Hilleary	12/9	12/10	Italy		188.00						188.00
	12/10	12/11	Yugoslavia		140.00		26.19		43.79		209.98
	12/11	12/13	Croatia		188.00				34.94		222.94
Hon. Jennifer Dunn	12/9	12/10	Italy		188.00						188.00
	12/10	12/11	Yugoslavia		140.00		26.19		43.79		209.98
	12/11	12/13	Croatia		188.00				34.94		222.94
Hon. Andrea Seastrand	12/9	12/10	Italy		188.00						188.00
	12/10	12/11	Yugoslavia		140.00		26.19		43.79		209.98
	12/11	12/13	Croatia		188.00				34.94		222.94
Hon. Ron Packard	12/9	12/10	Italy		188.00						188.00
	12/10	12/11	Yugoslavia		140.00		26.19		43.79		209.98
	12/11	12/13	Croatia		188.00				34.94		222.94
Committee totals					10,836.00		549.99		1,653.33		13,039.32

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RON PACKARD, May 28, 1996.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO ITALY, BOSNIA, CROATIA, AND HUNGARY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN FEB. 29 AND MAR. 4, 1996

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Sonny Callahan	3/1	3/2	Italy		200.00		(3)				200.00
Hon. Charles Wilson	3/1	3/2	Italy		200.00		(3)				200.00
Hon. Bob Stump	3/1	3/2	Italy		200.00		(3)				200.00
Hon. Bob Dornan	3/1	3/2	Italy		200.00		(3)				200.00
Hon. Esteban Torres	3/1	3/2	Italy		200.00		(3)				200.00
Hon. Charles Taylor	3/1	3/2	Italy		200.00		(3)				200.00
Hon. Richard Hastings	3/1	3/2	Italy		200.00		(3)				200.00
Hon. Mac Thornberry	3/1	3/2	Italy		200.00		(3)				200.00
Hon. Victor Frazer	3/1	3/2	Italy		200.00		(3)				200.00
Hon. W. Livingood	3/1	3/2	Italy		200.00		(3)				200.00
Charles Flickner	3/1	3/2	Italy		200.00		(3)				200.00
Bill Inglee	3/1	3/2	Italy		200.00		(3)				200.00
Brett O'Brien	3/1	3/2	Italy		200.00		(3)				200.00
Mark Murray	3/1	3/2	Italy		200.00		(3)				200.00
Hon. Sonny Callahan	3/2	3/3	Croatia		280.00		(3)				280.00
Hon. Charles Wilson	3/2	3/3	Croatia		280.00		(3)				280.00
Hon. Bob Stump	3/2	3/3	Croatia		280.00		(3)				280.00
Hon. Bob Dornan	3/2	3/3	Croatia		280.00		(3)				280.00
Hon. Esteban Torres	3/2	3/3	Croatia		280.00		(3)				280.00
Hon. Charles Taylor	3/2	3/3	Croatia		280.00		(3)				280.00
Hon. Richard Hastings	3/2	3/3	Croatia		280.00		(3)				280.00
Hon. Mac Thornberry	3/2	3/3	Croatia		280.00		(3)				280.00
Hon. Victor Frazer	3/2	3/3	Croatia		280.00		(3)				280.00
Hon. W. Livingood	3/2	3/3	Croatia		280.00		(3)				280.00
Charles Flickner	3/2	3/3	Croatia		280.00		(3)				280.00
Bill Inglee	3/2	3/3	Croatia		280.00		(3)				280.00
Brett O'Brien	3/2	3/3	Croatia		280.00		(3)				280.00
Mark Murray	3/2	3/3	Croatia		280.00		(3)				280.00
Hon. Sonny Callahan	3/3	3/4	Hungary		212.00		(3)				212.00
Hon. Charles Wilson	3/3	3/4	Hungary		212.00		(3)				212.00
Hon. Bob Stump	3/3	3/4	Hungary		212.00		(3)				212.00
Hon. Bob Dornan	3/3	3/4	Hungary		212.00		(3)				212.00
Hon. Esteban Torres	3/3	3/4	Hungary		212.00		(3)				212.00
Hon. Charles Taylor	3/3	3/4	Hungary		212.00		(3)				212.00
Hon. Richard Hastings	3/3	3/4	Hungary		212.00		(3)				212.00
Hon. Mac Thornberry	3/3	3/4	Hungary		212.00		(3)				212.00
Hon. Victor Frazer	3/3	3/4	Hungary		212.00		(3)				212.00
W. Livingood	3/3	3/4	Hungary		212.00		(3)				212.00
Charles Flickner	3/3	3/4	Hungary		212.00		(3)				212.00
Bill Inglee	3/3	3/4	Hungary		212.00		(3)				212.00
Brett O'Brien	3/3	3/4	Hungary		212.00		(3)				212.00
Mark Murray	3/3	3/4	Hungary		212.00		(3)				212.00
Committee Total					9,688.00						9,688.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

SONNY CALLAHAN, Chairman, Apr. 1, 1996.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. GARDNER PECKHAM, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN FEB. 12 AND FEB. 24, 1996

Name of Member or employee	Date		Country	Per diem		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Gardner Peckham	2/12	2/14	Germany		301.00						
	2/14	2/21	Bosnia		1,288.00						
	2/21	2/22	Croatia		228.00						
	2/22	2/24	Italy		337.00		1,515.75				3,669.75
Committee total					2,154.00		1,515.75				3,669.75

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

GARDNER G. PECKHAM, Mar. 18, 1996.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3295. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Idaho-Eastern Oregon Onions; Assessment Rate (Docket No. FV96–958–21FR) received May 31, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3296. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final fule—Oregon-California Potatoes; Assessment Rate (Docket No. FV96–947–1IFR) received May 31, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3297. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Southeastern Potatoes; Assessment Rate (Docket No. FV96–953–1IFR) received May 31, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

3298. A letter from the Assistant Secretary of Defense, transmitting the Department's report entitled ''Off-The-Shelf Systems'' a supplemental report to the section 366 National Defense Authorization Act, fiscal year 1996 report, which was submitted April 16, 1996, and numbered EC2378, pursuant to Public Law 104–106, section 366(c)(1) (110 Stat. 276); to the Committee on National Security.

3299. A letter from the Secretary of Defense, transmitting notification that the Secretary has approved the retirement of Lt. Gen. Arthur E. Williams, U.S. Army, on the retired list in the grade of lieutenant general, and certification that General Williams has served satisfactorily on active duty in his current grade; to the Committee on National Security.

3300. A letter from the Assistant Secretary for Legislative Affairs and Public Liaison, Department of the Treasury, transmitting a copy of the 13th monthly report as required by the Mexican Debt Disclosure Act of 1995, pursuant to Public Law 104–6, section 404(a) (109 Stat. 90); to the Committee on Banking and Financial Services.

3301. A letter from the Assistant to the Board, Federal Reserve System, transmitting the Reserve's final rule—Regulation E, Electronic Fund Transfers [Docket No. R–0830] received May 30, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

3302. A letter from the Assistant to the Board, Federal Reserve System, transmitting the Reserve's final rule—Amendments to the Bank Secrecy Act Regulations Relating to the Recordkeeping for Funds Transfers and Transmittals of Funds by Financial Institutions [Docket No. R–0807] (RIN: 1505–AA37) received May 30, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

3303. A letter from the Director, Office of Management and Budget, transmitting OMB's estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 2002 resulting from passage of H.R. 1836, pursuant to Public Law 101–508, section 13101(a) (104 Stat. 1388–582); to the Committee on the Budget.

3304. A letter from the Acting Commissioner, National Center for Education Statistics, transmitting the annual statistical report of the National Center for Education Statistics [NCES] entitled ''The Condition of Education,'' pursuant to 20 U.S.C. 9005; to the Committee on Economic and Educational Opportunities.

3305. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Nevada; Final Authorization of State Hazardous Waste Management Programs Revisions (FRL–5510–9) received May 31, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3306. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Acid Rain Program; Elimination of Direct Sale Program and IPP Written Guarantee (FRL–5513–4) received May 31, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3307. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Hazardous Waste Treatment, Storage, and Disposal Facilities and Hazardous Waste Generators; Organic Air Emission Standards for Tanks, Surface Impoundments and Containers (Amendment of final rule to postpone requirements) (FRL–5509–4) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3308. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of the Commission's Rules to Conform the Maritime Service Rules to the Provisions of the Telecommunications Act of 1996 (FCC 96–156) received May 21, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

3309. A letter from the Secretary of Energy, transmitting the annual report on the activities of the Office of Alcohol Fuels, pursuant to 42 U.S.C. 8818(c)(2); to the Committee on Commerce.

3310. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on International Relations.

3311. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting the Department's report pursuant to title II of Public Law 104–107 (Nonproliferation and Disarmament Fund [NDF] activities); to the Committee on International Relations.

3312. A letter from the Secretary of the Interior, transmitting the semiannual report on activities of the inspector general for the period October 1, 1995, through March 31, 1996, together with the Secretary's report on audit followup, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3313. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–269, ''Omnibus Sports Consolidation Act Amendment Act of 1996'' received June 3, 1996, pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

3314. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–270, ''Public Utilities Board of Directors Amendment Act of 1996'' received June 3, 1996, pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

3315. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–271, ''District of Columbia Income and Franchise Tax Act of 1947 Conformity Amendment Act of 1996'' received June 3, 1996, pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

3316. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–272, ''Child Support Enforcement Temporary Amendment Act of 1996'' received June 3, 1996, pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

3317. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–273, ''Department of Corrections Privatization Facilitation Temporary Act of 1996'' received June 3, 1996, pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

3318. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11–274, ''Business and Nonprofit Corporation Five-Year Annual Report Act Suspension Temporary Amendment Act of 1996'' received June 3, 1996, pursuant to D.C. Code, section 1–233(c)(1); to the Committee on Government Reform and Oversight.

3319. A letter from the Director for Executive Budgeting and Assistance Management, Department of Commerce, transmitting the Department's final rule—Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (RIN: 0605–AA10) received May 28, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

3320. A letter from the Chairman, Board of Governors, Federal Reserve Systems, transmitting the semiannual report on activities of the inspector general for the period October 1, 1995, through March 31, 1996, and the semiannual management report for the same period, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3321. A letter from the Director, Office of Personnel Management, transmitting the semiannual report on activities of the inspector general for the period October 1, 1995, through March 31, 1996, and the management response for the same period, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3322. A letter from the Chairman, Board of Directors, Panama Canal Commission, transmitting the semiannual report on activities of the inspector general for the period October 1, 1995, through March 31, 1996, also the Commission's statistical tables and accompanying comments on audit reports for the same period, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3323. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to authorize subsistence payment for employees performing certain duties; to the Committee on Government Reform and Oversight.

3324. A letter from the Director, United States Information Agency, transmitting the semiannual report on activities of the inspector general for the period October 1, 1995, through March 31, 1996, and the semiannual management report for the same period, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3325. A letter from the Chairman, U.S. International Trade Commission, transmitting the semiannual report on activities of the inspector general for the period October 1, 1995, through March 31, 1996, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(b); to the Committee on Government Reform and Oversight.

3326. A letter from the Secretary of the Interior, transmitting the 25th annual report of the actual operation during water year 1995 for the reservoirs along the Colorado River; projected plan of operation for water year 1996, pursuant to 43 U.S.C. 1552(b); to the Committee on Resources.

3327. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—Glacier Bay National Park, Alaska: Vessel Management Plan Regulations (National Park Service) (RIN: 1024–AC05) received May 30, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3328. A letter from the Program Management Officer, National Oceanic and Atmospheric Administration, transmitting the Service's final rule—General Provisions for Domestic Fisheries; Amendment of Emergency Fishing Closure in Block Island Sound [Docket No. 960126016–6105–03; I.D. 040896B] received June 4, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3329. A letter from the Program Management Officer, National Oceanic and Atmospheric Administration, transmitting the Service's final rule—General Provisions for Domestic Fisheries; Amendment to Closure for American Lobster in Block Island Sound [Docket No. 960126016–6149–05; I.D. 052196G] received June 4, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3330. A letter from the Secretary of the Interior, transmitting notification of the Secretary's decision to waive the 20-percent limitation for projects in the State of California (the San Sevaine Creek Water Project) notification received May 29, 1996; to the Committee on Resources.

3331. A letter from the Secretary of the Interior, transmitting notification that the County of San Bernardino (San Sevaine Creek Water Project) has applied for financial assistance under the Small Reclamation Projects Act of 1956 (70 Stat. 1044), as amended, to provide flood protection, up to 25,000 acre-feet of annual ground-water recharge to the Chino Groundwater Basin, and direct benefit to an agricultural area of 29,500 acres; to the Committee on Resources.

3332. A letter from the Assistant Attorney General of the United States, transmitting a draft of proposed legislation to strengthen Federal child protection laws; to the Committee on the Judiciary.

3333. A letter from the Commissioner, Immigration and Naturalization Service, transmitting the Service's final rule—Certification of Designated Fingerprinting Services [INS No. 1666–94] (RIN: 1115–AD75) received May 29, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

3334. A letter from the General Counsel, Department of Transportation, transmitting

the Department's final rule—Continued Rotation and Rotor Locking Tests, and Vibration and Vibration Tests (Federal Aviation Administration) (RIN: 2120–AF57) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3335. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Child Restraint Systems (Federal Aviation Administration) (RIN: 2120–AF52) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3336. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—IFR Altitudes; Miscellaneous Amendments (53)—Amendment No. 396 (Federal Aviation Administration) (RIN: 2120–AF63) (1996–0003) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3337. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Tallulah, LA—Docket No. 95–ASW–12 (Federal Aviation Administration) (RIN: 2120–AF66) (1996–0041) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3338. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Las Vegas, NM—Docket No. 95–ASW–311 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0032) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3339. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Dumas, TX—Docket No. 95–ASW–30 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0031) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3340. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Brownfield, TX—Docket No. 95–ASW–29 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0030) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3341. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Hobbs, NM—Docket No. 95–ASW–28 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0040) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3342. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Deming, NM—Docket No. 95–ASW–27 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0027) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3343. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Carlsbad, NM—Docket No. 95–ASW–26 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0039) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3344. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Belen, NM—Docket No. 95–ASW–25 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0038) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3345. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Mena, AR—Docket No. 95–ASW–24 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0034) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3346. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Galliano LA—Docket No. 95–ASW–23 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0033) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3347. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Marshall, TX—Docket No. 95–ASW–22 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0048) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3348. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Livingston, TX—Docket No. 95–ASW–21 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0047) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3349. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Midlothian-Waxahaclie, TX—Docket No. 95–ASW–19 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0051) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3350. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Reserve, LA—Docket No. 95–ASW–16 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0049) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3351. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Gainesville, TX—Docket No. 95–ASW–151 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0044) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3352. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Hondo, TX—Docket No. 95–ASW–14 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0043) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3353. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace; Santa Fe, NM—Docket No. 95–ASW–13 (Federal Aviation Administration) (RIN: 2120–AA66) (1996–0042) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3354. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Fokker Model F28 Mark 0100 Series Airplanes (Docket No. 95–NM–172–AD) (RIN: 2120–AA64) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3355. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Beech (Raytheon) Model BAe 125 Series 1000A and Model Hawker 1000 Airplanes (Docket No. 95–NM–180–AD) (RIN: 2120–AA64) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3356. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; McDonnell Douglas Model DC–9–80 Series Airplanes, Model MD–88, and MD–90 Airplanes (Docket No. 95–NM–188–AD) (RIN: 2120–AA64) received June 3, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3357. A letter from the Chairman, Surface Transportation Board, transmitting the Board's final rule—Exemption From Regulation—Boxcar Traffic Filing (STB Ex Parte No. 548) (49 CFR Part 1039) received June 4, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

3358. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Loan Guaranty: Miscellaneous (RIN: 2900–AI01) received May 31, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

3359. A communication from the President of the United States, transmitting notification of his determination that a continuation of a waiver currently in effect for the People's Republic of China will substantially promote the objective of section 402 of the Trade Act of 1974—received in the United States House of Representatives May 31, 1996, pursuant to 19 U.S.C. 2432(c) and (d) (H. Doc. No. 104–223); to the Committee on Ways and Means and ordered to be printed.

3360. A communication from the President of the United States, transmitting notification of his determination that a continuation of a waiver currently in effect for Albania, Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Mongolia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan will substantially promote the objectives of section 402 of the Trade Act of 1974—received in the United States House of Representatives June 3, 1996, pursuant to 19 U.S.C. 2432(c) and (d) (H. Doc. No. 104–224); to the Committee on Ways and Means and ordered to be printed.

3361. A letter from the Chief, Regulations Branch, U.S. Customs Service, Department of the Treasury, transmitting the Department's final rule—Removal of Toshiba Sanction Regulations (U.S. Customs Service) (RIN: 1515–AB96) received May 31, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3362. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Enterprise Zone Facility Bonds (RIN: 1545–AM01) received May 30, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3363. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Section 1033.—Involuntary Conversions (Revenue Ruling 96–32) received May 31, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3364. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting

the Service's final rule—Form 5300 Series, Schedule Q (Announcement 96–53) received June 4, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3365. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Section 472.—Last-in, First-out Inventories (Revenue Ruling 96–31) received May 31, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3366. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Administrative, Procedural, and Miscellaneous (Revenue Procedure 96–35) received May 31, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

3367. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of the Department's intent to reprogram $0.5 million in fiscal year 1996 funds made available under chapter 6 of Part II of the FAA, as amended for administrative and operations support for the International Customs Observer Mission [ICOM] in Bosnia, pursuant to 22 U.S.C. 2394–1(a) and Public Law 104–107, section 515 (110 Stat. 726); jointly, to the Committees on International Relations and Appropriations.

3368. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to assist in the reform of travel management in the Federal Government; jointly, to the Committees on Government Reform and Oversight and Science.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Alaska: Committee on Resources. H.R. 848. A bill to increase the amount authorized to be appropriated for assistance for highway relocation regarding the Chickamauga and Chattanooga National Military Park in Georgia; with an amendment (Rept. 104–603). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. NEUMANN (for himself, Mr. KLUG, Mr. GUNDERSON, Mr. PETRI, Mr. ROTH, and Mr. SENSENBRENNER):

H.R. 3562. A bill to authorize the State of Wisconsin to implement the demonstration project known as ''Wisconsin Works''; to the Committee on Ways and Means, and in addition to the Committees on Agriculture, Economic and Educational Opportunities, and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. SHUSTER (for himself and Mr. OBERSTAR) (both by request):

H.R. 3563. A bill to provide for the conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mr. GILMAN (for himself, Mr. BEREUTER, Mr. GEJDENSON, Mr. HYDE, Mr. LIPINSKI, Mr. SOLOMON, Mr. OBERSTAR, Mr. COX, Ms. KAPTUR, Mr. LEACH, Mrs. MALONEY, Mr. ZIMMER, Mr. SMITH of New Jersey, Mr. TORRICELLI, Mr. BROWNBACK, Ms. LOFGREN, Mr. HOKE, Mr. PALLONE, Mr. QUINN, Mr. HOLDEN, Mr. KIM, Mr. HOSTETTLER, Mr. GALLEGLY, and Mr. KING):

H.R. 3564. A bill to amend the NATO Participation Act of 1994 to expedite the transition to full membership in the North Atlantic Treaty Organization of emerging democracies in Central and Eastern Europe; to the Committee on International Relations, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. MCCOLLUM (for himself, Mr. HYDE, Mr. CUNNINGHAM, Mr. COBLE, Mr. BUYER, Mr. HEINEMAN, and Mr. BRYANT of Tennessee):

H.R. 3565. A bill to amend title 18, United States Code, with respect to juvenile offenders, and for other purposes; to the Committee on the Judiciary, and in addition, to the Committee on Economic and Educational Opportunities, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BARRETT of Wisconsin:

H.R. 3566. A bill to expand the definition of limited tax benefit for purposes of the Line Item Veto Act; to the Committee on Government Reform and Oversight, and in addition to the Committee on Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. BEREUTER:

H.R. 3567. A bill to fully capitalize the deposit insurance funds, to provide regulatory relief for insured depository institutions and depository institution holding companies, and for other purposes; to the Committee on Banking and Financial Services.

By Mr. CLINGER:

H.R. 3568. A bill to designate 51.7 miles of the Clarion River, located in Pennsylvania, as a component of the National Wild and Scenic Rivers System; to the Committee on Resources.

By Mr. COX (for himself, Mr. GILMAN, Mr. SOLOMON, Mr. TORRICELLI, Mr. LANTOS, Mr. SMITH of New Jersey, Mr. ROYCE, Mr. BURTON of Indiana, Mr. SCARBOROUGH, Mr. FUNDERBURK, Mr. BROWN of Ohio, Mr. DORNAN, Mr. ROHRABACHER, and Mr. BONO):

H.R. 3569. A bill to provide that most-favored-nation trading status for the People's Republic of China may continue provided that Taiwan is admitted to the World Trade Organization by March 1, 1997; to the Committee on Ways and Means.

By Mrs. KELLY:

H.R. 3570. A bill to amend the Internal Revenue Code of 1986 to provide that gain on the sale of a principal residence shall be excluded from gross income without regard to the age of the taxpayer or the amount of the gain; to the Committee on Ways and Means.

By Mr. KING:

H.R. 3571. A bill to amend title 18, United States Code, to protect the sanctity of religious communications; to the Committee on the Judiciary.

By Mr. LEWIS of Kentucky:

H.R. 3572. A bill to designate the bridge on U.S. Route 231 which crosses the Ohio River between Maceo, KY, and Rockport, IN, as the ''William H. Natcher Bridge''; to the Committee on Transportation and Infrastructure.

By Mr. MENENDEZ:

H.R. 3573. A bill to amend the Oil Pollution Act of 1990 to make the act more effective in preventing oil pollution in the Nation's waters through enhanced prevention of, and improved response to, oil spills, and to ensure that citizens and communities injured by oil spills are promptly and fully compensated, and for other purposes; to the Committee on Transportation and Infrastructure.

By Mrs. MORELLA:

H.R. 3574. A bill to amend title 5, United States Code, to provide for the termination of any rights that a former spouse may have, in connection with receiving any portion of an annuity of a retired Federal employee, by reason of the remarriage of the former spouse; to the Committee on Government Reform and Oversight.

By Mr. RICHARDSON (for himself and Mr. SKEEN):

H.R. 3575. A bill to amend the Agricultural Market Transition Act to include native pasture for livestock among the list of crops specifically identified as eligible for non-insured crop disaster assistance; to the Committee on Agriculture.

By Mr. ROEMER:

H.R. 3576. A bill to designate the U.S. courthouse located at 401 South Michigan Street in South Bend, IN, as the ''Robert Kurtz Rodibaugh United States Courthouse''; to the Committee on Transportation and Infrastructure.

By Mr. SOLOMON (for himself, Mr. GILMAN, and Mr. COX):

H.R. 3577. A bill to oppose the provision of assistance to the People's Republic of China by any international financial institution; to the Committee on Banking and Financial Services.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 713: Mr. FAZIO of California.

H.R. 789: Mr. MCINTOSH.

H.R. 820: Mr. SCHIFF, Mr. BRYANT of Texas, Mr. CAMP, Ms. KAPTUR, Mr. BEILENSON, Mr. BARTON of Texas, Mr. EVANS, Ms. DELAURO, Mr. CHABOT, Mr. BROWN of California, and Mr. HASTINGS of Florida.

H.R. 1046: Ms. BROWN of Florida, Mr. FLAKE, and Mr. RANGEL.

H.R. 1073: Mr. COBLE and Ms. ROYBAL-ALLARD.

H.R. 1074: Ms. ROYBAL-ALLARD.

H.R. 1464: Mr. CAMPBELL.

H.R. 1656: Ms. ROYBAL-ALLARD.

H.R. 1733: Ms. SLAUGHTER.

H.R. 1757: Mr. LAFALCE.

H.R. 1758: Mr. GREEN of Texas.

H.R. 1776: Mr. JOHNSON of South Dakota and Mr. EVERETT.

H.R. 1797: Mr. CUMMINGS.

H.R. 2270: Mrs. SEASTRAND.

H.R. 2566: Mr. WAXMAN.

H.R. 2665: Mr. MANTON.

H.R. 2745: Ms. BROWN of Florida, Ms. MCKINNEY, and Mr. HORN.

H.R. 2748: Mr. HILLIARD, Mr. MINGE, Mr. EVANS, Mr. DURBIN, Mr. OLVER, and Mr. SANDERS.

H.R. 2749: Mr. HASTERT.

H.R. 2779: Mrs. CLAYTON, Ms. SLAUGHTER, and Mr. BARR.

H.R. 2827: Mr. FRELINGHUYSEN.

H.R. 2834: Mr. FLAKE.

H.R. 2849: Mr. HINCHEY and Mr. LAFALCE.

H.R. 2994: Mr. BOUCHER.

H.R. 3078: Mr. FUNDERBURK, Mr. SCHAEFER, and Mr. BOEHNER.

H.R. 3083: Mr. ROMERO-BARCELO.

H.R. 3118: Mr. SAXTON.

H.R. 3178: Mr. GEJDENSON and Mr. JOHNSON of South Dakota.

H.R. 3222: Mrs. CLAYTON and Mr. BEILENSON.

H.R. 3226: Mr. WARD, Mr. GANSKE, Mr. DOOLEY, Ms. RIVERS, Mr. CUMMINGS, and Mr. MANTON.

H.R. 3241: Mr. ROMERO-BARCELO.
H.R. 3246: Mr. DURBIN.
H.R. 3267: Miss COLLINS of Michigan and Mr. MILLER of California.
H.R. 3280: Mr. EVANS, Mr. GEJDENSON, Mr. LEVIN, and Mr. REED.
H.R. 3337: Mr. RANGEL and Mrs. LOWEY.
H.R. 3393: Mr. TALENT.
H.R. 3401: Mr. MILLER of California, Mrs. CLAYTON, Mr. FLAKE, Mr. BOEHLERT, and Ms. DELAURO.
H.R. 3430: Mr. STUPAK and Mr. PETERSON of Minnesota.
H.R. 3445: Mrs. LOWEY and Mr. MANTON.
H.R. 3460: Ms. SLAUGHTER.
H.R. 3521: Ms. EDDIE BERNICE JOHNSON of Texas, Mr. FRAZER, Mr. CUMMINGS, Mr. FROST, Mr. RANGEL, Mr. MANTON, Mr. PAYNE of New Jersey, Mr. WATTS of Oklahoma, Mr. TOWNS, and Mr. WYNN.
H.R. 3551: Mr. SMITH of New Jersey, Mr. JONES, and Mr. TORRICELLI.
H.R. 3554: Mr. GORDON and Mr. QUILLEN.
H. Con. Res. 10: Mr. WELDON of Pennsylvania.
H. Con. Res. 26: Mr. KENNEDY of Rhode Island, Mr. KENNEDY of Massachusetts, Mr. CUMMINGS, and Mrs. KENNELLY.
H. Con. Res. 47: Mr. DOOLITTLE and Mr. QUINN.
H. Con. Res. 51: Mr. TORRICELLI, Mr. BUNNING of Kentucky, and Mr. CUNNINGHAM.
H. Con. Res. 145: Mr. TORRICELLI and Mr. HORN.
H. Con. Res. 156: Mr. COLEMAN.
H. Con. Res. 181: Mr. BONILLA, Mr. JOHNSON of South Dakota, Mr. MINGE, Mr. PETERSON of Minnesota, Mrs. CLAYTON, Mr. ROSE, Mr. POMEROY, and Mr. STENHOLM.
H. Res. 439: Mr. GUNDERSON.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3540

OFFERED BY: MR. BURTON OF INDIANA

AMENDMENT NO. 8: Page 95, line 12, insert before the semicolon the following; ", including the murders of Mireille Bertin, Michel Gonzalez, and Jean Hubert Feuille".

H.R. 3540

OFFERED BY: MR. ENGEL

AMENDMENT NO. 9: Page 10, line 24, insert before the period the following. ", of which $6,000,000 shall be for assistance for Kosova".

H.R. 3540

OFFERED BY: MR. FRANK of Massachusetts

AMENDMENT NO. 10: Page 97, line 5, insert the following new section:

PROHIBITION OF IMET ASSISTANCE FOR INDONESIA

SEC. 573. None of the funds appropriated in this Act under the heading "International Military Education and Training" may be made available to the Government of Indonesia.

H.R. 3540

OFFERED BY: MR. HALL of Ohio

AMENDMENT NO. 11: Page 97, line 5, insert the following new section:

PROHIBITION ON USE OF FUNDS FOR PROCUREMENT AND MANUFACTURE OF ANTIPERSONNEL LANDMINES

SEC. 573. None of the funds made available in this Act may be used for assistance in support of any country when it is made known to the Federal official having authority to obligate or expend such funds that such country has used, or is likely to use, any part of such assistance for the procurement or manufacture of antipersonnel landmines.

H.R. 3540

OFFERED BY: MR. HASTINGS OF FLORIDA

AMENDMENT NO. 12: Page 7, line 17, before the period insert the following: ": *Provided further,* That, of the amount appropriated under this heading, $140,000,000 should be made available for programs in Africa".

H.R. 3540

OFFERED BY: MR. HASTINGS OF FLORIDA

AMENDMENT NO. 13: Page 7, line 21, strike "and chapter 10 of part I".

Page 7, line 22, after "$1,150,000,000" insert "(decreased by $539,300,000)".

Page 9, after line 18, insert the following:

DEVELOPMENT FUND FOR AFRICA

For necessary expenses to carry out the provisions of chapter 10 of part I of the Foreign Assistance Act of 1961, $539,300,000, to remain available until September 30, 1998.

H.R. 3540

OFFERED BY: MR. HASTINGS OF FLORIDA

AMENDMENT NO. 14: Page 22, line 15, insert the following:

(n) The Congress—

(1) finds that the rising number of reports of religious persecutions in Russia is of concern;

(2) urges the Secretary of State to be attentive to this growing problem; and

(3) urges the Government of Russia to eliminate restrictions on religious institutions, such as the restrictions placed on the Jewish Agency for Israel, and to reissue operating licenses allowing such Agency to reopen their offices.

H.R. 3540

OFFERED BY: MR. HASTINGS OF FLORIDA

AMENDMENT NO. 15: Page 97, line 5, insert the following:

DEVELOPMENT FUND FOR AFRICA

SEC. 573. For necessary expenses to carry out the provisions of chapter 10 of part I of the Foreign Assistance Act of 1961, to be derived from amounts provided in this Act for "DEVELOPMENT ASSISTANCE", $539,300,000, to remain available until September 30, 1998.

H.R. 3540

OFFERED BY: MR. KENNEDY OF MASSACHUSETTS

AMENDMENT NO. 16: Page 97, line 5, insert the following new section:

PROHIBITION OF FUNDS FOR SCHOOL OF THE AMERICAS

SEC. 573. None of the funds made available in this Act may be used for the School of the Americas.

H.R. 3540

OFFERED BY: MR. LAHOOD

AMENDMENT NO. 17: Page 2, line 25, after the dollar amount, insert the following: "(reduced by $72,600,000)".

H.R. 3540

OFFERED BY: MRS. LOWEY

AMENDMENT NO. 18: Strike Section 518A (page 50, line 3 through page 52, line 20).

H.R. 3540

OFFERED BY: MR. MANZULLO

AMENDMENT NO. 19: Page 3, line 25, after the dollar amount, insert the following: "(reduced by $3,136,000)".

H.R. 3540

OFFERED BY: MR. MICA

AMENDMENT NO. 20: Page 7, line 4, after "$600,000,000" insert "increased by $23,287,500)".

Page 13, line 11, after "$465,750,000" insert "(decreased by $23,287,500)".

H.R. 3540

OFFERED BY: MR. MICA

AMENDMENT NO. 21: Page 11, line 20, after "$1,500,000" insert "(increased by $1,500,000)".

Page 13, line 11, after "$465,750,000" insert "(decreased by $1,500,000)".

H.R. 3540

OFFERED BY: MR. NEUMANN

AMENDMENT NO. 22: Page 17, line 15, after the dollar amount, insert the following: "(reduced by $40,750,000)".

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 23: On page 3, line 25, after the dollar amount, insert the following: "(reduced by $2,000,000)".

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 24: On page 3, line 25, after the dollar amount, insert the following: "(reduced by $1,000,000)".

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 25: On page 4, line 25, after the dollar amount, insert the following: "(reduced by $4,000,000)".

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 26: On page 4, line 25, after the dollar amount, insert the following: "(reduced by $2,000,000)".

H.R. 2540

OFFERED BY: MR. OBEY

AMENDMENT NO. 27: On page 27, line 24, after the dollar amount, insert the following: "(reduced by $6,000,000)".

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 28: On page 27, line 24, after the dollar amount, insert the following: "(reduced by $4,000,000)".

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 29: On page 27, line 24, after the dollar amount, insert the following: "(reduced by $3,000,000)".

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 30: On page 27, line 24, after the dollar amount, insert the following: "(reduced by $1,525,000)".

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 31: On page 27, line 24, after the dollar amount, insert the following: "(reduced by $800,000)".

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 32: On page 27, line 24, after the dollar amount, insert the following: "(reduced by $400,000)".

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 33: On page 27, line 24, after the dollar amount insert the following: "(reduced by $150,000)".

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 34: On page 27, line 24, after the dollar amount insert the following: "(reduced by $50,000)".

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 35: On page 27, line 24, after the dollar amount insert the following: "(reduced by $25,000)".

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 36: On page 28, line 1, insert after the colon the following:

''*Provided further,* That up to $20,000 of the funds appropriated under this heading may be made available for grant financed military education and training for any high income country on the condition that that country agrees to fund from its own resources the transportation cost and living allowances of its students:''

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 37: On page 28, line 1, insert after the colon the following:

''*Provided further,* That the civilian personnel for whom military education and training may be provided under this heading may also include members of national legislatures who are responsible for the oversight and management of the military, and may also include individuals who are not members of the government:''

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 38: On page 28, line 8, after the dollar amount, insert the following: ''(reduced by $60,000,000)''.

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 39: On page 28, line 8, after the dollar amount, insert the following: ''(reduced by $30,000,000)''.

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 40: On page 29, line 7, strike ''$35,000,000'', and insert ''$27,160,000'', and

On page 29, line 10, strike ''$323,815,000'' and insert ''$251,287,000''.

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 41: On page 29, line 7, after the dollar amount, insert the following: ''(reduced by $7,840,000)'', and

On page 29, line 10, after the dollar amount, insert the following: ''(reduced by $72,528,000)''.

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 42: On page 30, line 5, after ''Act:'', insert

Provided further, That not more than $100,000,000 of the funds made available under this heading shall be available for use in financing the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act to countries other than Israel and Egypt.''

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 43: On page 30, line 5, after ''Act:'', insert:

''*Provided further,* That not more than $50,000,000 of the funds made available under this heading shall be available for use in financing the procurement of defense articles, defense services, or design and construction services that are not sold by the United States under the Arms Export Control Act to countries other than Israel and Egypt:''

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 44: On page 31, line 4, after the colon insert the following:

''*Provided further,* That the Department of Defense shall conduct during the current fiscal year nonreimbursable audits of private firms whose contracts are made directly with foreign governments and are financed with funds made available under this heading (as well as subcontractors thereunder) as requested by the Defense Security Assistance Agency:''

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 45: On page 31, strike everything starting on line 19, through, ''loans:'' on line 1, on page 31.

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 46: On page 80, lines 15 and 16, strike ''110 percent'' and insert ''1000 percent''.

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 47: On page 80, lines 15 and 16, strike ''110 percent'', and insert ''500 percent''.

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 48: On page 81, line 21, strike ''5 percent'' and insert ''20 percent''.

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 49: On page 81, line 21, strike ''5 percent'' and insert ''15 percent''.

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 50: On page 81, line 21, strike ''5 percent'', and insert ''10 percent''.

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 51: On page 82, line 12, strike, ''of up to $25,000,000''.

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 52: On page 82, line 12, strike ''$25,000,000'' and insert, ''$50,000,000''.

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 53: On page 93, strike everything beginning on line 1, through ''training.'' on page 93, line 21.

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 54: On page 97, after line 5, insert:

''SEC. 573. None of the funds appropriated under the heading ''International Military Education and Training'' may be made available for Cambodia and Thailand.''

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 55: On page 97, after line 5, insert:

''SEC. 573. None of the funds appropriated under the heading ''International Military Education and Training'' may be made available for Indonesia.''

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 56: On page 97, after line 5, insert:

''SEC. 573. None of the funds appropriated under the heading ''International Military Education and Training'' may be made available for Kenya.''

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 57: On page 97, after line 5, insert:

''SEC. 573. Not more than $50,000,000 of the funds made available under the heading ''Foreign Military Financing Program'' may be made available for use in financing the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act to countries other than Israel and Egypt.''

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 58: On page 97, after line 5, insert:

''SEC. 573. None of the funds made available under the heading ''Foreign Military Financing Program'' may be made available for any country when it is made known to the President that the government of such country has not agreed to the Department of Defense conducting during the current fiscal year nonreimbursable audits of private firms whose contracts are made directly with foreign government and are financed with funds made available under this heading (as well as subcontractors thereunder) as requested by the Defense Security Assistance Agency.''

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 59: On page 97, after line 5, insert:

''SEC. 573. None of the funds appropriated under the heading ''International Military Education and Training'' may be made available for Austria.''

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 60: On page 97, after line 5, insert:

''SEC. 573. None of the funds appropriated under the heading ''International Military Education and Training'' may be made available for Finland.''

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 61: On page 97, after line 5, insert:

''SEC. 573. None of the funds appropriated under the heading ''International Military Education and Training'' may be made available for Malta.''

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 62: On page 97, after line 5, insert:

''SEC. 573. None of the funds appropriated under the heading ''International Military Education and Training'' may be made available for Portugal.''

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 63: On page 97, after line 5, insert:

''SEC. 573. None of the funds appropriated under the heading ''International Military Education and Training'' may be made available for Spain.''

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 64: On page 97, after line 5, insert:

''SEC. 573. None of the funds appropriated under the heading ''International Military Education and Training'' may be made available for Singapore.''

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 65: On page 97, after line 5, insert:

''SEC. 573. None of the funds appropriated under the heading ''International Military Education and Training'' may be made available for India.''

H.R. 3540

OFFERED BY: MR. OBEY

AMENDMENT NO. 66: On page 97, after line 5, insert:

''SEC. 573. None of the funds appropriated under the heading ''International Military Education and Training'' may be made available for Bahrain.''

H.R. 3540

OFFERED BY: MR. RADANOVICH

AMENDMENT NO. 67: Page 97, after line 5, insert the following new section:

LIMITATION ON ASSISTANCE TO TURKEY

''SEC. 573. Not more than $22,000,000 of the funds appropriated in this Act under the heading ''Economic Support Fund'' may be made available to the Government of Turkey, except when it is made known to the Federal official having authority to obligate or expend such funds that the Government of Turkey has (1) joined the United States in acknowledging the atrocity committed against the Armenian population of the Ottoman Empire from 1915 to 1923; and (2) taken all appropriate steps to honor the memory of the victims of the Armenian genocide.

H.R. 3540

OFFERED BY: MR. SKAGGS

AMENDMENT NO. 68: Page 52, strike lines 14 through 20.

H.R. 3540

OFFERED BY: MR. SOUNDER

AMENDMENT NO. 69: Page 97, after line 5, insert the following:

LIMITATION ON ASSISTANCE TO MEXICO

SEC. 573. None of the funds appropriated or otherwise made available by this Act may be obligated or expended for the Government of Mexico, except if it is made known to the Federal entity or official to which funds are appropriated under this Act that—

(1) the Government of Mexico is taking actions to reduce the amount of illegal drugs entering the United States from Mexico; and

(2) the Government of Mexico—

(A) is taking effective actions to apply vigorously all law enforcement resources to investigate, track, capture, incarcerate, and prosecute individuals controlling, supervising, or managing international narcotics cartels or other similar entities and the accomplices of such individuals, individuals responsible for, or otherwise involved in, corruption, and individuals involved in money-laundering;

(B) is pursing international anti-drug trafficking initiatives;

(C) is cooperating fully with international efforts at narcotics interdiction; and

(D) is cooperating fully with requests by the United States for assistance in investigations of money-laundering violations and is making progress toward implementation of effective law to prohibit money-laundering.

H.R. 3540

OFFERED BY: MR. SOUDER

AMENDMENT NO. 70: Page 97, after line 5, insert the following:

LIMITATION ON ASSISTANCE TO MEXICO

SEC. 573. None of the funds appropriated or otherwise made available by this Act may be obligated or expended for the Government of Mexico, except if it is made known to the Federal entity or official to which funds are appropriated under this Act that—

(1) the Government of Mexico is taking actions to reduce the amount of illegal drugs entering the United States from Mexico, as determined by the Director of the Office of National Drug Control Policy; and

(2) the Government of Mexico—

(A) is taking effective actions to apply vigorously all law enforcement resources to investigate, track, capture, incarcerate, and prosecute illegal drug kingpins and their accomplices, individuals responsible for, or otherwise involved in, corruption, and individuals involved in money-laundering; and

(B) is pursuing international anti-drug trafficking initiatives.

H.R. 3540

OFFERED BY: MR. SOUDER

AMENDMENT NO. 71: Page, 97, after line 5, insert the following:

LIMITATION ON ASSISTANCE TO MEXICO

SEC. 573. None of the funds appropriated or otherwise made available by this Act may be obligated or expended for the Government of Mexico, unless the President determines and certifies in writing to the Committees on Appropriations of the House of Representatives and the Senate that—

(1) the Government of Mexico is taking actions to reduce the amount of illegal drugs entering the United States from Mexico; and

(2) the Government of Mexico—

(A) is taking effective actions to apply vigorously all law enforcement resources to investigate, track, capture, incarcerate, and prosecute individuals controlling, supervising, or managing international narcotics cartels or other similar entities and the accomplices of such individuals, individuals responsible for, or otherwise involved in, corruption, and individuals involved in money-laundering;

(B) is pursuing international anti-drug trafficking initiatives;

(C) is cooperating fully with international efforts at narcotics interdiction; and

(D) is cooperating fully with requests by the United States for assistance in investigations of money-laundering violations and is making progress toward implementation of effective laws to prohibit money-laundering.

H.R. 3540

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 72: Page 97, after line 5, insert the following new section:

ACROSS-THE-BOARD REDUCTION OF AMOUNTS

SEC. 573. (a) IN GENERAL.—Except as provided in subsection (b), each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 1 percent.

(b) EXCEPTIONS.—Subsection (a) shall not apply to the amounts appropriated or otherwise made available by this Act for the following:

(1) ''Trade and Development Agency''.

(2) ''Development Assistance''.

(3) ''International Disaster Assistance''.

(4) ''African Development Foundation''.

(5) ''Inter-American Foundation''.

(6) ''Peace Corps''.

(7) ''International Narcotics Control''.

(8) ''Nonproliferation, Anti-Terrorism, Demining and Related Programs''.

(9) ''Contribution to the Asian Development Fund''.

(10) ''Child Survival and Disease Programs Fund''.

H.R. 3540

OFFERED BY: MR. VISCLOSKY

AMENDMENT NO. 73: Page 85, line 8, insert after ''Funds'' the following: ''(other than funds appropriated in this Act under the heading 'Economic Support Fund')''.

H.R. 3540

OFFERED BY: MS. WATERS

AMENDMENT NO. 74: Page 34, line 12, after the dollar amount, insert the following: ''(reduced by $8,000,000)''.

Page 34, line 24, after the dollar amount, insert the following: ''(reduced by $25,000,000)''.

Page 34, after line 24, insert the following:

CONTRIBUTION TO THE AFRICAN DEVELOPMENT BANK

For payment to the African Development Bank by the Secretary of the Treasury for the United States share of the paid-in portion of the increase in capital stock, $8,000,000, to remain available until expended.

CONTRIBUTION TO THE AFRICAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increase in resources of the African Development Fund, as authorized by Public Law 103–306, $25,000,000, to remain available until expended.

H.R. 3540

OFFERED BY: MR. ZIMMER

AMENDMENT NO. 75: Page 97, after line 5, insert the following:

PROHIBITION ON DEVELOPMENT OF SHOPPING CENTER NEAR THE FORMER AUSCHWITZ CONCENTRATION CAMP

SEC. 573. It is the sense of the Congress that the Government of Poland should prohibit development of a shopping center within the 500-yard protective zone surrounding the former Auschwitz concentration camp in the town of Osweicim, Poland.