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Senate

The Senate met at 11:30 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious Lord, the divine Potter of our lives, our days are in Your hands. Shape the clay as You have planned. May the day work out exactly as You have arranged it for Your glory and our growth. We say with the psalmist, ''I delight to do Your will, O my God, and Your law is within my heart.''—Psalm 40:8. We long to know what is best for our Nation. Now at the beginning of another day, we commit to You the challenges and decisions that are ahead of us. We desire to glorify You, so show us what You desire. With inspired intentionality, we put our relationship with You first and make our primary goal what is best for our Nation.

This morning, gracious Lord, we thank You for the newly elected Republican leadership. We ask Your special blessing to be upon TRENT LOTT and DON NICKLES as they work together closely with TOM DASCHLE and WENDELL FORD and the leadership of both parties to seek Your glory and to do Your will.

We pray this prayer in the name of the way, the truth, and the life. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The new majority leader, the able Senator TRENT LOTT from Mississippi, is recognized.

Mr. LOTT. Thank you very much, Mr. President. We appreciate your leadership and all that you do for your State and for our country.

A DAY ALL SENATORS WILL REMEMBER

Mr. LOTT. Mr. President, yesterday was a day of ceremony and tribute in the Senate. It was a day of testimonials, emotional farewells, and I think really a high point for this institution in the years that I have been here, because in a very bipartisan way, we all talked about the institution of the Senate and what it means to us as individuals, the uniqueness of how it operates, and what it means for our country.

Obviously, the Republican Members were touched by the moment that we saw our leader of so many years, Bob Dole, exit the Chamber. But I also was struck by the fact that the Democratic leadership—in fact, all of our colleagues on that side of the aisle—showed emotion and felt the specialness of that moment, as was exhibited by the outstanding remarks of the distinguished Democratic leader who sits here today.

It was a day that all Senators will remember, just as we will always remember the leadership of Bob Dole.

Today, the Senate returns to business, and I am honored and humbled to stand here as the Senate majority leader. It is also a pleasure to have with me in our leadership team the distinguished Senator from Oklahoma, Senator NICKLES, who will serve as the assistant majority leader, the whip. I know that he will do a great job, and I look forward to working with him and us working together as a team with the Democratic leadership. We have already met with their entire leadership team, and I think we are off to a very positive start.

Also, I want to, again, refer to my distinguished colleague from Mississippi. We have stood together now through 23½ years in the Congress. He is truly a great leader for our State and for our country. He sort of blazed the trail in our State for a Republican Party that used to meet in a very small room with room left over. He was the first Senator who was elected as a Republican from our State of Mississippi. So he has set an example for all of us. He is an important part of a team for our State that I will always enjoy working with. He will continue as the chairman of our conference.

He will be joined by the secretary of the conference, CONNIE MACK of Florida, and the newly elected chairman of the policy committee, Senator CRAIG of Idaho.

Just as Senator Dole did yesterday in his final speech from this podium, I begin my first remarks as majority leader by thanking those to whom I am indebted for the privilege of serving in the Senate.

Foremost among those, other than my beloved Mississippi constituents, are the members of my family. People who know me best know that my highest priority on this Earth is my family. I love my work in the Senate, but I will always give the highest priority to my family. To my parents, who instilled the values which still guide my life, and my wife and our two children, Tricia, Chet, and Tyler, they have always been patient and understanding as I pursued public service. They have been my inspiration. And they are today.

I thank the people of Mississippi for honoring me with their trust each time I have asked for it. And, of course, I thank my Republican colleagues for allowing me to serve in a role that has been filled by so many giants in the Senate in the past.

I am the first majority leader in history from my State of Mississippi, a poor State but a State that is struggling to pull itself up and move forward. It is a State that has gone from the bottom rung of every economic indicator to now being identified as one

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

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of the 10 top growth States in the Nation. We are proud to be a part of the Nation's team. Mississippi will always, in the future, do everything we can to play our part of contributing to a better America.

It is no wonder that we are humbled when we reach these positions. I am most humbled because I know of the work we have to do. In fact, I had a friend this morning ask me, ''Where's the party? Where's the celebration?'' I said, ''Well, there'll be no party. There'll be no celebration. There'll be a lot of 'thank you's,' and then this comment: Let's go to work.''

To friends on the other side of the aisle, let me say that one lesson I learned very well from Bob Dole is that this place cannot operate effectively for our country if the two leaders do not have a relationship of complete trust and respect. Senator DASCHLE had that relationship with Senator Dole. And he will have it from me. We have been friends for many years in the House, now in the Senate. I have talked to a lot of his colleagues. I believe we can work together. Oh, we will disagree. We will have some good debate. But we will always remember that the best thing for us to do is to work together for our country. We can find a way to do that.

Mr. President, I do have just some brief comments on today's schedule. I am glad to withhold those if the Senator would like to comment at this point.

Mr. DASCHLE addressed the Chair.

The PRESIDENT pro tempore. The able Democratic leader is recognized.

CONGRATULATIONS TO THE NEW MAJORITY LEADER

Mr. DASCHLE. Mr. President, I will be very brief. Let me compliment the distinguished majority leader on his remarks, and congratulate him on his election. His leadership team sits among those on the floor today who demonstrate, in my view, a new generation of leadership, a generation that has had a good deal of experience, a generation that represents geographical diversity, a generation that I believe recognizes the importance of governance. We look forward to the opportunity of serving together.

As I consider the past, as I consider the record and the résumé of the distinguished majority leader, I find many things in common. He is from a small State, as am I. He was a staff member, as was I. He was a Member of the House, and now a Member of the Senate for not that long a period of time. And so given those similar experiences and given what I know to be his desire to lead and to govern and to work together, I begin this day and this new period in this session of Congress with great expectations, with optimism, with the belief that we can, as he just indicated, come together, as Senator Dole suggested we do yesterday.

I thought it was revealing yesterday in the remarkable speech made by the former majority leader that the most significant accomplishments that he chose to recognize as he looked back over his past were those accomplishments that were forged through bipartisan efforts. That included, of course, the legislation for the disabled, it included nutrition legislation, it included an array of issues dealing with civil rights.

The majority leader looked back fondly at those accomplishments and called upon all of us to remember the great Senators who have come before, Senators on both sides of the aisle.

I have no doubt that if, indeed, we are to rise again to that standard, that there can be no other alternative but for us to work together. So it is with that intent and with a sincere desire to do so that I congratulate the new team. And I look forward to working, beginning today, to forge that compromise, to strike the opportunities that we have while they are there, and to work to make this a better country.

I yield the floor.

Mr. LOTT addressed the Chair.

The PRESIDENT pro tempore. The distinguished majority leader.

Mr. LOTT. Mr. President, I thank the distinguished Democratic leader for his remarks, and the remarks made in other forums by my good friend from North Dakota, Senator DORGAN.

SCHEDULE

Mr. LOTT. Mr. President, today there will be a period for the transaction of morning business until the hour of 12 noon, with Senators permitted to speak for up to 5 minutes each. Following morning business, the Senate will resume debate on the budget resolution conference report.

Under the order of last night, a vote will occur on the conference report at 3:30 today if the official papers have been presented to us from the House. I understand that the conference report may not be received by 3:30; therefore, the vote may occur on the budget later on today or even Thursday morning. But certainly I will consult with the Democratic leader on the exact time, and we will notify the Members as soon as that decision is made. The Senate may also be asked to consider any other legislative or executive items cleared for action.

I yield the floor, Mr. President.

MORNING BUSINESS

The PRESIDING OFFICER (Mr. THOMAS). There will now be a period for morning business.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

CONGRATULATIONS TO THE NEW MAJORITY LEADER

Mr. COCHRAN. Mr. President, I am very pleased to be able to rise on the floor of the Senate today to congratulate my good friend and State colleague, TRENT LOTT, upon his election as the majority leader of the U.S. Senate.

You have to go back to 1937 to find an instance of a Mississippi Senator being so close to the powerful position that my friend now occupies. Senator Pat Harrison of Dove Port, MS, first was elected to Congress to represent the gulf coast district in Congress, and so was TRENT LOTT some many years later, 1972. Senator Harrison came to the Senate after serving several terms in the House and rose to become chairman of the Finance Committee here in the Senate, and he lost by one vote in a race to be the majority leader of the U.S. Senate. Incidentally, the Senator who won that election was Alben Barkley of Kentucky. After that, he became President pro tempore of the Senate. I mention this to put in context what has happened today. For the first time in history, a Mississippian has been elected majority leader of the U.S. Senate.

I feel very honored and pleased that I have had the pleasure and the privilege of serving with TRENT LOTT for almost 24 years in Congress, first in the House and now in the Senate. I want to commit to him my wholehearted support and my cooperation in helping make his service as majority leader of the Senate the most successful ever for any Senator.

We have been very fortunate in our State in having some outstanding representation, even though none had ever been chosen to serve as majority leader. As a matter of fact, this desk here has written in the drawer the names of some of those distinguished Senators, beginning with Jefferson Davis, who resigned his seat in the Senate from this desk when Mississippi seceded from the Union. It also contains the signatures of Pat Harrison, whom I mentioned, and John Sharp Williams, who was the minority whip in the House before being elected to the Senate.

So TRENT LOTT joins a list of very distinguished leaders of both Houses in representing our State in this very important capacity.

We know that the days ahead are going to be difficult. And I know all of the Members on our side are going to work very closely together. I trust the Members on the other side will, too, to help move the business of the Senate along.

There are some who are predicting gridlock, confrontation, mean-spirited, election-year posturing. Well, let us not have it happen. I challenge the Senate—and I know others feel this way, too—that we can achieve results that help solve problems for the American people in the time we have ahead of us this year. We can do it under the able, energetic, and very experienced leadership that TRENT LOTT brings to the job of majority leader.

So I appreciate very much having the opportunity of being in the same contest with him. Frankly, I learned a lot.

I had never run against TRENT LOTT for anything before. In the conference he spoke in a very precise, clear way.

We were asked in the news conference about the election. I mentioned that I started off in this campaign with a small base of support, and during the campaign it got smaller. That was because of the proven leadership ability of TRENT LOTT and his obviously excellent qualifications for this job.

I am confident that he will be a great success as majority leader. And I am honored to work with him.

Mr. WELLSTONE addressed the Chair.

Mr. THURMOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I would be pleased to defer to the Senator from South Carolina. I ask unanimous consent that I follow the Senator from South Carolina.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from South Carolina.

Mr. THURMOND. Mr. President, I rise to congratulate Senator TRENT LOTT upon becoming the majority leader of the U.S. Senate. He is a man of integrity, ability, and dedication, and, in my opinion, will make one of the finest majority leaders that this country has ever had. I believe as time goes by that people will see the wisdom of this man being elected. We are proud of him. We are proud of the State he comes from, the leadership it has produced. We predict great things to happen during the term of Senator LOTT as majority leader.

COMMENDING SENATOR THAD COCHRAN

Mr. THURMOND. Mr. President, while I am talking, I also commend the other Senator from Mississippi, the able Senator THAD COCHRAN of Mississippi, for the great service he has rendered to his State and Nation. He has been steadfast and sound in his positions, and he has ably represented his constituents. We are proud of him and congratulate him on his accomplishments throughout his entire career.

Thank you, Mr. President.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

THE SENATORS FROM MISSISSIPPI

Mr. WELLSTONE. Mr. President, I actually came to the floor to speak about another issue, but I do want to, first of all, congratulate Senator LOTT and Senator COCHRAN. I cannot pledge to my friend from Mississippi my wholehearted political support, but I certainly can pledge my personal support.

I wish you well, Senator LOTT. And Senator COCHRAN, I do not think there is anybody that at least I have had a chance to meet on the floor of the Senate, that is more honorable and more personable. When Senator COCHRAN talks about civility and when he talks about good politics, of bringing people together, he epitomizes that. I mean that very sincerely.

MENTAL HEALTH AMENDMENT

Mr. WELLSTONE. Mr. President, I rise to talk about what I hope will be a bipartisan approach, but I speak with a considerable amount of concern. I have worked very closely with my colleague from New Mexico, Senator DOMENICI, a Republican, and very closely with my colleague from Wyoming, Senator SIMPSON, on a mental health amendment to the insurance reform bill.

That amendment passed, Mr. President, by a 68-to-30 vote. What that amendment said was that as we look at insurance reform, we do not mandate benefits, but once plans are put into motion, and once there is an agreement about a particular plan for employees or for citizens, this ought not to be discrimination against people who are struggling with mental illness, illness that is diagnosable and treatable. That amendment passed by a 68-to-30 vote.

What we were simply saying is, for gosh sakes, do not put people in a position where they cannot work because they will not get the coverage, and they have to be on medical assistance. Do not put people in a position where they could do well in school, but they cannot do well in school. Do not put people in a position where they are homeless, and they should not be homeless. Do not put people in a position where they wind up incarcerated, where that is not where they should be.

Mr. President, we had strong bipartisan support. It then went to what will, hopefully, be a conference committee. It is with profound disappointment and some indignation that I say on the floor of the Senate that what has now happened on the part of my Republican colleagues on the House side is they have essentially knocked out the whole amendment.

Mr. President, working with Senator DOMENICI, Senator SIMPSON, people like Senator CONRAD, we came up with a pared-down formulation that said at least for lifetime limits, at least for annual limits, have the same caps as for physical illness, so that people who are struggling with mental illness are not put under economically, so that people can receive the care that they need. We should end this discrimination.

This particular compromise would cost, according to CBO, 0.2 of a 1-percent increase. That is it. Mr. President, there is no good policy reason, I say to my colleagues on the floor of the Senate today, there is no good policy reason why this compromise that we presented to members of the conference committee on the House Republican side should not have been accepted. It is fair. It is equitable. It economically makes sense. It is just. It is the right thing to do. There is not one single article that can be made against it. Not one single argument that can be made against it.

Now what we hear on the House side from Republicans is that what we will get is a commission to study the problem. Senator DOMENICI does not consider that acceptable. I do not consider that acceptable. Senator SIMPSON does not consider that acceptable. That is not even the point. It is not acceptable for families all across this country who thought we were going to finally end this discrimination.

Mr. President, there will be a press conference this afternoon at 2 o'clock. A lot of the families, men and women and children who are struggling with mental illness, will be there. Several of us will be there. I think what they will say is they are going to visit with every member of that conference committee on the House side, Republican and Democrat alike. They are going to visit, I say to my good colleague from Mississippi, Senator LOTT, they are going to visit with leadership, and they are going to say to leaders and they are going to say to Democrats and Republicans alike: ''Tell us why it is still not time to end the discrimination. Tell us why you are unwilling to end this discrimination against our children, against our wives, against our husbands. Tell us when it is not time to end discrimination.''

Mr. President, I say to my colleague from Mississippi, if I could get his attention, I want to mention this afternoon at 2 o'clock we will have a press conference with some wonderful families who have been struggling with mental illness. You know Senator DOMENICI cares so much about this. They are going to meet with leadership and say, ''Look, the formulation that we now came up with,'' not the commission, ''at least should not have arbitrary caps on lifetime and annual limits, costs 0.2 of 1 percent.'' It helps end the discrimination. Please do not shut our families out.

I hope you will give them your utmost consideration.

The PRESIDING OFFICER. The Senator from Maine.

CONGRATULATIONS TO SENATOR LOTT

Mr. COHEN. Mr. President, let me first add my congratulations to the new majority leader. I think that TRENT LOTT will do an outstanding job and one that will certainly make our party proud, but the country proud as well. I was pleased to have his colleague, THAD COCHRAN, with whom we both entered Congress, stand up in a true southern fashion, extend his warmest wishes and willingness to work with you. It will be a great team from Mississippi and for the rest of the country. I add my accolades to you, Mr. Leader.

HEALTH CARE FRAUD AND ABUSE

Mr. COHEN. I want to take a few moments to talk about something that is of great importance to me. As is so often the case in Washington, misinformation is flying about the effects of legislation being considered in Congress. It is customary in this country and in this Congress, to have, just as we are negotiating the last-minute details to legislation, some interest group come forward, place a provocative ad in the newspaper, and try to destroy that legislation.

I am referring to the fraud and abuse provisions in the Kennedy-Kassebaum health care legislation that is now in the final stages of a conference. Recently, the American Medical Association placed a full-page ad in the Wall Street Journal. The ads are slick and very clever—it shows a doctor, with a stethoscope hanging down, in the ''docks.'' It says, ''We (the AMA) are opposed to fraud and abuse. We know it is a serious problem, but if doctors willfully and knowingly violate our Nation's laws, they should be punished.''

Mr. President, this is precisely what the legislation does. Then the ad goes on to say, ''But honest mistakes should not make physicians or any other citizens candidates for incarceration.'' We agree.

This legislation has been worked on for the past 3 years. As a matter of fact, this particular ad is not only misleading, it is false. It is absolutely false advertising that the AMA has engaged in, along with other physician groups who have written articles.

To distort the intent and scope of the provisions in this fashion minimizes the very real threat that fraud poses to our health care system and, indeed, to the solvency of Medicare. Medicare trustees have said the trust fund is going broke—not in 6 years—but in 5 years. One of the reasons it is going broke is because so much fraud and abuse is being perpetrated on the American people. As we are asking Medicare beneficiaries and honest providers to share the burden of changes to arrest the growth of Medicare, it is our duty to do all we can to get the waste, fraud, and abuse out the program.

According to the General Accounting Office, we are now losing as much as $100 billion from fraud and abuse every year. The losses to Federal health care programs, such as Medicare, Medicaid, and CHAMPUS, is about $40 billion or 40 percent of the total.

Mr. President, it is a grand scale of theft that is taking place. We have heard testimony that organized crime has moved into health care fraud. We heard testimony that drug dealers have moved into health care fraud because there is more money and it is easier for them to perpetrate this crime rather than trying to sell drugs with the FBI breathing down their neck. As Willie Sutton said, ''that's where the money is.''

Let me give you a couple of examples that have come to my attention. I have had hearing after hearing on this subject matter. Seven months ago, a physician testified before the Senate about his involvement in a clinic scam in Los Angeles. The physician participated in a scheme that involved phony prescriptions, paid patients, and resulted in losses over $800,000 to the Medicaid Program.

In another case, the owner of a home health care company built a beautiful $2.5 million mansion with money he made from phony Medicare billings.

A New York physician defrauded the Medicaid Program of more than $1.5 million by fraudulently charging for 25,000 drug treatments never given to recipients.

We have even heard of a case where a psychiatrist billed for 50,000 phantom therapy sessions never given to patients.

That is just a small sample of what we are trying to deal with today. And that is why we passed this important legislation by overwhelming numbers in this body.

The health care fraud provisions now being considered by the Senate and House conference committee do address this problem in a reasonable, measured manner that does not infringe on personal liberties nor penalize innocent mistakes. The bill closes loopholes in current law and provides criminal penalties for a defined set of serious and egregious violations such as embezzlement. The fraud and abuse provisions substantially mirror existing fraud statutes and are designed to give enforcement more precise tools to protect consumers against fraud and abuse. Contrary to claims that the bill will unleash an army of intrusive investigators trying to entrap innocent doctors, the proposal simply provides adequate resources for prosecutors and investigators, long strapped by budget cuts and under staffing to go after serious patterns and cases of abuse.

The AMA's claim that ''honest mistakes'' of doctors or any other citizens makes them ''candidates for incarceration'' is simply false. Far from going after honest mistakes, the criminal sanctions will be used to prosecute egregious, intentional acts of fraud against health plans.

Mr. President, the final thrust of the attack ads that are being leveled against this legislation is that this is Clinton's health care plan revisited. That, too, is absolutely false. This legislation was developed in response to the recommendations put forth by a task force put together by President Bush, which was headed by a Justice Department that was dominated at the top level by President Bush appointees. It has been endorsed by Bob Dole, our former majority leader, and virtually everybody in our leadership for many years. These provisions have passed twice before during this Republican-controlled Congress and have been the subject of numerous hearings in both the Senate and House. The notion that somehow this is Clinton II slipping through the cracks at the last moment is completely false.

We have to deal with health care fraud in a direct and responsible fashion. The legislation we passed by an overwhelming majority in this body, unanimously, as I recall, deserves not to be undercut by false and misleading advertising. I hope my colleagues reject these kinds of last-minute scare tactics which the AMA and others are engaged in. The only ones to gain from failing to pass this antifraud package are those who are intentionally ripping off the system. All the rest of us are the big losers—the vast majority of honest health care providers, taxpayers, and families who are footing the bill for the fraudulent providers in the form of higher taxes and health care costs.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

(The remarks of Mrs. FEINSTEIN pertaining to the introduction of S. 1865 are located in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

Mrs. FEINSTEIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONGRATULATING THE NEW MAJORITY LEADER

Mrs. FEINSTEIN. Mr. President, I see that the new majority leader has entered the Senate. I personally want to extend to him my very sincere congratulations on his election. As he knows, we have had occasion to work together on one bill, and it was ill-fated. It was a postponement of the base closure process. As I recall, we got 16 votes. However, with your election, I look forward to occasions where we will have a majority of votes. I congratulate the Senator. I know he will do just fine.

Mr. LOTT. Mr. President, I want to thank the distinguished Senator from California for her comments. I look forward to working with her. I remember that occasion very well. I think one of the reasons we did not get more than 16 votes is the Members could not figure out what the two of us were doing working together. I think they have since realized that is going to happen more than just once or twice. I look forward to working with the Senator for the good of our respective States and our country.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1997—CONFERENCE REPORT

Mr. BOND. Mr. President, I have been authorized to allocate myself such time as may be required from the time allocated to the majority on the conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, will the distinguished Senator from Missouri yield for a bit of information?

Mr. BOND. I am delighted to yield.

Mr. LOTT. Mr. President, first I want to thank the Senator from Missouri for the good work he has been doing in this area. I have seen the questions he has asked about the outyears in the budget as proposed by the administration, and how in the world they plan to meet those numbers. In fact, you have had administration officials say, ''Well, we do not really plan to.''

So I hope you will continue to pursue this because this is a very important question of whether or not we are getting accurate information, what this means for the future in terms of trying to get a balanced budget.

So I hope you will continue to pursue aggressively those questions because we need to know the answers.

Mr. LOTT. Mr. President, I would like to take a moment to advise Members that it appears that the House will not be able to complete action on the budget resolution conference report by the 3:30 hour, and possibly not until much later this afternoon.

Therefore, there will not be a vote on the budget resolution conference report today. We will consult with the Budget Committee leaders and the Democratic leader and announce this afternoon exactly what time the vote will occur on Thursday.

I thank you for yielding.

Mr. BOND. I thank the majority leader and join my colleagues in offering congratulations and tell him that we are delighted to have his leadership. We look forward to working with him, and I also appreciate your comments about this measure.

Mr. President, I am here today to commend our chairman of the Budget Committee, and the staff who worked together to put an honest budget together which will get our budget to balance in the year 2002. It is an honest budget, and, therefore, it makes some tough choices. Some people do not like it because it makes tough choices. It makes those tough choices honestly.

I think it is a fair subject to debate. We have had those debates in this body. They had it on the other side, and we are now going to act on a conference report.

I am a strong supporter of this budget even though it does have to make some tough restrictions on our spending. Because I believe we have a solemn commitment to our constituents, to future generations of Americans to bring our budget in balance. I have been very disturbed in the last several weeks to hear our budget attacked in comparison to a budget submitted by the President which is far more generous in election years and then purports to get to a balance by the year 2002 by making some draconian cuts in many discretionary spending programs.

In addition to serving on the Budget Committee I have the privilege of serving as chairman of the appropriations subcommittee that deals with the Veterans' Administration, HUD, and independent agencies. As my colleagues know, we have a number of very large and very important entities that are funded in that budget. So I have been holding hearings in the appropriations subcommittee over the last several weeks knowing how important budgets are for planning, and for implementing our fiscal decisions down the road. I have been asking the administration officials who have come before me how they plan to handle the large cuts proposed by the President's budget for the years 1998 to 2002.

We do not have to emphasize the fact that 1998 comes after the current election cycle. Apparently, some people may think that the heat will go off and they will not have to be quite so accountable.

Mr. President, I have been asking questions in the appropriations hearing as one who has dealt with budgets and agencies for many years. How can you cut 23 percent out of the Veterans' Administration medical care without some plan in place to close hospitals; to consolidate or switch to outpatient care? If you intend to continue the care that we owe to our veterans and you believe, as the administration purports to recognize in its budget—this document published at great expense at the cost of many, many trees which shows that there will be almost $13 billion cut out of the Veterans' Administration in the next 6 years—how can this be done?

I was so concerned about it that I asked Secretary Brown how they planned to live with the 23-percent reduction. Imagine my surprise when the Secretary told me that he had no plan; that in fact he had no intent of creating a plan because he had been assured that the cuts were not going to happen.

Mr. President, this book is what we are supposed to be operating from. This book is what we are supposed to be comparing as the administration's budget plan versus the plan that will be before us for a vote we hope later this week.

The numbers in the President's budget show that VA medical care drops from an annual appropriations of $17 billion to $13 billion over the next 4 years. But the VA Secretary tells me that those are not real, that the President's budget is not what he really proposes to do, that he would be shocked if it were actually to happen.

So why are the numbers in the budget, in this booklet, if they are not the President's plan? I did not have an opportunity to listen. But I have seen the transcript of the President's comments in his Memorial Day radio show which seemed to be geared along the same lines as was stated by the Secretary of Veterans Affairs.

He did not follow the line and warn the veterans on Memorial Day that he would be proposing cuts that would shut down one-quarter of the VA medical care system, hospitals, clinics, and nursing homes at a time when the veterans population is rapidly aging and in need of services.

The President said in his Memorial Day message:

> Even as we balance our budget, my administration is working to keep our solemn commitment to America's veterans by improving the health care they receive.

So a fair question, I think, would be, Whose budget is that he is talking about? Which budget is he talking about? Is there another budget that perhaps has not been printed up that we have not seen?

I thought perhaps it was just the Veterans Administration which was suffering from these mixed signals and maybe they were confused or maybe they thought the best way to avoid the potential political consequences of calling VA medical care unnecessary or a low priority was to issue confusing statements to the veterans by saying, ''Don't worry about it, it won't really happen.''

So the next agency that came before our committee for a hearing was that of the National Aeronautics and Space Administration. I asked the NASA Administrator Dan Goldin how he was going to plan for the over $3 billion cuts in the 6-year plan for NASA, because they have already taken very serious cuts. I commended Administrator Goldin for having done a very responsible job in downsizing that agency. It seems to me those cuts were unduly harsh and would, perhaps, imperil the mission of that vital agency.

Much to my amazement, the NASA Administrator told me that OMB had told him not to worry about the outyear cuts either.

Wait a minute, what is going on? Let me stop just for a moment and explain why this matters.

The cuts I was asking about are those which the President needs and which he sets forth in his budget to be able to claim to the public he has presented a balanced budget proposal. We need to have these budget plans, not only for what we expect to happen in the future, but how we plan to appropriate money for this year. If, for example, there is a way to eliminate $12.9 billion out of the VA Administration budget and not harm veterans medical care, then maybe we ought to be looking at that plan right now so we can make sure that we meet all our commitments for housing for low-income people in this country, because we are

going to be very mightily squeezed to achieve the necessary funding that we need for our ongoing commitments.

The President's budget asked for a couple of new hospitals. How is he going to build new hospitals when he is looking at a 23-percent cut that is going to wind up shutting down at least one-quarter of the institutions now in the VA system? That makes the cuts on other facilities even greater. There is no way responsibly you can be building new hospitals and planning for an increase this year if you are going to take a 23-percent cut immediately thereafter. It does not make any sense.

What appears to be going on here is that there are two sets of books. One is what the President talks about whenever he wants to say he has a balanced budget, because there are a lot of people—I know, I have talked to a lot of people in my State who say we have to balance the budget, we have to cut spending, and I agree with them, because we are mortgaging our future and threatening our children's security by spending more than we take in.

On the other hand, the President has another set of books whenever he wants to tell them that he is protecting their priorities and not causing any political pain. It is truly breathtaking to see the ease with which the President shifts effortlessly back and forth between the two sets of books. Using this set of books, he is a tough budget cutter.

Now, in the next speech, when he gets on the radio and talks to veterans on Veterans Day, he is the mainstream protector against those extremists, Republicans and other budget cutters, who are gutting these favorite programs, cutting programs that are vital for the services we must provide.

My question very simply is, Mr. President, which set of books are we to believe? That is why I, along with several of my colleagues on the Budget Committee, have written a series of letters to OMB Director Rivlin asking for clarification and the details on which budget is going to be followed. We have also written to several agencies asking them what actions they are taking to plan for the outyear cuts. We want to know from the Food and Drug Administration, the Federal Aviation Administration, Federal Highway Administration, the Under Secretary of Agriculture for the School Lunch Program and WIC Program how they would work with those cuts.

Then, in a hearing before our committee, I asked the EPA Administrator Browner what their plans would be for handling the reductions. The Administrator of EPA told me that EPA was a priority. She was absolutely sure that EPA would not face the 10-percent cut in 2001 and an additional 18-percent cut in 2002, as prescribed in this book.

Then I joined another subcommittee on which I serve to question the Secretary of Health and Human Services, Secretary Donna Shalala, about the cuts that are being planned in her agency. Secretary Shalala told me that in her budget, she was absolutely convinced that NIH would not be cut, Indian Health Services would not be cut, HCFA administrative costs would not be cut, Head Start would not be cut, the Ryan White AIDS Program would not be cut, and there may be others as well.

So far, what I am getting back is, we see these drastic cuts proposed, but nobody is going to be cut. That has to be the best of all possible worlds. You are going to balance the budget with cuts, but you are not going to cut anybody.

I received an interesting followup, a response—actually, it was addressed to Senator SHELBY who had joined with me in the letter I sent to the Food and Drug Administration. We sent a letter to Dr. Kessler asking how the FDA would handle their cuts. Well, they must have placed a high priority on our request, because it was signed by the Acting Associate Commissioner for Legislative Affairs, and she wrote back with this very clear statement:

> FDA is moving ahead with Agency budgeting plans for the immediate future based on the budget authority by function and program as contained in the health function forecasted to the year 2002 of the President's fiscal year 1997 budget.

Let me interpret. As best I can understand, that means that the FDA is planning on a budget that reflects the figures in the initial book presentation prior to the triggered cuts. In other words, the figures in this book show spending that would be about $81 billion out of balance. The only way the President gets to balance is to employ a trigger mechanism to make 10 percent cuts in 2001 and 18 percent cuts in 2002.

So it appears that the FDA is planning on smooth sailing. They are going to sail along in the out-of-balance budget because they, too, apparently do not plan on making any cuts.

So no one is being cut, yet somehow the budget is being balanced. Let us get at the truth. Which set of books is the real Clinton budget? Now that the cat is out of the bag and we know that there are two sets of books, what is the administration's response?

Well, this is really interesting. I have just seen a Monday Associated Press article, I believe it was printed June 11 in the Washington Times. It says:

> In an unusual public admission, two top Clinton administration officials say the White House will not necessarily pursue some cuts in veterans and space programs.

Then they went on to say that the comments by the people who had testified before my committee were politically awkward.

> . . . another official said privately that Mr. Brown and Mr. Goldin would be talked to.

That means somebody in the administration is going to talk to VA Secretary Brown and NASA Administrator Dan Goldin. They are going to be talked to? Talked to about what? About telling the truth that the administration has no intention of balancing the budget? That their budget is a sham, exposing the second set of books to the light of day? Or does that mean they are going to be told to go back and start planning on making those very serious cuts in their Agency?

Somehow, Mr. President, I do not believe they are being told they have to go back and make those cuts. Now, I may be wrong. I am from Missouri, and you can show me. If the Veterans' Administration comes in with a set of figures that shows how they take $12.9 billion out of their budget in the next 6 years, then we will take a look at it. But that is why I have said recently that we want some honest answers to the questions we have posed to OMB Director Rivlin: Where will the $67 billion in triggered spending cuts fall? Are certain programs exempt from cuts as claimed—education, environment, law enforcement? Are the numbers in their budget real for VA? Is Secretary Brown wrong or right in his claim that the President assured him the cuts proposed would not happen? And if the VA numbers are not true, what else in the President's budget should we disbelieve?

If none of these programs are to be cut, are there really other cuts that are going to be made in the administration's implementation of their budget? Too often in Washington, no one is accountable, but this issue is too important to be treated as if it were business as usual and it does not really matter.

A Cabinet Secretary and an agency head have apparently let the cat out of the bag, and for their candor, they are being talked to.

The administration officials who keep playing the Clinton budget game, described in a column by David Broder on Sunday, have been talked to. But what are the creators of the two sets of books designed to fool the public into doing? Are they being talked to? Only those two officials who happen to tell Congress and the public what is actually going on, they are the ones to blame, according to this news article. That is wrong.

Until we get some answers to the basic simple questions of which set of books is the real set, I will continue to pursue these questions.

Mr. President, I ask unanimous consent that the article from the Monday Associated Press and the article by David Broder be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Times, June 10, 1996]

VA, NASA CHIEFS CONTRADICT CLINTON PLANS FOR CUTS

In an unusual public admission, two top Clinton administration officials say the White House will not necessarily pursue some cuts in veterans and space programs that it proposed in its budget-balancing package just three months ago.

The recent remarks by Veterans Affairs Secretary Jesse Brown and NASA chief Daniel Goldin put the administration in the position of disavowing details of its own plans for eliminating deficits by 2002. And the comments come during President Clinton's reelection campaign, in which one Republican

strategy has been to attack his commitment to balancing the budget.

''They're keeping two sets of books, one to balance the budget, the other to avoid cuts in agencies that would cause problems in the election,'' said Sen. Christopher S. Bond, Missouri Republican, who elicited the comments from Mr. Brown and Mr. Goldin.

''This is well thought through as a political avoidance strategy, a downside-avoidance strategy,'' said Senate Budget Committee Chairman Pete V. Domenici, New Mexico Republican.

Administration officials and Democrats said Mr. Clinton was sticking to his overall plan to eliminate annual deficits by 2002 but would review details every year, a fact of life in the government's annual budgeting process.

''The president is committed to the overall numbers. They reflect his commitment to getting to a balanced budget by 2002,'' said Alice Rivlin, director of the Office of Management and Budget. ''But the priorities will be revisited annually, as they are on the Hill.''

But conceding that the comments were politically awkward, another official said privately that Mr. Brown and Mr. Goldin would be talked to.

Mr. Clinton has proposed slight increases for education, environment and technological research. Because there is a fixed amount of money for these and other annually approved programs, other areas must be cut.

Mr. Brown and Mr. Goldin made their comments in separate appearance before the Senate Appropriation subcommittee that oversees space, veterans and other programs, which was holding hearings on the budget for fiscal 1997. The fiscal year begins Oct. 1.

On May 3, Mr. Brown told the panel the Department of Veterans Affairs ''cannot live'' with the cuts proposed in the agency's budget beyond fiscal 1997 by either Mr. Clinton or Congress. He said the Clinton cuts would force the agency to deny care to 1 million veterans and close the equivalent of 41 hospitals.

''The president has told me personally . . . he will negotiate the VA's budget each and ever year with the veterans of this nation,'' Mr. Brown said.

Asked by Mr. Bond, the panel's chairman, whether he expected to see the future-year cuts Clinton has proposed, Mr. Brown responded, ''I would be shocked.''

On May 16, Mr. Goldin told the panel that ''the White House has instructed us to make no precipitous action'' on cutting NASA programs after 1997.

Mrs. Rivlin said the spending figures Mr. Clinton proposed for many programs after 1997 were ''not finely tuned assessments of what exactly would be needed each year.''

''That's a normal thing,'' she added.

Democrats said GOP-written budgets have long included unworkable long-range assumptions. For example, they said, the new GOP budget-balancing plan assumes that proposed tax cuts will get smaller in 2002, and that less should be spent for defense than Mr. Clinton wants. Both are considered politically unrealistic.

[From the Washington Post, June 10, 1996]

CLINTON'S BUDGET GAME

(By David S. Broder)

A recent exchange between Sen. Christopher (Kit) Bond (R-Mo.) and Secretary of Veterans Affairs Jesse Brown casts a clear light on the reality behind the partisan rhetoric of the past week's budget debate.

Bond is chairman of the appropriations subcommittee that handles the VA budget. He was grilling Brown on President Clinton's budget proposal for veterans' health care and hospitalization. For next year, Bond noted, Clinton is urging a level of spending for this politically important constituency more than $1 billion higher than it was in 1995. But in the following two years—after the election—Clinton's budget would cut that spending from $17 billion down to $14 billion, and then slice it further.

How can you meet your obligations to veterans under that budget? Bond asked. ''Sen. Bond, we cannot,'' Brown replied. If funding were to remain flat (as Republicans have proposed), ''it would force us to deny care to about a million veterans and it would force us to close the equivalent of 41 hospitals. So obviously . . . we will not be able to live with the red line'' showing the postelection cuts suggested by Clinton.

And then Brown made this eyebrow-raising statement: ''The president understands that. I talked with him personally about it and . . . he gave me his personal commitment that he was going to make sure that the nation honors its commitments to veterans and that he will negotiate the budget each and every year . . . with the veterans of the nation.''

Bond: ''So you are saying that these out-years mean nothing. It is all going to be negotiated in the future, so we should not worry about the president's budget plan. . . . You are not planning to live with that budget?''

Brown: ''I am not planning to live with it. I am not planning to live with your budget . . . nor am I planning to live with the president's line.''

Bond: ''You do not work for us. You work for the president. You are saying that you do not like our budget, but you know that his budget does not mean anything.''

After this remarkable exchange, Bond made similar inquiries of the director of another huge agency, Dan Goldin of NASA. He too said that White House budget officials had told him to make no plans based on the sharp cuts indicated for future years in Clinton's budget. As Goldin put it, ''the White House has instructed us to take no precipitous action on out-year budgets, and we are taking them at their word.''

To Bond and other Republicans, this looks suspiciously like a shell game. The president has told Congress and the country that he can achieve a balanced budget by 2002, without the serious savings in Medicare and Medicaid that Republicans have proposed. At the same time, he has said that he can keep spending in five or six priority areas at least even with inflation.

He can do all that, he has said, by cutting ''Less important'' spending. Veterans and space budgets are not on his priority list. But the men running these programs say they have assurances that the numbers the White House has given Congress are just paper figures—not mandates to prepare for belt-tightening.

White House Budget Director Alice Rivlin has assured Bond and his colleagues—and then tried to convince me—that there is no contradiction. ''Simply put,'' Rivlin wrote Bond, ''the president is committed to the discretionary savings needed to help reach balance in 2002 . . . but will continue to revisit decisions about specific programs one year at a time.''

''Nobody is cheating,'' Rivlin insisted in an interview with me.

''I don't think it washes,'' Bond said. ''It's not an honest budget.''

Two things are going on here. Clinton, in his desire to dodge serious cuts in politically popular programs such as Medicare and Medicaid, while promising more spending for education, the environment and law enforcement, is projecting cuts in other programs that are so severe they will be very hard to achieve. That is why people like Brown and Goldin say the cuts are unimaginable.

And second, in order to postpone the pain, Clinton is telling not just the constituents of the endangered programs but their managers that they will have plenty of opportunities in future years to stave off the cuts.

That may not be ''cheating,'' as Rivlin says, but it is playing a game that is too clever by half. Balancing the budget means making tough choices. Clinton is postponing those choices and—by giving people the sense that the goal can be reached without giving up anything that is important—making it that much harder when the crunch comes.

Mr. DOMENICI. Will the Senator yield?

Mr. BOND. I will be happy to yield to the distinguished chairman of the Budget Committee.

Mr. DOMENICI. First, I want to congratulate the Senator on this effort. For a couple of months he has been trying to tell the American people that there were two sets of books and that, indeed, if you use the set of books that gets a balanced budget in the same way that we do—because the President now says, ''You asked me to get a balanced budget using Congressional Budget Office assessments''—of the two sets, if you use the same set of numbers of economic assumptions that we have been compelled to use, then all of those cuts that are called triggered cuts have to be in the budget or it is not in balance. Is that not correct?

Mr. BOND. That is correct.

Mr. DOMENICI. So what the President has done is he has two balanced budgets, one using the same economic assumptions that we have used, which he told the American people, ''They have told me to use that, and I've used it, and I'm in balance,'' but he has another budget when he does not use those same economic assumptions. He uses his own, prepared by the Office of Management and Budget, under the direction of the executive branch. And that is the second set of books.

Which set of books are we telling the American people balances the budget? I believe the President is making it very clear that he balances the budget the same way we do. But then he produces a second set of books where he does not have to have as many cuts, he does not have to have these triggered cuts because the economics are so much better that he can get by with less.

Let us make it very clear, if we talk about the President's budget that is just like our budget in terms of which level you are jumping over, where is the stick that you are doing your high jump over? Using the same one for both, then there is no way that the President can be in balance without cutting, in the last 2 years of this budget, discretionary programs by 10 percent and 18 percent respectively. Is that not correct?

Mr. BOND. That is correct.

Mr. DOMENICI. Is it not in that regard that the Senator has been inquiring, and has the Senator not been saying, under the real budget, the budget

using the Congressional Budget Office numbers, what are you going to do to the veterans? Is that not when the Senator is getting the answers that they do not believe they are going to do this? Is that a fair assumption?

Mr. BOND. Mr. President, it is actually worse than that. It is actually worse than that. It is not just the triggered cuts that fall very heavily on the veterans.

But let me say, earlier in my remarks, I came to the floor to say that the Senator from New Mexico, under his leadership, has produced a balanced budget, an honest balanced budget that makes some very difficult choices. People do not like it because it is an honest budget, and it has had to make some difficult choices. But the President has submitted a budget which he claims is in balance, but he has told his people not to worry about it.

Now the cuts in the Veterans' Administration are not just the result of the triggered cuts.

Mr. DOMENICI. No.

Mr. BOND. The cuts in the Veterans' Administration begin precipitously in 1998, even under his OMB assumptions. Even using the rosy scenario, he would still chop that Veterans' Administration budget by 23 percent prior to the time that the triggering budget cuts would have to be implemented in 2001 and 2002.

So regardless of which set of assumptions he uses, even under his favorable budget, the favorable budget that he set up originally that did not have the triggered cuts in it, he slashes VA by 23 percent, and that was the first thing that tipped us off that maybe there was another set of books that we had not seen.

He had apparently convinced the Secretary of Veterans Affairs, the Veterans' Administration, that those cuts, even the ones he had in his OMB-approved numbers beginning in 1998, were not going to happen. That is why we cannot make an honest comparison between the numbers that the Senator has presented and the numbers that the Clinton administration claim come to a zero deficit in the year 2002, if we are being assured by all of the agencies that they do not have to plan for these cuts. They have no intention of making these cuts because the President and OMB have told them, ''Don't worry about making the cuts.'' Something is amiss here.

Mr. DOMENICI. I ask the Senator, one of the reasons that that precipitous fall occurs, even under the OMB budget, is because the President desires to tell the American people that certain parts of Government are going to get increased and so he has built into that budget these very large increases for education, for the environment, which end up, if you go that high on them, you have to take it out of somewhere else. That is where the veterans get that big cut the Senator has spoken to.

Mr. BOND. That is what happens when you establish priorities. If that, in fact, is his priority that he wants to put veterans that far down on the list, then we ought to be debating it. And we did have a debate on this floor. The Republicans voted to amend the President's proposal by taking additional savings out of welfare. Even my Democratic colleagues, who did vote for that proposal, had voted for another one that restored those cuts. Nobody agrees with those priorities that the President has proposed.

Mr. DOMENICI. I want to thank the Senator once again for the excellent work he has done. And it ought to be clear to everyone, the President of the United States does not have a balanced budget. He does not have a balanced budget using the Congressional Budget Office numbers, which he has touted across the land, unless he is willing to admit that these programs get tremendous cuts starting in 1998, 1999, 2000, 2001, 2002, which he clearly does not want to tell the American people. That is how I see it.

These Cabinet members who are seeing these cuts are being told, ''We'll look at them once every year. We're evaluating them every year.'' You can evaluate them every year, but if there is a very large cut in a program, somebody has to be cut, right?

Mr. BOND. I thank the chairman of the Budget Committee for that very important clarification.

Mr. DOMENICI. I thank the Senator.

Mr. BOND. Frankly, if it did not matter what we are going to spend in the outyears because we would negotiate it anyhow, we would not present multiyear budgets. We have to do that as part of a responsible plan process, Mr. President, so we know if we are on a path to get our Federal spending machine under control.

When we see a budget presented that claims to have significant cuts, but the people who would be affected have been assured by the President and OMB that those cuts will not be made, we can only conclude that either there is a very secret second set of books which eliminates programs we have not been able to identify, or the President and his Office of Management and Budget are not serious about balancing the budget and making the limitation in cuts in discretionary spending to achieve that balance.

Mr. President, I yield the floor.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I ask unanimous consent that I be able to proceed for 20 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIDEN. Mr. President, I did not come to respond to my friends from Missouri or New Mexico, but I find it kind of interesting. You know, we deal with names and these issues so much, and we use the jargon so much, that sometimes it is pretty interesting and pretty confusing to the American people. I am not suggesting that the things that either of my colleagues have said is not substantively correct, but I would suggest it is out of context.

Mr. BOND. Mr. President, would the Senator——

Mr. BIDEN. I will not yield until I explain what I said. Then I will be happy to yield.

First of all, the Republican-appointed Director of the Congressional Budget Office states in the latest CBO report—and I quote from the summary page:

> Both the Congress and the President, however, have proposed changes in policies that would balance the budget in 2002.

Let me read it again.

> Both the Congress and the President, however, have proposed changes in policies that would balance the budget in the year 2002.

I am reading from the ''Economic and Budget Outlook, Fiscal Years 1997 to 2002, Report to the Senate and House Committees on the Budget, Congress of the United States, Congressional Budget Office.''

The second point that I will make: That does not suggest that what my friend said is not true, but it is kind of like you have to watch the pea and the shells here.

The idea of these dual books, the President all along has said the economy is going to grow more robustly, has all along said that the CBO's estimates are too cabined, that things are going to be better than they say. So far he looks like he is right. But he said, ''You want me to do it according to the way you want the numbers,'' which I do not think are realistic numbers. I think they are too conservative. Business thinks they are too conservative. Everybody thinks they are too conservative except our conservative Republican friends.

He said, ''OK, if that's the deal, I'll submit a budget based on that.'' And he submitted a budget based on that. Their Republican-appointed Director of the Congressional Budget Office said, ''Yeah, he submitted one on that, and it balances that way.''

It is not, then, inconsistent for the President to say, ''By the way, I submitted it,'' but basically saying, ''I am predicting to you things are going to be better than these economic forecasts called for. If it turns out the economic forecast is as bad as you all say it is going to be, then this is what we're going to have to do to balance it. I will balance it under those conditions.''

But what he is saying makes it sound sinister, this two-book thing. He is saying, ''But my prediction to you is, you won't have to do it this badly, you won't have to cut this much.'' He is not saying, ''I won't do it if the economic forecasts turn out this way.'' He is just saying, ''I don't think the economic forecasts are going to be that way.''

You know, it is kind of like my saying to my son or my daughter when they were teenagers—they say, ''Dad, I want to go away to camp, and I would like to go for 2 weeks to camp.'' I say, ''How much is camp, honey?'' They say,

''Well, it's $100 a week.'' I say, ''I don't have $200. I've got $100. We'll sign you up for camp for 1 week. You're going, but I think I'm going to find another $100, and I think before it's time to go to camp you'll get to go for 2 weeks because I think economically I'm going to find another $100. But if I don't, you only go for 1 week.''

These guys make everything sound so sinister. Like, you know, ''Well, let's find the fingerprints on budget No. 2.''

So all I am saying to you is, keep your eye on the ball. The bottom line in this budget debate, no pun intended, is the summary of the Republican-led Congressional Budget Office that says—unless they changed their mind in the last couple hours—both the Congress and the President, however, have proposed changes in policy that would balance the budget in 2002.

Now, Mr. President, a number of our colleagues, including two who have just spoken, have once again attacked the President's budget as providing too little in appropriated spending. I find this a fascinating debate. They say, ''By the way, you are not going to balance the budget because you have two books. You really do not mean it. You are really going to cut something you have not told us,'' et cetera. But then they say, ''By the way, one of the reasons we do not like this President's budget is it provides too little in appropriated spending.''

They criticize the President's cuts as being too painful. It is true, the President's budget does make substantial cuts in discretionary spending. But the cuts in the Republican budget are far deeper. Over the 6 years of the budget, the Republican budget cuts appropriated spending by $68 billion more than the President's budget. In the year about which the Senator from Missouri most complains, 2002, the Republican budget cuts appropriated spending by $16 billion more than does the President's budget, using the assumptions that we are both using.

If the Senator from Missouri and others find the President's budget cuts too painful, and they are painful, he must find the Republican budget positively deadly.

Mr. President, I ask unanimous consent two tables comparing the cuts in the Republican budget with those of the President's budget be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

COMPARISON OF BUDGET PLANS: 6-YEAR TOTALS

[In billions of dollars]

	President's budget	Republican budget	Difference
Spending cuts:			
Discretionary	−230	−298	−68
Mandatory:			
Medicare	−117	−168	−51
Medicaid	−54	−72	−18
Other health [1]	9	10	1
Welfare	−38	−53	−15
EITC	−5	−19	−14
Spectrum auctions	−37	−19	18
Other mandatory	−24	−34	−10
Subtotal	−265	−355	−90
Revenues: [2]			
Tax relief and other	99	180	81
Corporate reforms	−40	−21	19
Other proposals	−5	(?)	5
Expiring provisions	−43	−36	7
Subtotal	11	122	112
Policy savings	−485	−531	−46
Debt service	−41	−49	−8
Total savings	−525	−580	−55
2002 deficit/surplus	0	5	5

[1] Health care reforms in President's budget; GME add-back in Republican plan.

[2] The Republican plan reconciles a net tax change of $122 billion over 6 years, but includes reserve fund language that allows for additional tax cuts on a revenue neutral basis. The revenue figures for the Republican plan show gross tax cuts assuming that the Republicans adopt the corporate reforms contained in the Balanced Budget Act and certain tax provisions that have expired since last year.

COMPARISON OF BUDGET PLANS: SAVINGS IN 2002

[In billions of dollars]

	President's budget	Republican budget	Difference
Spending cuts:			
Discretionary	−84	−100	−16
Mandatory:			
Medicare	−34	−53	−19
Medicaid	−22	−30	−8
Welfare	−8	−13	−5
EITC	−1	−4	−3
Spectrum auctions	−23	−7	16
Other mandatory	−5	−4	1
Subtotal	−92	−110	−18
Revenues:			
Tax relief and other	3	29	25
Corporate reforms [1]	−7	−5	2
Other proposals	−3	(?)	3
Expiring provisions [1]	−8	−7	1
Subtotal	−15	17	32
Policy savings	−190	−193	−3
Debt service	−20	−22	−2
Total savings	−210	−215	−5
2002 deficit/surplus	0	5	5

[1] The Republican plan reconciles a net tax change of $122 billion over 6 years, but includes reserve fund language that allows for additional tax cuts on a revenue neutral basis. The revenue figures for the Republican plan show gross tax cuts assuming that the Republicans adopt the corporate reforms contained in the Balanced Budget Act and certain tax provisions that have expired since last year.

Mr. BOND. Is the distinguished Senator from Delaware ready to respond to a question?

Mr. BIDEN. If you let me complete, I will take 12 minutes and respond to any questions you have. I know that if I start to respond—I did not come to make the statement I just made. I am just responding to what I heard. Let me make the statement I came prepared to make and then yield to the Senator for anything he wants to say or ask.

Mr. President, to state the obvious, a budget, whether it is a household budget, whether it is a company's budget, whether it is the Nation's budget, is the formal expression of our priorities as a company or as a family or as a nation. It tells us, after all the talk is over, where we decided to spend our hard-earned money. In this case, the hard-earned money of taxpayers like all of us.

Unfortunately, Mr. President, the budget resolution before the Senate, in my view, fails to address the most fundamental issues before the country. It fails to take care of the basic priorities that have made our Nation great, the priorities that can help us meet the challenges of the future. Again, I think we can all agree on one thing. I used to be on the Budget Committee. I am delighted I am no longer on the Budget Committee. I was on it for a long time. When I used to be on the Budget Committee and had to give it up to move over to other committees, new members come and say, ''What do you think about getting on the Budget Committee?'' Or I speak to university groups or constituents at home and they say, ''What about the Budget Committee?'' I say that the single most important thing a new Member of the Congress can do is be a member of the Budget Committee. Just like the single most important thing you can do if you go with a big company is look at the company's budget.

When all the rhetoric is gone, and everything is stripped aside, where we spend our money says volumes about what our real priorities are. If we say we care about education and do not spend money on education, then we obviously do not care about it very much. If we say we care about crime in dealing with crime and do not allocate our resources there, we do not care about it very much. If we say we care a lot about a national defense, and we do spend our money on it, it establishes we do care a lot about national defense. We say to students, if you want to know what a company really does, what a family really cares about, what a nation cares about, go look at its budget, its budget. I do not think anybody could disagree with that, have any reasonable disagreement with that. It lays out our priorities as a nation.

The point I want to make in the next few minutes, I think we have in the budget before the Senate, the Republican budget, our priorities out of whack. It is not a bad budget. It is not an awful budget, not a draconian budget. We can say a lot of political things about it. The real debate on this budget is no longer about no matter what you hear people say here, we are going to balance the budget, are we committed to balance the budget; it is how we balance a budget, how we balance a budget.

It is just like a family can decide if your child gets into Harvard University whether you are going to spend $25,000, meaning that you cannot buy a car for the next 4 years. Or you can buy a new car for the next 4 years and send your kid to my alma mater, the University of Delaware, which will cost $7,000. There are priorities. I happen to think a Delaware education is better than a Harvard education, but that is a personal thing.

It is real important when we talk all the mumbo jumbo out of this and understand what this debate is about. It is about where we are going to spend money, and even more importantly in

this environment, where we will cut. There is no way to get from here to balance under anybody's numbers, anybody's numbers, any assumptions, short of divine intervention by the Lord, without cutting.

It is a question. You can measure one's value system based on how much more they spend on something, how much more they cut. When you have to cut, who do you cut it from? Do you cut it and decide you are going to cut it from your children's education and still go to the beach for 2 weeks, or are you going to decide to cut the beach and spend it on your children's education? It says something about how much a family values education. It says something about how much they value vacations. I am not making a value judgment. A vacation for one family may be more therapeutically needed than an education for another child. That is literally what it does. That is what this fight is about. That is the difference between Democrats and Republicans here. It is not that we both decided to say, ''I like being with a party that has a letter that begins earlier in the alphabet.'' That is not the reason why I am a Democrat or why my friends are Republicans. We have different priorities here.

How do you best make the Nation function? I do not doubt for one second the positive patriotic intentions of my Republican colleagues. They proposed this budget not because they are mean-spirited. They proposed it because they believe this is truly the best way for the most Americans to do the best. We have a disagreement. I think America will not prosper spiritually, morally, economically, politically, as well, under their set of budget priorities than they do under mine or my parties or the President's. That is what this is about.

You all are going to get the smokescreen out. ''There are a secret set of books buried somewhere in the Capitol, and in the year 2002 we will open them and you will find the fingerprints of John Q. Wilson who worked for the FBI in 1974''—what are we talking about? We should have a straight up-and-down fight. They do not want to spend as much money on education as we want to. They do not want to spend as much on the environment as we want to spend. They do not want to spend as much money in law enforcement as we do. We do not want to spend as much on defense, or as much on the wealthy as they do, and so on. They are legitimate, fundamental, disagreements. I think we should do the American people a favor. Have a referendum on what they want, which theory they buy into.

My comments, the remainder of them, are directed at why I think my theory, my party's theory, my party's priorities, are better not only for average Americans but for the community of America, than are those of my Republican friends. I do not doubt their good intentions, I want to make it clear. I do not think they sit in the Cloakroom and say, ''You know, how can we make sure that John Kluge makes more money?'' Some of my left-wing friends think they sit there and say, ''Well, how are we going to get the wealthy to do better at the expense of the poor?'' I no more believe that than I think this chair can get up and levitate. They believe the way to help the poor the best is to see that those who have the most have the greatest freedom and prosperity to invest. I found that theory does not necessarily follow. I have a disagreement.

Let me make it clear, lest anyone come out here. I do not question the intentions, motivation, or sincerity of any of my Republican colleagues. I think they are wrong—not morally wrong—wrong. They will not turn out as you predict.

Mr. President, each year education becomes ever more important to keep our economy growing and to enable our citizens to become productive members of society. This budget in question cuts, in my view, too much from education.

(Mr. BROWN assumed the chair.)

Mr. BIDEN. By eliminating the guaranteed student loan program it makes college education even more expensive, in my view. And far from increasing our commitment to a better-trained work force, the budget provides less and less money for education and training as we move into the next century. In real terms, adjusted for inflation, their budget cuts spending by $25 billion for spending in this area over the next 6 years.

Look, we can argue about elementary and secondary education, we can argue about whether or not prayer in school will change it, or we can argue about whether or not spending more money in title I will change it, and we can argue about how bad off our education is. There is one thing there is no argument about. We have the best higher education system in the world—in the world. It is the only place we do not have to look at any little thing and say we rank 7th, 17th, 91st—we rank No. 1 in the world in higher education.

So what are we doing? As more and more people from different countries are beating their brains out to get into our higher education system, we are—I suspect unintentionally—making it harder for Americans to get into educational institutions of higher learning. We are not arguing about the quality of that education.

My Republican friends—in my State, at least—like to argue what Ronald Reagan argued: You know the best way to cure education is to spend less money on it. The one place nobody makes that argument is higher education. That is what I mean when I talk about guaranteed student loan programs. As for our country's commitment to our parents' generation, Mr. President, this budget's Medicare cuts will make health care more expensive than our proposal will. Its cuts in Medicare will make nursing home and long-term care a greater burden for families of those whose seniors depend on them.

Whenever we talk about Medicare, we always talk in terms of the effect on seniors. That is not how I talk about it. Where I come from, I talk about it based on the values I was raised with. Can you imagine, I say to anybody listening here, if your mom or dad comes to you and says, ''You know, honey, under the changes taking place, I am no longer able to see Dr. Smith, and I have to do'' this, that or the other thing—can you imagine any decent child in a position to financially take care of them not saying, ''Do not worry, mom, I will pay for it.''

Who do you think is going to pay for this? Middle-class parents. The people who are 45 to 55, who have children coming up through school trying to get into higher education and have moms and dads with increasing medical bills or needs. I wonder how many Americans—men or women, husband or wife—are going to turn to their mother and father or mother-in-law and father-in-law and say, ''It is too bad that they changed the system that way. You have less money for health care, and I am not chipping in.'' This is going to increase the burden on my generation, which is getting squeezed.

Now, again, I do not suggest that is why it is being done. I suggest that we have different priorities, because one of the things my friend said is that if we spend more money on education, we have to cut something else here. If we spend more money on Medicare, we have to cut something else down here. This is not a zero sum game. This is not one of these things where I can say if you buy into my proposal, you get everything. I am not saying that. This is different priorities.

In my view, the place where we should be putting all of our energy is to deal with the shrinking middle class, which is getting their brains kicked in. We all acknowledge that.

Mr. President, most troubling for me is the failure of this budget resolution to fully fund the most basic function of Government—that is the purpose of my being here today—which is to protect our citizens from violent crime.

Mr. President, let me first review the facts that underscore just how we have come to face a budget resolution that cuts funding for the administration of justice account—that is a fancy Senate term for the money we spend on law enforcement—below what the President requested, below what the U.S. Senate has passed, and below what the House of Representatives has passed. Let me review what has gone on so far. The President requested a total of $23.5 billion for 1997, $5 billion of which is for the crime law trust fund—which I am proud to say I was the author of, along with several others—to fund the entire Justice Department, which includes the FBI, DEA, prisons, other Federal law enforcement, and the courts—they are all included. Then the House-passed

budget resolution proposed by the Republican leadership of the House of Representatives, by a narrow partisan vote—that sounds pejorative; I mean a narrow vote that was based on party lines—226–195; 221 Republicans voted for it, 4 against, and 190 Democrats voted against it, 5 for.

What did that House budget resolution do? It cut the President's $23.5 billion request for law enforcement, and all the functions related to that, to $22.1 billion, a cut of $1.4 billion. Included in this was a $317 million cut for the crime law trust fund. That is the thing that funds all the cops—the State cops, local cops, the 100,000 cops—and that is the thing that funds prison money for States. That is the thing that funds that whole crime law.

Then the Senate passed a budget resolution offered by Chairman DOMENICI. Unlike the House, to his credit, Chairman DOMENICI fully funded the $5 billion requested by the President for the crime law trust fund. But the Senate budget resolution cut the total from the administration of justice account—that is everything else—to $21.7 billion. That is a cut of $1.8 billion below what the President wants.

Again, we are talking priorities here. We acknowledge that if we spend $1.8 billion more on crime than the Republicans want, we have to find $1.8 billion somewhere not to spend it. We acknowledge that. The point I am making is the priorities here. We do not think we should cut it from there.

Finally, the House and the Senate Republicans offered the Senate a conference report. For those listening, that is when the House passes their bill and the Senate passes their bill on the same subject, but they are different in detail. So we have a conference and literally meet in a room in the middle of the Capitol somewhere and work out the differences. Then we send back a compromised version, called a conference report, to the House and Senate, which has to be voted on again.

Now, the House and Senate Republicans offered the Senate a conference report that makes even deeper cuts than were made by either the House or the Senate in the Senate-passed resolutions to the President's request for crime-fighting dollars.

The conference cuts the President's $23.5 billion to $20.9 billion, a cut of $2.6 billion. So it has gone from $1.2 to $1.8 to $2.6 billion less being spent on crime fighting. In fact, this cut would put the administration of justice account, in 1997, below the 1996 level by $45 billion. We will spend less next year than this past year if this budget resolution were to become law, if we do what it proposes.

Mr. President, by the way, what happened to all the tough-on-crime rhetoric that we have been hearing from all sides—Democrats and Republicans? Neither side is immune from being shameless in talking about how tough on crime they are. It seems that the President held up his end of the bargain. He requested the largest ever annual budget for the FBI, DEA, U.S. attorneys, and help for the State and local prisons and police. But a majority of the Congress has been AWOL—absent without law enforcement leave here. If the proposed cut of $317 million for the crime law trust fund is allowed to stand, there can only be one result: Fewer Federal dollars will be able to combat crime.

As my colleagues know, the general numbers of the budget resolution do not specify which programs will be cut. But it is clear that some programs, when they get to the appropriators, will have to be cut below what the President and what I and others want. What specifically might this mean? Let us just review the law enforcement efforts funded by the crime law trust fund. We fund Federal prosecutors out of that fund in the amount of $55 million; the FBI, $40 million; the DEA, $200 million; border enforcement and deportation of aliens who break the law, $525 million. By the way, we spent weeks on the floor talking about why that is so important. The violence against women efforts including more police and prosecutors and more shelters for battered women, $254 million. A billion dollars for the construction of prisons and reimbursing States from imprisoning criminal aliens. And an additional $2.6 billion is to aid State and local law enforcement.

We all know there is no free lunch. So if there is a cut in the total for the trust fund, at least some of what I just read will have to be cut. It is going to be less border patrol, less efforts to combat violence against women, fewer FBI agents, fewer DEA agents. There are going to be cuts.

Again, I am not questioning the motivation. I am just saying there is an honest disagreement. I think we should cut other things rather than cops, or the FBI, or prison construction. Just because I was the author of the law that this funds, I have to acknowledge that. So I lay it out. I do have a bit of an interest in it in the sense that I spent 6 years trying to get it passed, but that is not the reason alone. I think it is the single highest domestic priority we have.

To review the potential impact of the total cuts of $2.6 billion, let us look at how the President proposed to spend his $23.5 billion that he proposes for the administration of justice accounts. Again, we cannot be sure specifically what will be cut, but it is clear that there will have to be significant cuts of the President's request.

He wants $2.5 billion for the FBI, $818 million for the DEA, $2.2 billion to build Federal prisons and maintain them, $949 million for Federal prosecutors, $372 million for interagency drug enforcement task forces which every State in the Nation is asking for help on, and $1.7 billion for immigration enforcement.

None of us can say where the cuts will have to be made, but if this budget passes, the appropriators are going to have to go out and find that money—hundreds of millions of dollars to cut from each or all of those accounts. There is no way to avoid it. None. Granted, everyone can vote for this budget, and when the FBI says, ''You voted to cut our budget,'' they say ''No, no, I didn't vote to cut your budget. The President said $2.5 billion, and I want to spend it at $2.5 billion.''

Tell me where you are going to cut the $2.7, or whatever the number is when we finish here? None of us can say where the cuts will be made, but it is clear there will have to be some significant cuts in all of these key law enforcement initiatives.

Is there anyone in this Senate, though, who thinks our Nation will be better served by a smaller FBI, by a smaller DEA or fewer Federal prosecutors? I would like for them to come forward and tell me that. Again, that is a little unfair.

That implies, by the way, that I said that people really want to do this. I am not even sure, if we had all the money in the world—economic assumptions are different—that we would have little disagreement about spending all of this money. Maybe a little, particularly by some of our friends on the House side who may think that all Federal agents are jack-booted thugs and who want to cut it out and who probably think the Freemen are doing the right thing, and so on. If they exist, they are overwhelmingly in the minority. I know of none in the Senate.

But what we are doing here is, we are saying this is the place we should cut more than we should cut tax exemptions for individuals. This is the place we should cut for corporations. This is the place we should cut rather than cut money for the Defense Department. That is what we are saying. That is what I have difficulty agreeing with.

If there are no additional resources, no more FBI agents, no more DEA agents, no more Border Patrol, no more prosecutors, no more State and local police added to our streets, no more drug testing of offenders, no more prisons built, all the new laws we can pass will not be worth the paper we write them on. If you are going to pass tough laws and say, ''Put them in prison,'' you have to have a prison to put them in. It costs money. It even costs money to shoot them. It even costs money to hang them. It even costs money to inject them lethally. It costs money.

Mr. President, this budget resolution shortchanges, in my view, the national effort against crime. I submit that this Congress could pass a new terrorism bill, or any other criminal justice reform, every single week from now until the end of the session, but if it does not require more agents, nor more law enforcement officers, nor more Border Patrol, nor more prisons, nor more prosecutors, it ain't worth a darn. But this is not the only reason I urge my colleagues to vote against this budget resolution.

America became a great economic power because we developed an educational system. Any hope we have to maintain our Nation as the world's most productive economy depends on our willingness to commit resources to our workers for the skills which they need. Ours is a great country because we respect the contributions of those who have gone before us—our parents' generation who made us into a leader of the free world.

We committed to support them. We committed to support what they have done to guarantee them the health care they need and deserve. We made that commitment. We made the commitment not only because they are parents but for what they did to build this country. Americans everywhere want and deserve clean air and clean water and not backing off.

All this stuff, by the way, about the environment, I just want to say again what I said several times before. I have not had a single, solitary Delawarian come to me and say, ''You know, BIDEN, you are spending too much money on determining whether or not my water is clean. I don't want you paying that much attention to it.'' I have not heard one single, solitary Delawarian come to me say, ''BIDEN, you are spending too much money on monitoring whether or not the water in my State is clean.'' It seems to say, to me, that is what the American people, the Delaware people, want their money spent on: clean air and clean water. We do not spend enough in this budget on those things.

On each and every one of these fundamental priorities—fighting crime, educating our children, particularly higher education, caring for our elderly, and protecting the environment—I believe this well-intended resolution fails to take care of the most important priorities that have been made by us in past generations, and continue to be the priorities we all say we care about, priorities that help us meet the challenge of the future.

Mr. President, education, crime, caring for our elderly, and protecting the environment are the priorities upon which we do not disagree on whether we should do them. I want to make it clear again. I am not suggesting that there is any Republican who does not want to protect the elderly, have clean air and water, have a good education system, and fight crime.

I am suggesting that the tools they have given us to do those things in this budget are not sufficient, and they give more than is needed for other areas which should not be priorities. If, in fact, we had all the money in the world, we will not have to make these hard choices. But, ultimately, a budget is about deciding what you think is most important, and today we measure ''most important'' by what we do not cut as much as something else. I think their priorities are not the ones that I would like to see.

And, therefore, I will urge my colleagues to vote against the budget resolution.

I see the distinguished manager on the Democratic side is here.

I yield the floor. I thank my colleagues.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I yield myself such time as I might need.

I start out by thanking my friend from Delaware for the excellent remarks that he has made on the budget in general. Once again, I listened with keen interest to the very solid presentation that he has made.

Mr. President, yesterday the Director of the OMB, Dr. Alice Rivlin, sent a letter laying out the administration's objections to the budget resolution conference report that we are now discussing. Dr. Rivlin provided a very good analysis of the budget and its many failings.

I ask unanimous consent that the text of the letter be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,

Washington, DC, June 11, 1996.

Hon. PETE V. DOMENICI,

Chairman, Committee on the Budget, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to transmit the Administration's views on the conference report on H. Con. Res. 178, the concurrent resolution on the budget for fiscal years 1997–2002.

As you know, the President has proposed a plan the Congressional Budget Office (CBO) said would reach balance in 2002. It targets tax relief to middle-income Americans, makes prudent savings in Medicare and Medicaid, and provides enough in discretionary funds to finance the President's investments in key priorities. Clearly, a balanced budget does not necessitate extreme cuts in programs on which tens of millions of Americans rely.

With H. Con. Res. 178, the Republican majority has crafted a resolution designed to appear more moderate than the budget policies it pursued last year; however, the resolution continues the extreme policies first contained in the reconciliation bill that the President vetoed last fall.

For instance, the plan calls for Medicare cuts of $168 billion—more than $50 billion higher than the savings in the President's budget, according to CBO. Since the Budget Committees have claimed that their level of Medicare Part B savings is identical to the President's, the full difference must come from Medicare Part A. Cuts of this size could limit beneficiary access to hospital health services and lead to lower payments to hospitals even in nominal terms—not just cuts in the rate of growth. This could place huge stress on hospitals, leading to lower quality and threatening the financial viability of hospitals—particularly rural and urban hospitals. In addition, the structural changes proposed in recent Republican plans would seriously threaten the long-term health and viability of Medicare.

The conference agreement also includes $72 billion in Medicaid savings, far more than in the last Republican Medicaid restructuring proposal (if estimated under CBO's new baseline). If the resolution assumes previous Republican proposals that allow for lower State matching contributions, the actual cuts in Medicaid services and coverage could reach $250 billion. Along with these cuts, recent Republican proposals have included damaging structural changes, including the block granting of Medicaid, that would undermine the guarantee of coverage. If these provisions are retained, the resolution would mean, for example, an end to the Federal guarantee of coverage for up to 2.5 million children from ages 13 to 18. It would also mean an end to the guarantee of meaningful benefits for over 36 million Medicaid beneficiaries, including 18 million children and over 6 million people with disabilities.

With regard to taxes, the resolution would raise income taxes on working Americans by assuming cuts in the Earned Income Tax Credit (EITC). In fact, the cuts of between $17–$20 billion actually would make working Americans even worse off than the latest Republican offer in the President's negotiations with congressional leaders, which called for cuts of $15 billion. We can balance the budget without raising taxes on working Americans.

In addition, the tax cuts—which purport to be $122 billion—are understated and misleading. For one thing, the cost of the child tax credit inexplicably falls in the year 2002, meaning either the revenue estimate for the credit is too low or part of the credit itself disappears. For another, the level of permitted tax cuts is actually higher. In fact, Republicans have talked about total tax cuts of $170–$185 billion. The resolution appears to reserve billions of dollars in revenues to pay for these excessive tax cuts—$36 billion from extending expiring provisions (from last year's vetoed reconciliation bill) and $26 billion from closing corporate loopholes and other tax measures (from the last Republican offer). Rather than finance excessive tax cuts, these revenues could offset some of the unnecessarily deep cuts in Medicare, Medicaid, and other priorities. By contrast, the President proposes and pays for targeted tax cuts to help middle-income Americans raise their young children, pay for postsecondary education, and save for the future.

On welfare, the President supports real bipartisan welfare reform that would move people from welfare to work and protect children. The President has consistently said he wants to work with Congress to reach that goal. The resolution, however, assumes cuts in low-income assistance programs of $53 billion over six years—$2 billion more than the recently introduced Republican welfare bill that does not meet that objective. While the new bill has more child care funding than the Republican welfare bill that the President vetoed in January, the cuts outside Aid to Families with Dependent Children and child care are actually deeper than in the vetoed bill. Like the vetoed bill, the new bill couples deep cuts with severe structural changes and bans on benefits for legal immigrants—policies that would harm children.

Moreover, the resolution instructs congressional committees, as part of the first reconciliation bill, to link welfare reform with the proposed changes to Medicaid and with tax cuts. The President wants real welfare reform, but he will not accept any legislation that would block grant Medicaid and undermine its guarantee of health coverage to millions of vulnerable Americans. Congress should not link welfare reform to Medicaid policies the President has consistently said are unacceptable. In addition, it should not pay for tax cuts by making excessive cuts in Medicaid and welfare. Finally, this reconciliation package would make virtually no progress on deficit reduction.

On student loans, the resolution assumes that reconciliation legislation will impose a cap on the amount of student loan volume in the Direct Loan program, which would eliminate hundreds of colleges from the program and deprive millions of students of the benefits of the flexible repayment options under that program, including income-contingent repayment. And the reconciliation instructions appear to require the opening of the Alaska National Wildlife Refuge, a national treasure, to oil and gas development—a policy the President has said he would veto.

On discretionary spending, we recognize that the conferees added non-defense discretionary spending for 1997 to the House-passed level. These levels, however, are still inadequate—more than $15 billion in budget authority below the President's request. In fact, the President's budget proposes higher total and non-defense discretionary levels than the conference agreement in every year through 2002—while still balancing the budget according to CBO. The non-defense discretionary levels are inadequate to fund key investments in education and training, the environment, science and technology, and law enforcement. For example, the resolution provides $57 billion less for education and training from 1997 to 2002 compared to the President's budget, jeopardizing adequate funding for such priorities as Head Start, Education for the Disadvantaged, Goals 2000, School-to-Work, education technology, Pell grants, summer youth jobs, and dislocated worker training.

In the near term, the resolution shifts more resources into defense programs than necessary, squeezing investments in non-defense programs. The resolution provides over $11 billion more in defense budget authority for 1997 than the President's defense plan—which already commits historically high levels of resources to readiness, as measured in funding per troop. At the same time, the resolution does not provide enough budget authority, compared to the President's defense program, in the critical years of defense modernization at the turn of the century—the years when new technologies come on line.

In their negotiations last winter, the President and congressional leaders found more than enough savings in common to reach balance by 2002. The President wants to finish the job, and he has repeatedly asked the Republican leadership to return to the negotiating table.

As you can see, while the Administration and Congress share the goal of a balanced budget, we have grave concerns about the approach contained in this resolution. We also hope Republicans learned from last year's experience, which included two government shutdowns and 13 continuing resolutions, that we need to work together. We want to work with Congress, as the process moves forward, to give the American people the balanced budget they deserve.

Sincerely,

ALICE M. RIVLIN,
Director.

Mr. EXON. Mr. President, we have additional speakers that will be seeking recognition. In the meantime, I suggest the absence of a quorum and ask that the time be equally charged to each side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FAIRCLOTH). Without objection, it is so ordered.

Mr. DORGAN. Mr. President, we are now in debate on the budget conference report, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DORGAN. Mr. President, is there a time agreement at this moment?

The PRESIDING OFFICER. The time is controlled under the Budget Act.

Mr. DORGAN. Mr. President, let me just yield myself 7 minutes from our side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, we find ourselves once again debating a budget conference agreement that some have dressed in new clothes and wrapped with new ribbons and brought to the floor of the Senate to say, ''Gee, we've made changes. This is a new budget. It's a different approach. And we seek support for it.''

The Senator from Nebraska, Senator EXON, I think said yesterday quite appropriately, there is nothing new about this. This is the same approach for 2 years that has been trotted out on the floor of the Senate by the majority party saying, ''Here's what we insist on in a budget agreement.'' The dilemma I see in this budget agreement is this. The conference report is designed to try to reduce spending and balance the budget, but it also includes at the same time a substantial tax reduction.

Would the American people like a tax reduction? Of course. Would it be popular to talk about cutting taxes rather than cutting spending and reducing the deficit? Yes, of course it is more popular to talk about cutting taxes. But our problem is, we have got deficits in this country that need to be brought down. There are a couple ways of doing that, but not proposing a very large tax cut is not on the list of ways to bring the deficit down. The majority party brings this conference agreement to the floor and downplays the tax cut.

I want to show my colleagues a quote from the chairman of the Budget Committee on the other side of the Capitol Building, a Congressman for whom I have great respect, Congressman KASICH, who is the chairman of the House Budget Committee. He says in response to a question:

> We will have a capital gains tax cut. We will have all the . . . Contract With America items that we originally proposed. . .. So what you ultimately get is . . . a gross tax cut number that will approach $180 billion.

The paradox is, as we are trying to reduce the budget deficit, we have folks here who want to serve dessert before they serve dinner. It does not make any sense.

The most responsible position, it seems to me, is for the majority party to set aside tax cut questions at this point and let us deal with the issue of cutting Federal spending in appropriate ways to reach a balanced budget. When we have reached a balanced budget, then let us turn our attention to the question of how we can appropriately cut taxes to reduce the burden on middle-income families.

But it is not appropriate in my judgment, to be bringing a budget to the floor of the Senate that purports to reduce the Federal budget deficit but also includes in it a substantial tax cut, much of which will go to the wealthiest Americans.

Let me quickly say I have nothing against those who have made a great deal of money in our country. Many of them are wonderful Americans who have been enormously successful. They are resourceful people who deserve and have received the benefits of doing well in our system. But it is also true that the small group on the top of the economic ladder in our country has had substantial, substantial economic gains and their tax burden has not kept pace. They have been treated very, very well.

It seems to me that when we are attempting to reduce the budget deficit, it makes very little sense for us to decide at the same time we should provide significant tax cuts to those who need them least.

Let me give you one little example. Some Americans will remember when we would read in the paper reports about studies on the amount of taxes paid by some of the largest enterprises in America. We would discover while reading the morning paper that some of the largest corporations in America have made billions of dollars and pay zero in income taxes—not a lot, not a little—zero in income taxes.

People were wondering, ''Well, if I make $20,000 a year, and work hard all day, and try to do the best I can, why do I have to pay taxes when a corporation that makes $3 billion in income pays zero?'' It is a good question. So the Congress began to address that in the mid-1980's and said, ''Well, let us put together what is called an alternative minimum tax so if a big company were able to use tax loopholes to pay zero in income taxes, they at least must pay an alternative minimum tax, a minimum tax.''

Have you heard lately of a big corporation that makes a lot of money that pays zero in income taxes? No. Why? Because there is what is called an AMT, an alternative minimum tax so they must pay some taxes.

Well, guess what is deep in the bowels of this budget? You got it. A change in the alternative minimum tax that will say to some of those corporations, ''Let's go back to the good old days. You can start zeroing out again.'' It just does not make sense for us, when we are here to try to reduce the Federal budget deficit, to say, ''By the way, let's bestow a little gift here on some of the biggest enterprises in America and say to them, 'You can go ahead and zero out, make lots of money and pay no taxes anymore.' ''

I just do not understand the mindset of people who refuse to keep their eye

on the ball. The ball is the budget deficit. The menu of changes needed to address the budget deficit does not include new tax breaks for some of the biggest corporations in the country. It does not include new tax breaks for people who make $50 and $100 million a year. And, yes, there are some people in this country who make that and they do not need a tax break.

So I ask the majority party, and instead of advertising a tired old product as something new, let us go back to the drawing boards, set the issue of cutting taxes aside, especially cutting taxes for the wealthiest Americans, set it aside and let us deal with one specific element in our responsibility. Let us use the budget in the 7-year budget cycle to reach a balanced budget. When we have done that, then let us turn to the proposition of changing the Tax Code so that it is less of a burden on middle-income families.

Let me make one important point that needs to be cleared up. I heard earlier today a discussion by, I believe, the Senator from New Mexico and the Senator from Missouri and some others. They were talking about the President's budget, the majority budget, and a balanced budget here and there. None of these budgets balance the budget. None of them—not the President's budget and not the budget that is brought to the floor of this Senate from this conference. They fall short, because in the year 2002, they will use the Social Security trust funds as ordinary revenue in order to claim they have balanced the budget. None of them balance the budget. Yet, even though they still fall short in the year 2002 of balancing the budget, the majority party says, ''We are proposing $180 billion in tax cuts during the 7-year period.''

I suppose I would probably not protest so much—I still would protest, but not so much—if the tax cuts were going in the right direction. They so fundamentally distort who ought to be paying what. These tax cuts are wrapped gifts to the biggest economic interests in America. It makes no sense to do this.

I just think, generally speaking, we ought not be talking about tax cuts until we have met our responsibility to balance the budget. This resolution on the floor demonstrably does not balance the budget, no matter what has been said on the floor today by those who push this proposal here in the Senate.

If I had the time, I would speak at length about a range of priorities. Let he finish with one point about the issues inside the budget. We must fix our Medicare Program. It is a good program. It has helped a lot of Americans. It is a program that works well. It is a program whose costs are outrunning our ability to pay those costs. We must make adjustments to it.

No one ought to come to the floor selling some snake oil that says, ''Let us cut approximately the same amount from Medicare spending so we can make room for the same amount of tax cuts. Let us take from those who do not have much by reducing the Medicare Program, and give to those who have plenty, with tax cuts for upper-income folks.'' I find that to be a strange, twisted set of priorities.

Even as I say that, I recognize all of us must find a way to reduce the kinds of budget claims the Medicare Program has in the Federal budget. We can do that sensibly, thoughtfully. We cannot do that if we want to use savings from the Medicare Program in order to make room for a tax cut. That is an inappropriate subject in the first instance while we are trying to balance the Federal budget. It will be interesting in the next week or two to see the manifestation of this philosophy.

The majority party says they are the ones that want to balance the budget. They also want to bring to the floor of the Senate a defense bill that will spend some $13 billion more than the Pentagon asks for, a star wars program that will cost some $60 billion in money we do not have to build something we do not need.

It seems to me the real test of what you stand for is not what you say, but what you bring to the floor. What specific proposals do you have? How will you require the American people to pay for them in the future? As soon as the American people understand exactly what are the details of this plan, I think they will understand the twisted set of priorities embraced by this budget conference report.

I see my colleague from North Dakota is on the floor prepared to speak about the budget. I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the senior Senator from North Dakota.

Mr. CONRAD. I thank the Chair, and I thank my colleague from North Dakota, who has spoken clearly and well on the basic point that none of these plans is a truly balanced budget. One of the most frustrating things I have felt during our discussions—about what is a balanced budget and what is not a balanced budget—is that somehow when we get inside this Chamber, our financial common sense goes right out the window. I say that because I come from a financial background. My colleague who just spoke from North Dakota has a financial background.

Frankly, Mr. President, if we were in any financial institution and said we were balancing the budget, when in part what we were doing was taking the retirement funds of our employees and throwing those into the pot, we would be laughed out of the room. Mr. President, that is not a balanced budget. The Chair knows that. I think every Senator in this room knows that. That is not a balanced budget.

In fact, this budget shows a $103 billion deficit in the year 2002 if we are to exclude Social Security surpluses. Of course, we have to exclude them if we are going to be basing our determinations on honest accounting and on the law. That is not a balanced budget.

I would point out that last year I offered the only plan that did balance the budget without counting Social Security surpluses. That was the fair share plan, and it got 39 votes here in the U.S. Senate.

I think in the interest of honest disclosure, we have to acknowledge the President's plan is not truly a balanced budget plan. The Republican plan is not truly a balanced budget plan. In fact, the centrist coalition, which I was a part of, did not produce a truly balanced budget plan. All of them were significant deficit reduction plans, but none of them achieve a truly balanced budget.

Mr. President, I want to take a few moments to talk about the budget before the Senate. I believe the most important work that any Congress does is its determinations on the budget, because that determines where the nation's resources are going to go for the next year, and beyond.

Mr. President, yesterday was a remarkable moment in this Chamber. Senator Dole, who has been here in the U.S. Senate for 27 years, retired and left this Chamber to pursue his candidacy for the Presidency of the United States. Yesterday, when he stood in the well and at the majority leader's desk and gave his final farewell address to the Members, I was struck when he talked about the things that he was most proud of, the things that he had done here that he will remember and be proud of.

What did he talk about? He talked about a series of legislative accomplishments that were all bipartisan in nature. He talked about working across the gap between Republicans and Democrats, working across the aisle to accomplish things that were important for our country.

Mr. President, I think all of us know, in our heart of hearts, when this institution works best, it works in a bipartisan way to achieve legislative advances for the American people that we are all sent here to represent.

Mr. President, it was that sense of bipartisanship that was palpable in this Chamber yesterday, but that is so lacking in this budget proposal before the Senate today. This is the same song, second verse, of a Republican budget plan that was offered last year and was vetoed by the President. There is very little difference. It is rewrapped with new packaging, but if you open up the package and look at what is inside, you find there is very little difference between what the Republican majority offered last year and what they are offering to us this year.

The press has reported, and reported widely, this is a kinder, gentler Republican budget. Frankly, they have been fooled, because this has gone from being a 7-year budget plan to a 6-year plan. They are comparing last year's 7-year plan to this year's 6-year plan, so all of a sudden the numbers look better.

Mr. President, that is not a fair comparison. You have to compare apples to apples and oranges to oranges, a 7-year plan to a 7-year plan, not a 6-year plan to a 7-year plan. If one does that, you find there is almost no change. Yogi Berra said, ''Deja vu all over again.''

Mr. President, let's look at a real comparison, a 7-year comparison, to what the majority offered just last year and what they are offering us this year. On Medicare last year, they offered $226.8 billion in cuts over 7 years. This year, if you adjust their 6-year plan to a 7-year plan, it is $228 billion of cuts in Medicare. Very little difference.

On Medicaid, last year it was $132.6 billion in cuts; this year it is $106 billion. On welfare last year, the Republican plan was $65.6 billion; this year, they have actually increased the cuts, if it is over a 7-year period, to $66.7 billion.

Last year, on the earned-income tax credit, a provision that will increase the taxes for moderate-income Americans who work, they are actually going to increase those folks' taxes, $21.2 billion in last year's plan; they have taken $1 billion off this year, and it is a $20 billion increase. Tax breaks, last year, the plan was $246.7 billion over 7 years; this year, on a fair comparison, it is $220.4 billion. Very little change.

Mr. President, I oppose this budget resolution. I do not think it is bipartisan. I do not think it represents the kind of settlement between the two sides that can be sustained. If we are serious about reducing the budget deficit and getting our fiscal house in order, we know there is only one way to accomplish that goal. We must march together, Republicans and Democrats, so we can actually enact into law what we propose here on the floor of this Chamber.

(Mr. GREGG assumed the chair.)

Mr. CONRAD. Mr. President, I want to emphasize that it is critically important that we succeed in this endeavor. Make no mistake about it, we are on a fiscal course that cannot be sustained. As I have said repeatedly to my colleagues on the Budget Committee and on the floor of this Chamber, it is true that we have seen a substantial reduction in the budget deficit, and that is certainly good news.

Without question, this chart shows what happened to the unified Federal budget deficit as a percentage of the economy from 1980 to 1996. Back in 1980, the deficit was about 3 percent of our economy, about 3 percent of gross domestic product. It then shot up to 6.3 percent in the early 1980's, worked its way back down in 1990, when it was back down to around 3 percent, and then it jumped up again to nearly 5 percent. During the tenure of Bill Clinton as President of the United States, the deficit has come down 4 years in a row. We are now down to a deficit that is less than 2 percent of our gross domestic product. That is the lowest deficit as measured against the size of the economy of any industrialized country in the world. So we have made great progress.

But no one should be under any illusion. While we have made significant progress, if we do not keep working, if we do not keep putting on the pressure of deficit reduction, all of these gains are going to be lost as we start to move toward the time that the baby boom generation retires.

Mr. President, we face a demographic time bomb in this country. It is the baby boom generation, because when they start to retire, the number of people who are eligible for programs like Medicare and Social Security is going to double. We are going to go from 24 million people eligible for Social Security and Medicare to 48 million people eligible. None of us can put our heads in the sand and say it is not going to happen. It is going to happen. And the consequences are going to be enormous, and they are going to be severe. We have been told by the Entitlements Commission that if we fail to change course, by the year 2012 every dime of Federal revenue will go for entitlements and interest on the debt. There will be no money for any of the other functions of the Federal Government. There will be no money for roads. There will be no money for parks. There will be no money for education. There will be no money for research.

Mr. President, that is not an acceptable result. We were also told last year that if we stay on the current course, future generations will face either an 82-percent lifetime net tax rate or a one-third cut in all benefits. Let me repeat that because I think it is so jarring that most people almost cannot hear it when you say it. We were told last year that if we stay on the current course, future generations will face either an 82-percent lifetime net tax rate or a one-third cut in all benefits. Does anyone believe we are going to have an 82-percent tax rate in this country? I do not believe it. That is never going to happen. So the alternative is a one-third cut in all benefits. What a disaster that would be for those who are anticipating and counting on those programs to be present when they retire.

Mr. President, it is not only for those reasons that we must move to reduce the budget deficit further, it is also because balancing the budget will provide an enormous boost to our economy. Economists have told us repeatedly that if we reduce the deficit, that will expand the pool of national savings that are available for investment. It is only through investment that we are able to improve future economic growth. We have to have investment to grow.

Where do you get money to invest? You have to have savings in order for there to be investment. Where do those savings come from? Well, they come from the private sector. But they also come by eliminating the budget deficit because the budget deficit eats into the pool of savings that are available for investment—that investment that is necessary to improve the economic performance of our economy.

Mr. President, all we have to do is look back and see what we accomplished by the 1993 budget plan that cut spending and, yes, raised income taxes on the wealthiest 1 percent in this country. That plan significantly reduced the deficit. There were certainly other factors, as well, that contributed to that deficit reduction. But because we reduced the deficit, the pool of societal savings was increased, interest rates came down, business investment went to a 30-year high, 9 million jobs have been created, and the American economy has been on a path of sustained growth.

Mr. President, we should not let this opportunity pass us by again this year. We should seize this opportunity and, on a bipartisan basis, form an agreement to reach a budget accord that would get this job done, that would move us toward fiscal responsibility, that would move us toward balancing this Federal budget. Let me just say that, very often, people talk about balancing the budget in moralistic terms. Unfortunately, I think that turns off a certain segment of the American people who think, all that is in deficit reduction is pain, all that is in it is cutting programs we like, or raising our taxes, or some combination of both. None of it is good news.

Mr. President, there is enormous good news in deficit reduction. The good news comes when you lower interest rates and save the American people money. A 1-percent drop in interest rates, as a result of deficit reduction, means individual savings of almost $5,000 over 5 years on a conventional mortgage. Just think of what that means to the average American family. A 1-percent reduction in interest rates on their home mortgage means, to the average American family, nearly $1,000 a year, or $400 a year on a 5-year car loan. And to people in my State—my State is a farm State, North Dakota—it means nearly $1,000 a year of savings to a North Dakota farmer.

So not only is balancing the budget better for the average American now, it is also of the utmost importance for economic growth and our children's future. We were told last year by a GAO study that if we would balance the unified budget by the year 2002, this economy, by the year 2029, would be 25 percent larger than if we failed to change course. Think of what that means in terms of jobs and opportunity and economic growth. Think of what that means in the quality of our children's lives.

Mr. President, I know the occupant of the chair is somebody who has been dedicated to deficit reduction. I must say of my colleagues here in this Chamber, I think few match the occupant of the chair for his dedication and seriousness and commitment to deficit reduction. I applaud him for it, because

I think all of us can see that it is clearly in the interest of our country. Somehow we ought to find a way to work together to achieve that result.

Let me say that the budget before us troubles me in many respects. First of all, the first reconciliation package that the budget resolution conference report provides for—that first reconciliation bill provides for $124 billion in mandatory savings for Medicaid and welfare, but up to $122 billion in tax reductions. That is a fine way to begin a deficit reduction effort—to start by spending every penny that we save.

Mr. President, that is not my idea of a path toward deficit reduction.

Let me say that the Republicans in this latest proposal have made some improvements in their Medicaid package, but the proposal remains fatally flawed. It does not provide a guarantee of a meaningful benefits package, and it gives away Federal dollars to the States through changes in the Federal matching formula and the repeal of a restriction against State scams to tap into the Federal Treasury. Well, I can understand why some of the Governors of this country are lined up behind this proposal. I can understand why those Governors support it. It is great for them. They are able to tap into the Federal Treasury to replace some of the money that they are currently spending.

Mr. President, we have seen the scams that have gone on in the past by way of provider taxes in which the States would engage in what is really an accounting sham to shift their spending onto the Federal Government in order to relieve State budgets and make it a Federal budget obligation and responsibility.

Mr. President, that is the last kind of high jinks we need if we are serious about reducing the Federal budget deficit. The Federal budget is out of balance. The last thing we need to do is shift responsibility and obligations from State governments to the Federal Government, when the Federal Government cannot meet the obligations it currently has.

In sum, might I say that the assumptions contained in this budget resolution with regard to Medicaid are designed as a poison pill to ensure that the President does not sign a welfare reform package. They have linked Medicaid changes that are totally unacceptable to the President with welfare reform knowing that he cannot accept the Medicaid part of the package. So they know he cannot accept the package as a whole.

What we have here is a political game. It does not serve either side well. It does not serve the American people well. And it does not lead us to resolution of anything.

With respect to welfare reform, let me say that I am a strong advocate of welfare reform. I think it is intolerable that we have a system that abuses everyone in the system, abuses the taxpayers that pay for it, abuses the recipients who receive it, and abuses all the rest of us who must witness the results of a system that clearly is failing.

Last year Congress debated welfare reform, and one of the most important lessons we have learned is that in order to have successful welfare reform, we must work together. We had a package that passed the Senate overwhelmingly on a bipartisan basis. I wish the same could be said of the budget proposal that is before us. But I cannot. It was not done in a bipartisan way. As a result, we have a package that is not going to work.

Last year, I introduced my own sweeping welfare reform package that emphasized work, that protected children, that safeguarded taxpayers. Those are the principles that we ought to, on a bipartisan basis, apply to writing a budget resolution as well.

A few weeks ago, Republicans introduced their new welfare reform package. I must say I have concern about many of the provisions contained in this proposal, including decreasing the maintenance of effort to 75 percent. This proposal has the potential to allow States to supplant, rather than supplement, State spending on low-income families with Federal dollars. That is not what we ought to do as we go about the important task of reforming the welfare system.

The proposal also lacks provisions to promote Government accountability and to ensure the integrity of Federal funds.

Another major deficiency, in my judgment, in the Republican proposal is the State option to block grant the Food Stamp Program. The Food Stamp Program is the anchor for the Nation's nutritional safety net. The program has an impressive history of responding to economic fluctuations in our country and changes in child poverty levels.

Senator Dole stood at the majority leader's desk yesterday and said one of his proudest accomplishments here in the Senate was the Food Stamp Program. Mr. President, Senator Dole was right. That is a proud accomplishment. The program can be improved, and it must be.

But we should not take steps that might undermine and destroy that program that has made such a difference in the lives of millions of Americans. No American ought to go to bed at night hungry. That is what the Food Stamp Program has changed.

I remember very well coming here as a teenage boy and listening to testimony before the Senate Agriculture Committee—Senator Dole was a member—about hunger in America, and the very real circumstances that families faced up and down the east coast of the United States, and in the central part of America where hunger was prevalent before we had a Food Stamp Program.

Senator Dole spoke movingly yesterday about what he himself saw in a hearing that was held in South Carolina—hungry people that were helped by a program that was passed on a bipartisan basis.

The conference report of the budget resolution also provides for a reconciliation bill to consider Medicare reform in July and a tax cut bill coupled with other mandatory savings in September. I am disappointed that a reconciliation bill to provide tax cuts, which may not be fully offset, is provided for in this conference report.

When the Senate considered the budget resolution, much was made of the fact that the first two reconciliation bills would have to be enacted first in order for the Senate to consider the third reconciliation bill which would have the tax cuts in it. Now, all of a sudden, that is all out the window. It shows, I believe, the real priority of some in this Congress to cut taxes regardless of whether they are accompanied by tough budgetary decisions to make certain that the deficit is not increased as a result.

This approach really makes me wonder if we have learned anything from the disastrous fiscal policies of the 1980's. Are we really going to embark on that course once again of cutting taxes and not having the spending cuts to go with them and seeing the deficit mushroom and seeing the economic security of this country once again threatened? Is that really the course we are going to embark on? I hope not.

Mr. President, I also want to comment briefly on the discretionary spending proposals that are contained in this budget resolution. This proposal contains huge and completely unrealistic cuts in discretionary spending. Behind the scenes it is kind of laughed at by everybody who has really spent time on these budget proposals.

Whether it is the President's proposal or this Republican proposal, these domestic cuts are totally unrealistic. Everyone knows they are not going to happen. It is kind of the dirty little secret of these budget plans. They are back-end loaded, both of them.

I have another chart that shows what we are faced with by both of these budget plans—how truly unrealistic they are. This shows the distribution of the total savings in the budget plans, both the President's plan and the Republican plan before us. It shows by 2002 what the savings are.

But look at what happens under both of these plans. The Republican plan has 64 percent of its savings in the last 2 years. The President's plan is no better. He has 66 percent of his savings in the last 2 years. Over the last 3 years, they are identical. Both of them have 82 percent of their savings in the last 3 years.

A big chunk of this is domestic spending cuts in both the President's plan and the Republican plan. They are not going to happen. They are unrealistic. We would be much better off to be honest with each other and have a spending plan that might really be sustained by future Congresses so that we can be on a path that really gives the result all of us seek—getting the Federal budget deficit under control. That

is in our common interest. It is in our country's interest. It is what we ought to do.

I will just close by saying I will oppose the conference report on the budget resolution. I think it sets in motion another partisan political war over budget priorities and contains misguided priorities. As I indicated earlier, I think it is the same song, second verse, of what we saw last year—very little difference if you compare it on a 7-year basis to what was offered by the majority last year and what is being offered this year.

I close by saying, there is another way. There is another way different from what the President has proposed and different from what the Republican majority has given us in this budget resolution; that is, the centrist plan that got 46 votes here on the floor of the Senate just a few weeks ago. Twenty-four Democrats voted for that plan and 22 Republicans voted for it, even though the leadership on both sides were opposed to it. I think that sends a signal that we were on the right path.

I would be the first to assert that it is not a perfect plan. It was the product of compromise. But it was the product of bipartisan work—the only place where there has been a successful effort to reach across the aisle to try to bring agreement and closure to a plan that would really put us on the path to serious deficit reduction, and not just deficit reduction until 2002, but deficit reduction beyond that time.

As I said earlier, that plan is not a balanced budget plan either because, as I have indicated, of the use of Social Security surpluses.

Mr. President, I hope that before this year is over we can go back to a process of bipartisanship, of reaching out and working together to achieve a result that is important for our country.

I thank the Chair. I yield the floor.

Ms. MIKULSKI. Mr. President, I rise in opposition to the budget resolution conference report. I oppose this conference agreement because it fails to meet the day-to-day needs of the American people. I oppose it because it threatens the economic and retirement security of our most vulnerable citizens. And, I oppose the conference report because it fails to make the investments in education and training that are needed to prepare our work force to meet the challenges of the global marketplace.

Mr. President. Let me be absolutely clear. I believe we need a balanced budget. I voted for just such a plan when the Senate considered the budget resolution. I joined with 44 of my colleagues in voting for the President's budget plan, which would achieve balance by the year 2002.

The President's plan cut spending by $528 billion over 6 years. But it made these cuts without jeopardizing the Medicare Program, without jeopardizing Medicaid, without harming the environment, and without excessive cuts in education and training.

Unfortunately, the conference report before us is the same old wolf in new sheep's clothing. Let me mention one area of particular concern to me. Under this conference report, once again, Medicare and Medicaid are under assault. This plan would cut Medicare spending by $168 billion. These massive cuts, coupled with the structural changes proposed by the Republicans, will turn the Medicare Program into a second-class system for the sickest and poorest of our seniors.

The Medicaid Program would be cut by $72 billion, and under Republican Medicaid proposals some 36 million people will lose the guarantee of access to health care, while others may be forced to accept a reduced level of benefits. Together these Medicaid and Medicare cuts make the promise of health security impossible to achieve.

What is particularly distressing is that these massive cuts, cuts which will be felt most seriously by our most vulnerable citizens, are being made to pay for tax breaks for the wealthy. While the budget plan I supported eliminated special interest tax breaks, providing $40 billion in additional revenues, the Republican plan contains absolutely no savings from this category. Instead it contains tax breaks in the order of $180 billion.

I think that is an outrage. And I believe it does not reflect the needs and priorities of the American people.

Mr. President, I was elected by the people of Maryland to save lives, to save jobs, and to save communities. I work every day to meet people's day-to-day needs, and I want a budget that reflects those priorities.

This budget plan sets us on the course for the same painful and divisive budget battles that we fought all last year. It is a prescription for gridlock.

Yes, we must balance the budget. But the way to do that is to follow a steady, responsible course toward deficit reduction. We have made much progress under the Clinton administration in moving toward a balanced budget. In fact, the budget deficit has declined to $130 billion, less than half of the $290.4 billion deficit President Clinton inherited from the previous administration.

We have tightened belts and made many tough decisions to achieve this success. And we will continue to do more. But we have done that while protecting people and priorities. That is what the citizens of Maryland sent me here to do.

That's why I believe we need to reject the extremism of this conference report, and reach for the sensible center in our budget negotiations. And that is why I will vote against this conference report.

Mrs. MURRAY. Mr. President, I rise to express my displeasure with House Concurrent Resolution 178, the Republican budget resolution, and my disappointment that the budget was not improved during the House-Senate conference. Rather, the budget has grown even more troubling since going into conference. And I want to take a few minutes to discuss some of the provisions that concern me.

Two weeks ago, I voted against the Senate Republican budget resolution because it failed to reflect the priorities and values held by most Americans—the belief that we need to ensure our quality of life, educate our children, and care for our elderly and disabled.

The majority party could have improved the budget in the House-Senate conference meeting. They could have acknowledged the growing support for the centrist budget and the strong desire to reach a true balanced budget compromise. We should not forget the Chafee-Breaux balanced budget proposal received 46 votes, and I was proud to be among them. It received strong bipartisan support, and it is proof that Congress can get the job done.

Mr. President, House Concurrent Resolution 178 took an extreme Senate Republican budget and made it worse. Rather than moving toward the centrist budget, the Republican leadership yielded to some disturbing House positions. Their actions lead me to believe some Republicans want gridlock—they do not want a balanced budget compromise.

For instance, House Concurrent Resolution 178 includes a section known as the Government shutdown prevention allowance, or section 307. This section quite simply confirms the Republican strategy not to reward the American people with a balanced budget agreement this year. This section acknowledges the fact that the Republican budget is too extreme to be accepted by mainstream Americans.

Section 307 states the Budget Committee chairman can increase appropriation spending caps by $1.3 billion if the appropriators pass a continuing resolution. This language makes it very clear the Republicans intend to pass a long-term CR rather than work toward a comprehensive budget agreement. Mr. President, the American people expect and deserve better. The American people do not want to see us throw the towel in early.

The budget conference also reveals the fact that Republicans again wish to give tax breaks to the wealthy by cutting Medicaid coverage for the poor. Mr. President, after last year's budget debate, I would have thought the Republicans learned Americans are not in favor of giving tax breaks to the wealthy by cutting health care coverage to our children, elderly, and disabled. As written, the Republican budget cuts Medicaid by $72 billion over 6 years. Along with welfare reform, the Medicaid cut will offset $122 billion worth of tax cuts.

A year ago, I was opposed to cutting back Medicaid because it provides health care for our poorest children and it ensures quality nursing home standards for our parents. But, after

talking to health care experts in Washington State, I concluded my home State could still serve our most vulnerable populations while absorbing a significant cut to Medicaid. I am willing to concede that point, and I know now that if we all give a little, we can reach compromise.

However, we should not be cutting Medicaid simply to hand out politically-popular tax breaks. That does not make good sense—that would not fall in line with our recent efforts to become more fiscally responsible.

And, Mr. President, let us remember exactly where we are on this road to ending the deficit. Since 1993, we have made great progress toward reducing this Nation's deficit. CBO estimates the 1996 deficit will fall to $130 billion—the fourth straight year the deficit has declined. We have cut the budget deficit in half in less than 4 years, and today's annual deficit is the lowest percent of our gross domestic product since 1980. I'm proud of this fact. I am proud to have been involved in crafting the omnibus budget package of 1993. That deficit reduction package has us on the right track.

Our need to do more, however, spawned a bipartisan group of Senators to come together and formulate a well-reasoned, well-balanced budget proposal. I commend Senators CHAFEE and BREAUX for their leadership and hard work on this matter. I voted for their budget alternative because it is exactly the kind of bipartisan teamwork congress needs. Certainly, I would like to see less savings come out of discretionary accounts that include education, job training, trade promotion, and the environment. And the tax cuts may be too generous.

The Chafee-Breaux plan may not be perfect, but I believe it is probably the most realistic compromise one could craft. I am hopeful this centrist plan will become the framework for future budget negotiations.

Mr. President, this past year has taught us we can reach a balanced budget. We learned we can formulate a balanced budget that uses common sense and reflects America's values and priorities. That is why Senator KERRY and I offered an amendment to restore education and job training funds in the Republican budget. As my colleagues know, this amendment failed despite the fact that the Republican budget will cut education spending 20 percent from current levels.

Americans understand how important education and job training investments are for our children, and the future success of this Nation. A recent USA Today poll found that education has become the most important issue for Americans—ranking above crime, the economy, and the quality of one's job.

Mr. President, we have a lot of work to do if we are going to reach a balanced budget. But the truth of the matter is that both parties have agreed to enough savings that we could balance the budget today if we really want to. When considering the entire budget, the difference between the two parties amounts to less than 1 percent of the Federal Government's spending. A balanced budget plan is possible. All we need is the courage to find compromise.

I look forward to working with my colleagues on the Appropriations and Budget Committees in order to make sure this Congress' spending priorities are balanced and in line with our constituents' wishes. Unfortunately, today's budget resolution fails to strike a balance. It is simply a replay of last year's failed Republican budget. And I will be fighting to make sure this Congress does not lose sight of what is truly important to our friends and families.

We have made tremendous progress in the past 3 years. The 1993 budget reconciliation enabled us to cut the deficit in half, and create over 9 million jobs in the process. This is great news; but that is not all—last year we narrowed the differences in the competing budget plans to just a few, and a centrist plan to bridge the gap fell short by only five votes. We are close. We are very close to finishing the job.

I urge my colleagues to reject this partisan plan and rededicate themselves to reaching a workable compromise.

Mr. FEINGOLD addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. FEINGOLD. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNICATIONS DECENCY ACT

Mr. FEINGOLD. Mr. President, this morning, the three-judge panel sitting in the U.S. district court in Philadelphia issued its decision in the case involving the Communications Decency Act, which was included in the telecommunications bill signed into law earlier this year.

I opposed the Communications Decency Act when it was first proposed in the U.S. Senate, because I believe this measure would have a chilling effect upon communications transmitted over the Internet, and it would stifle the expansion of this important and exciting new communications vehicle.

My concern was that the Communications Decency Act injected Government censorship into communications over the Internet that would not withstand a first amendment challenge and would be harmful to the development of technology to do what the proponents of the Communications Decency Act said they wanted to do, and that is to protect minors from exposure to pornographic material transmitted or made available on the Internet.

I also joined the Senator from Vermont [Mr. LEAHY] in introducing legislation to repeal this patently unconstitutional infringement of first amendment rights. Let me take my hat off to the Senator from Vermont who has been a great leader on this issue. It has been a bit of a lonely fight out here, given the vote we had on the Communications Decency Act, but the Senator from Vermont has been very instrumental in raising this challenge.

I am delighted to report that the court this morning acted in a decisive manner and issued a preliminary injunction blocking the Federal Government from enforcing the act. In a decision which I believe recognized the unique nature of the Internet, the court wrote:

> As the most participatory form of mass speech yet developed, the Internet deserves the highest level of protection from Government intrusion.

Mr. President, let me repeat. The court has said ''the Internet deserves the highest level of protection'' of any form of communication or mass speech.

This decision followed an extraordinary court proceeding in Philadelphia where the three judges were actively involved in learning about how people communicate across the Internet and the limitless potential the Internet now provides. They were also exposed to detailed information on how this same technology can and should be used to block access to certain material by minors. What they found, as some of us tried to note in the congressional debate, was there were far less intrusive means of achieving the goal of protecting minors than the approach utilized in the Communications Decency Act, which would impose content-based restrictions on information transmitted by adults over the Internet.

It is a longstanding constitutional doctrine that when the Government chooses to interfere with fundamental constitutional rights, even for a very good cause, it can only do so in the least restrictive means available. Clearly, the Communications Decency Act has failed to meet that test.

I firmly believe that if Members of Congress had this kind of tutorial that the members of the court had on the workings of the Internet and the alternatives available to protect access by minors to certain material, I think the Communications Decency Act would never have become law in the first place. This measure was pushed through Congress with minimal understanding or debate over the far-reaching implications of its provisions, and I think that was a mistake.

The issues relating to the Communications Decency Act are larger than the so-called adult expression or communication. The core issue is whether Government, and in particular the Federal Government in Washington, DC, should decide what we see, hear, and write. The Constitution protects every American from this kind of censorship, except for very narrow circumstances, which did not exist in this case.

So today, the court in Philadelphia affirmed our basic fundamental right to freedom of expression in this new mode of communication. I think it is a victory for those who support freedom of speech and for those who want to see this new dynamic communications technology develop safe from the chilling threat of Government control and censorship.

Mr. President, I yield the floor.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1997—CONFERENCE REPORT

Mr. HOLLINGS. I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. HOLLINGS. Mr. President, the explanation of the conferees has come to my attention. It is a joint explanatory statement of the committee of conference on this particular conference report, and on pages 32 and 33, starting at the bottom of page 32, it reads:

> The first use of reconciliation was for legislation that reduced revenues. In 1975, the applicable budget resolution, House Concurrent Resolution 466, provided an instruction to both Ways and Means and Finance to report legislation decreasing revenues. Notwithstanding the fact that the authors of this 1974 Budget Act were neutral as to the policy objectives of reconciliation, since 1975, reconciliation and reconciliation legislation has been used to reduce the deficit. The cited conferees notes while this resolution includes a reconciliation instruction to reduce revenues, the sum of the instructions would not only reduce the deficit but would result in a balanced budget by the year 2002.

On the last point, of course, Mr. President, we only have to turn, once again to the facts. This is almost getting to be an exercise in futility. Somehow this is the only place in America where the truth cannot be recognized, even when they print it for you in black and white.

I refer specifically to the concurrent resolution on the budget for the fiscal year 1997. At the top of page 4, you will see where they have listed deficits for the purpose of the enforcement of this resolution. ''The amounts of the deficits are as follows,'' and it lists fiscal years 1997, 1998, 1999, 2000, 2001, and for the fiscal year 2002, where the distinguished conferees, and particularly the chairman of the Budget Committee, is using the expression ''balanced budget,'' his own document, for fiscal year 2002, shows a deficit of $103,845,000,000.

Reading further down the page to section 102 on page 4, you will find that in the fiscal year 2002, the amount of the increase in the public debt, subject to limitations, are for that year $130 billion. So how do you balance the budget by the year 2002, and yet you have to go out and borrow $130 billion?

My point here is to change this record with respect to reconciliation, because the truth, as stated by the distinguished Senator from New Mexico at that particular time—is shown here on page S. 15351 of the CONGRESSIONAL RECORD of the U.S. Senate dated December 3, 1980—not 1975. And I read the words of the distinguished chairman, now chairman of the Budget Committee, Senator DOMENICI of New Mexico:

> I think it is fitting that that last event signifies the possibility of a new beginning because, as a matter of fact, this is the first time in the history of our country that we will send a bill to the President that is called a reconciliation bill, and that means that some of the laws of this country have been reconciled with the budget. That means that they have been changed so that they come more into sync or more harmonious with a budget that is left unchanged. That is what reconciliation means. With all the years that our distinguished Republican leader, Senator Bellmon, has spent patiently working with the institution to bring some real support for this process into fiscal restraint reality, I think it is at least reaching fruition when we have a reconciliation law that will go to the President. I hope after the Senate votes today I commend him for that. Also obviously, it is an extremely fitting event for Senator HOLLINGS. He did not have the privilege of being chairman of the committee for very long, but he worked on the committee for years, and I think he must feel very good today knowing that under his leadership, this first reconciliation act will become a reality.

That is the record made by the now chairman of the Budget Committee in 1980 and not 5 years previous thereto in 1975.

Specifically, Mr. President, in 1975, and I read from page 40297, dated December 12, 1975:

> Mr. MANSFIELD. Mr. President, for the information of the Senate, I have a few announcements. At 12 o'clock today, we will be proceed to the consideration of the conference report, of the defense appropriations conference report. After that, Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the tax bill, H.R. 5559 that is to be laid before the Senate and be the pending business.

The majority leader called it a tax bill. A wrangle ensued. My good and very clever friend Senator Long, the former distinguished chairman of the Finance Committee, was trying to limit debate and limit amendments. He very liberally referred to it as a reconciliation bill, but it was not a reconciliation. It was a tax bill.

At that particular time, the former chairman of the Budget Committee, Senator Muskie, was momentarily misled trying to back Senator Long. But if you will read the RECORD, they finally ended up, Mr. President, by calling it a tax bill and entering into a unanimous-consent agreement requiring that all amendments be germane except for one nongermane amendment to be offered by Senator Hartke, the then-Senator from Indiana. The RECORD is clear that the bill was a tax bill despite the erroneous use of the word ''reconciliation.''

Having worked on that budget, having been a part of the process during the 1970's, having helped Senator Muskie on budget conferences, we know that the first reconciliation bill in the history of the United States was in December 1980.

That is not only supported by the statements made by the Senator from New Mexico, but also by the statements made by our House colleagues. I could refer to what Congressman Dick Bolling called it, Congressman Latta, Congressman Panetta, and others as well.

So the precedent relied upon by the Parliamentarian which we had to appeal quite simply misrepresents what actually happened. I hope that it will not have any standing whatsoever in this body because when they look at the facts, the truth will have out that reconciliation throughout its history has always been used as a budgetary tool to reduce the deficit, not increase the deficit.

My point is, Mr. President, that under this reconciliation bill, the Republicans have perverted the process in order to cut taxes somewhere between $122 and $180 billion. It is very difficult to estimate it at this particular point.

Mr. President, I ask unanimous consent that I be yielded 2 more minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, what they have in mind is to split up the reconciliation bill. To use the process for political purposes in sending the President a legislation that combines Medicaid and welfare reforms to pay for tax cuts. Even the casual observer should be able to see what's going on. The Medicaid cuts will have to be vetoed by the President because they take away the fundamental protection that we give children in the United States of America. Even the Governors do not want to do that.

Then it comes down to September and last of three bills that they will call a reconciliation bill. And in the heat of a national presidential campaign, they will come forward with the political gift of a tax cut.

But a tax cut for wealthy corporations, or for the poor, or for the rich, or for the middle class, or for anybody is sheer nonsense.

We are running deficits right now, according to this conference report that we are going to vote on. I started to say, they know no shame. But I have to amend that comment for the simple reason that the House Members know some shame. I say that because somebody over there has held the budget up that we were going to—bam, bam—put through the House, put through the Senate, and finish this afternoon. The reason we do not have it this afternoon—it increases deficits.

Under this conference report, for the year 2002, the Government will run, under a best case scenario, a deficit of $103.8 billion.

In sum, Mr. President, we do not have the luxury of revenues to cut. We cannot go in two different directions at once, but that is exactly the road that this conference report takes us down.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HOLLINGS. Mr. President, I ask unanimous consent for 1 more minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. We have to pay the bills. We have to stop playing games and telling the people that somehow you can get tax cuts, when the resolutions says that next year we will be running deficits in excess of $227 billion.

Mr. President, it is obvious this is just a sordid political game that is totally shameless. They come in here with these political, long pass plays. Let us get rid of the gasoline revenues—but just temporarily until after the Presidential election.

Nobody ought to appear in the U.S. Congress where we are supposed to be responsible with that kind of nonsense. But they come in here with that. Now with deficits projected at $227 billion for fiscal year 1997, they say, ''We can get a tax cut and balance the budget.'' I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. GORTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, the sole issue before the U.S. Senate that is being debated this afternoon and voted on at such time as the House has completed action, is whether or not we accept a budget resolution agreed to by a majority of conferees on the budget.

Once again, we are engaged in debate in which the opponents of this resolution, without exception, give lip service to a balanced budget. But as has been the case this year, last year, in 1994, in 1993, and every year back through the 1970's, it is always a different balanced budget, not this one, not the resolution we have before us right now.

More taxes, says the Senator from South Carolina; more cuts in defense says another Senator; less in the way of a restriction on entitlement growth, says a third.

Mr. President, I am convinced that it is that kind of ''I'm for a balanced budget, but not this one, not now, not this year, not this way,'' that causes us to have a national debt that exceeds $5 trillion.

If I had my way, Mr. President, this would not be the balanced budget that we would be adopting. If the Presiding Officer had his way, this would not be the balanced budget we would be adopting. If my close and distinguished friend, the Senator from New Mexico, who chairs the Senate Budget Committee, had his way, it would not be this balanced budget that we would be adopting.

But I believe that each of us has said, even though he has not gotten his own way as against 99 other Members of the Senate, it is more important to take this step and to move forward in a correct and responsible direction than it is to say, ''Not now, not this year, not this way. Do it my way or don't do it at all.''

I listened with great sympathy to my friend on the other side of the aisle, the distinguished Senator from North Dakota, and I listened to him with great sympathy because of his obvious and evident dedication to reaching this goal. He and I and the Senator who is now presiding all were a part of the bipartisan group to which he referred.

We worked for months on a proposal which would balance the budget and which could join together Republicans and Democrats. In spite of the opposition of the leadership in both parties and the President of the United States, we got 46 votes for our proposal. But 46 is not a majority of 100 Senators.

I believe that was superior to the resolution that is before us now, but I do not believe it was perfect. As the Senator from North Dakota pointed out, each of us who was involved in that set of negotiations gave up something for the greater good.

But we do not have that proposal before us right now. I must say that I am disappointed in my friend from North Dakota because the question is not whether or not there is a better way to do this—each of us can find something that he or she would use to improve this proposition—the question is whether or not we are going to do something that moves us decisively in the right direction or nothing at all.

I regret to say that, I guess, Mr. President, in the ultimate analysis we may do nothing. Oh, yes, we are going to pass this resolution. This is a responsible resolution which allows American working families to make at least a slightly greater judgment over how they spend the money they earn than they can do at the present time by lowering taxes on those families. That moves modestly, though not decisively enough, in the direction of reducing the growth of entitlement programs which are destroying the fiscal stability of this country and eating the heart out of the futures of our children and our grandchildren, and a resolution that deals responsibly with our need to fund something else through this Government than just a handful of huge income transfer programs and entitlements. We have that choice on one side, perhaps too modest on entitlements, too modest on tax relief for American working families, I think perhaps too stringent on much of our discretionary spending.

Nonetheless, we have a choice of doing that or saying, ''Oh, no, this is not perfect. We will vote against it. We will do nothing. We will leave it until next year.'' Almost inevitably, a President of the United States running for reelection is going to end up vetoing all of the formal major statutory changes that would move us in this direction.

I can only be reminded in connection with his actions, most regrettably, Mr. President, by the supposed comment of Louis the XV of France on his deathbed: ''After me, the deluge.''

The President sees a Medicare trust fund report that says that the Medicare hospital trust fund will go bankrupt in the year 2001, and even if he is reelected President of the United States, that is after his watch is over. So we do not need to do anything now. We can continue on the status quo road, at least until after this next election. It is exactly that attitude, which certainly is not exclusively held by the President of the United States, ''Let's wait until after the next election,'' that has given us this $5 trillion in debt.

I hope against hope, Mr. President, of course, that in addition to a degree of responsibility of party discipline on this side of the aisle, we will have Members of the other party who say, ''This is not exactly what I wanted, but it certainly moves us in the right direction as a country. It certainly provides a degree of relief for this Nation. It will certainly help generations who are going to come after us who cannot vote in the elections of 1996. So I will swallow some of my reservations, and I make that move in the right direction.''

I hope against hope that the President will believe that is at least as advantageous as demagoging the issue. I will hope next year we come closer to doing something like the bipartisan budget that failed by so narrow a margin. I hope for all of those things, Mr. President, the only actual duty that I have right now and that every other Senator has right now is to say yes to this proposal that moves in the right direction, or, no, we can go another year without doing anything at all, letting the situation get worse and worse and worse.

Mr. President, the overwhelming argument is in favor of the passage of this budget resolution.

Mr. HOLLINGS. Mr. President I ask to be recognized for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, my distinguished colleague from Washington, who I have the privilege of serving with not only on the Budget Committee but on the Commerce Committee, and for whom I have the greatest respect, says that what we are hearing now is nothing but lip service from people who do not want to do anything. People who say, ''Not this way, not that way.''

The truth of the matter is, Mr. President, he knows otherwise. This particular Senator, his colleague, voted for a balanced budget in 1968, offered a freeze that they still refer to as the ''Fritz freeze,'' and coauthored Gramm-Rudman-Hollings with cuts across the board. We passed that, got President Reagan to sign it. We followed that up in the Budget Committee with a bipartisan proposal to increase taxes because we found out that you could not choose this way or that way, but rather needed all of the above. We needed to freeze spending, we needed to make cuts, we had to withhold new programs, and we had to increase taxes in order to get a balanced budget.

That brings me to the point. Do not come here and blame the President, saying that he has put off the tough decisions until after the next election. In December 1994 the leaders of the new Republican majority appeared on ''Meet the Press'' and said the President was irrelevant, they didn't care what he said. But as this conference report lays bare, the Republicans have their sights set on the White House in 1996. That is why almost two-thirds of the tough choices under their plan are deferred until the Presidential election in the year 2000.

So the 7 year, ''do nothing in two Presidential elections'' approach was what the contract crowd proposed. That was the arrogance of the whole thing. This debate is not about President Clinton. In 1993, he proposed a budget that did something about deficits—the only President that has reduced the deficit in the past 30 years. He cut the deficit $500 billion. He taxed Social Security and gasoline. He cut Medicare $57 billion. And he did it without a single Republican vote.

The unmitigated gall of those who will stand on the floor of the U.S. Senate and say the President is tricky or the President backloads or the President does not care about deficits. There ought to be ashes in their mouths. They are the ones that caused this fiscal cancer. President Clinton has moved us in the right direction.

We are trying to get together and get something done. But to come and call this a balanced budget, where their own document shows that they have a deficit of $103.8 billion in the year 2002, is a pure sham. It is all politics.

It is sordid legislation they are bringing up here in the months before the election. They ought to be ashamed of themselves.

I yield the floor.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum, to be equally charged.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KEMPTHORNE). Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I might say to Senators—I am sure Senator EXON would agree with this statement—the hour of 3:30 is going to arrive and the House will not have sent us the resolution, so we cannot vote. The unanimous consent said we would vote at another time tomorrow, to be established by the majority leader in consultation with the minority leader.

I think, for Senators who might want to speak this afternoon, we are trying to get off of the resolution at 3:30, which was when we were going to vote, and then have a reasonable amount of time left, by agreement, for when we bring it up tomorrow. So, if other things have to get done, they can today. Clearly, there is no reason to sit here without the resolution and using the Senate's time.

Mr. President, I think Senator HOLLINGS, the distinguished former chairman of the Budget Committee and ranking member for some period of time, has in his own way attempted to make a case against one of the reconciliation instructions in this budget resolution.

Frankly, I now have in my hands the second concurrent resolution on the budget for fiscal year 1976, Mr. Muskie, chairman, conference report. I just want to read it, and perhaps I might engage with the current Parliamentarian in a few parliamentary inquiries about the content of this resolution and what some of the content has been construed to be by the Parliamentarian. I do not know that it is earth-shaking that we are doing three reconciliation bills. I do not believe we are going to change our mind. And I do not believe we have done anything to dramatically alter reconciliation or to offend the Senate and its processes in some irrevocable way. So we are going to continue down our path.

I am having a great deal of difficulty understanding how my good friend, Senator HOLLINGS, can say we have never heretofore reconciled a committee to reduce taxes when I read from a conference report that, among other things, says, ''The Congress determines and declares pursuant to section 310(a) of the Budget Act of 1974 that for fiscal year beginning July 1, 1975''—and then I will move down to paragraph 4 and read the following:

> The recommended level of Federal revenues is $300.8 billion, and the House Committee on Ways and Means and the Senate Committee on Finance shall submit to their respective Houses legislation to decrease Federal revenues by approximately $6.4 billion.

Now, there are other provisions, but I am just going to read that one. I think I am going to ask now, if I might, the Parliamentarian, if he has that language before him and the precedence of the Senate. Parliamentary inquiry. Was that provision not construed in that year to be a reconciliation instruction?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. You were not the Parliamentarian then, but is it recorded in the precedence of the Senate as a decision regarding a reconciliation instruction, Mr. Parliamentarian?

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. What does the precedent say with reference to that parliamentary inquiry, Mr. President?

The PRESIDING OFFICER. On December 15, 1975, the Senate began consideration of H.R. 5559, which as passed by the House was not a reconciliation bill, and which contained only one substantive provision: to exclude from income certain earnings derived from payments by common carriers for use of railroad rolling stock owned by foreign corporations. After the Senate began its consideration, and the chairman of the Finance Committee asserted that the bill as reported with a substitute was intended to carry out the reconciliation instructions contained in the most recently adopted concurrent resolution on the budget, the Chair stated that there would be 20 hours debate on the bill, 2 hours on first-degree amendments, 1 hour on second-degree amendments and motions, and that amendments, except those specified in an earlier unanimous consent agreement, would have to be germane. These were the conditions specified in the Budget Act for the consideration of reconciliation bills.

Mr. DOMENICI. I thank the Chair and the Parliamentarian.

Mr. President, I want to just take one more opportunity, while we wait for others who might want to speak and wait for clearance on the proposal that I have just stated to the Senate that we might try to accomplish—that is, try to get off of the resolution at 3:30 and save a reasonable amount of time, hopefully 1 hour on a side, for the time preceding the actual vote, which would be determined for tomorrow by the joint leadership.

I want to speak just about two issues one more time. Mr. President, in this budget resolution, there are discretionary appropriations for the Defense Department and discretionary appropriations for all of the rest of Government, the domestic portion of our Government. When I say discretionary appropriations, what I am talking about is program authority that must be passed upon and enacted every year. That is the way the current law is. So if you appropriate $286 billion for the defense of our country, it is for 1 year. Come the next year, you have to appropriate again. Likewise, in the 10 predominantly domestic discretionary appropriations bills, whether it is the Treasury-Postal bill, the energy and water bill, the Labor, Health and Human Services bill, this is a 1-year appropriation of money. It lasts for 1 year. It must be passed every year. Without it, there is no money to spend for any of those programs and activities.

Now, last year, we got into a very big debate with our President over the domestic discretionary budgets, these various subcommittees that I have described. There were two big problems. One was that in both Houses we had put riders on the appropriation bill, which is not an uncommon thing.

Second, in some instances, some programs were cut more than the President wanted, and we got ourselves into a political hiatus, and Government was closed down and reopened and closed down and reopened and closed down and reopened.

Now, what we have done in this budget resolution is we have asked the Congressional Budget Office how much money do we need to have a freeze on

all of these domestic accounts—no cuts, a freeze. They gave us the dollar number that we needed in these bills to continue, without any cuts, a freeze on all of these domestic programs that require appropriations this year, for the fiscal year beginning October 1, 1996, through the end of September 1997.

So this budget does not propose any significant cuts in domestic programs. It proposes a freeze. What does the President propose? The President proposes in his 6- or 7-year budget that in 1997 those appropriated accounts go up $15 billion. So while on the one hand we talk of balancing the budget, the President produced a budget that said let us spend $15 billion more than we spent last year. Obviously, that gives the President for 1 year the latitude to say he is increasing education, he is increasing this, he is increasing that. We say freeze them, if you are serious about a budget. You can take a freeze, if you are serious about a balanced budget.

What is interesting about the budget differences—we do not have the President's budget before us because it was voted down in the Senate. Nonetheless, what is interesting is that the President's increases continue only for an election year and then start down. Then he produces two budgets, not one. He produces one using his own numbers, his own economics, and he says, ''This is what I am going to do over the next 7 years.'' And it comes tumbling down in the last 2 years, and this is where you have the argument that Senator BOND is making that since the President wants to spend even during that downturn more money for certain areas like education and others, it is inevitable that the veterans' function gets cut dramatically. Many others programs get cut dramatically. The space program is disassembled for all intents and purposes. But the Cabinet members run around telling the constituency ''We are not bound by that. The President has told us we will take it one year at a time.'' That is one budget. The President has another budget. That budget is the one, the second one, that permits him to say, ''They told me to do it their way, and I have done it their way. I have a balanced budget.'' It is the same kind of balance as Congress has excepting that in that budget he has to really cut. He has to really cut the veterans. He has to really cut the domestic accounts, except you wait until the last 2 years and then cut $67 billion out of those accounts. But that is not the budget he is telling the people about. He is telling them about the easier budget, the one where he uses his own economics and his own assumptions which is kind of the rosy scenario budget. Then in turn Cabinet people send out to our respective States how much has to be cut under our budgets with silence about how much has to be cut in theirs; in fact, disavowing that anything necessarily has to be cut because, if asked, they say, ''We will take it one year at a time.''

I believe it is only fair that we set the record straight here. We are going to deliver appropriations bills—it is not my responsibility except for one subcommittee—but our distinguished chairman, Senator HATFIELD, I am certain with the cooperation of Democrats is going to produce these bills that are very close to a freeze in every case. I am very hopeful that the public understands that it is really kind of phony to say we ought to spend $15 billion more because this is an election year only to find as soon as the election is over we will start reducing them and actually 2 years after this President would leave office, even if he is reelected, is when we get serious about making some real cuts. So I think the freeze is fair.

My second point has to do, just for a minute one more time, about Medicare and the huge misrepresentation in the President's Medicare proposal. So let me tell Americans one more time how the President is handling Medicare.

First of all, I repeat that Medicare is going broke. I do not say this with any joy. I did not do the estimating. My committee staff did not. Three Cabinet members and the head person of Social Security are four out of the five people who review it annually and tell us the truth. Three of them work for the President. One of them is appointed by the President. What did they say? They said things are getting worse since last year when you did nothing and the fund is going to be bankrupt in 5 years. Let us throw out that word ''bankrupt'' and let us say what it means.

Each year the trust fund is spending more for seniors who are entitled to the coverage than the taxes coming in. There was a surplus, Mr. President. So we are still able to pay the bill. The surplus is disappearing and the money coming in is not enough to pay the bills going out. So in the fifth year they now say—5 years—there will not be any money to pay the bills. How else can we say it? Everybody's paycheck keeps having that money taken out of it for Medicare and it keeps going in. Nobody is cheating in terms of putting it in there.

One of the most enforced laws around is that for withholding for Social Security and Medicare. These trustees told us in the following language, and I do not quote but I paraphrase: It is imperative that you make the fund solvent by restraining and curtailing the costs of the program. What did the President do? The President finds a magic asterisk of $55 billion, a master stroke of magic. He says let us take $55 billion of the expenditures for our seniors and let us just take it out of there. Let us not spend it for seniors, $55 billion. And the $55 billion happens to be the fastest growing account in Medicare, home health care.

Now, watch, when this becomes an issue, and it is getting there, there will be some kind of argument. The argument will be, ''Well, home care should never have been in there to begin with.'' The point of it is, when the trustees write about this fund going bankrupt, they are writing about the fund and the expenditures and programs of today. It just happens we are paying home health care and hospitalization out of that trust fund; point No. 1.

Point No. 2, if that fund is going broke, the fastest contributor to it going broke is the home health care costs. So, is it not interesting, magically take out those costs and put them someplace else and, of course, you can say Medicare just got $55 billion more solvent. What happens to home health care costs of $55 billion and growing? The President says let the average taxpayer pay for it. He did not just kind of slip it through and say whatever you have been paying, taxpayers—struggling, working, both of you with a job, trying to make ends meet—whatever you were paying taxes for, I just decided to add $55 billion more to that tax burden.

Frankly, I do not think that is right. I do not think the President ought to be able to say he has fixed Medicare without having to change the cost structure and save real money, just slip the payment over, change it around, move it someplace else onto the already burdened taxpayer and abracadabra, magic, the fund is now more solvent.

We had to do what the trustees told us to do. We had to restrain those costs, so instead of growing at 10.5 percent, they are growing at 7 percent. They are not getting cut, they are growing at 7 percent. We will be spending $7,000 per capita under Medicare in 6 years, and it is $5,200 now. It is not less, it is $1,800 more. But we will reform the system, offer options, change the way we pay the various providers, and create a new, modern program where cost containment and restraints will benefit the senior in that the fund will become solvent as will the taxpayer, in that you will not switch $55 billion of the program to the taxpayers of America.

I think it is imperative that everybody begin to understand the situation. Second, the second part of Medicare is an insurance policy. Back yonder, perhaps under Lyndon Johnson or somewhere around there, we said we ought to give seniors more than hospital coverage, so we gave them an optional insurance policy. When we started it we said we will pay 50 percent, the senior will pay 50 percent. We got generous some years ago and said let us make it 75 percent taxpayers, 25 percent seniors.

Six years ago we said let us let the senior pay a little bit more, 31 percent and the taxpayers pay the rest. It has now come back down to 25, because that number of years that we made the change has now expired. And we contend, in order to make that a reliable program, we must save $44 billion over 6 years. Interestingly enough, the President says we need to do 44 billion dollars' worth, too. He does it one way,

we do it another way, but there is no argument on how much has to be done.

So, as we began to look at one of the major issues, and this is one, instead of an issue of making this solvent and getting rid of this disaster that is pending right around the corner, it has become the political issue that is who is doing best by the seniors, who is making the fund more solvent for a longer period of time, and who is doing it most fairly.

I submit it is pretty easy to fix the Medicare fund if you just want to take away its responsibilities and its liabilities and the costs imposed and just take them out, take them away and let somebody else pay for them like the general tax coffers, general taxpayers. That is essentially a substantial portion of the way the President chooses to solve it.

I believe a freestanding bill in this place, and in the U.S. House, and thoroughly aired across America, that said do you want the general taxpayers to pay $55 billion of the health trust fund for seniors or do you want to continue with the trust fund and the payroll situation we have now—I do not believe very many people would vote to take general tax dollars and put them in that trust fund. We are doing it, kind of by just a slip of the pen here, just a turn of the page and write in something on a budget that says it is all changed.

I yield the floor.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Quickly, Mr. President, because the hour of 3:30 is arriving, the Senator from New Mexico and the Senator from South Carolina do not have a differing view with respect to the Finance Committee bringing out a tax reduction bill. There is no question they can do that, subject to the instructions, particularly back in 1975 where we had several budget resolutions. But not the reconciliation process, that is exactly what it was and that is what they stated.

Mr. Mansfield said, ''I ask unanimous consent the Senate proceed to the consideration of the tax bill, H.R. 5559'' on December 12. Then, on December 15, as the distinguished Senator referred, the assistant legislative clerk read as follows: ''A bill, H.R. 1559, to make changes in certain income tax provisions of the Internal Revenue Code of 1954.''

However, it was clearly obvious from the full RECORD, and we can make that RECORD here as a part of this RECORD if we wish, that Senator Long was trying to limit debate and not have the Hartke amendments, which were not germane. And in that discourse, even though Mr. Long had called it reconciliation, the chairman said, and I quote Mr. Hartke:

> The chairman of the Finance Committee can make a statement but that does not make it the situation. The Committee on Finance has not acted upon this being a reconciliation bill. There is no record of its being a reconciliation bill. There is no mention of it in the report as being a reconciliation bill. Therefore, I think the point of order would not be well taken in regard to any amendment because it is not a reconciliation bill. This is a tax reduction bill.

And finally, Senator Muskie, the chairman, and the rest of them, after a long debate, including Senator DOLE who was on Finance and supporting the position taken by Senator Hartke, allowed the Hartke amendments. And somewhat in defeat, when he finally was there, on December 15, Mr. Muskie said, ''I wonder if I might not yield the floor. I think I have made whatever contribution I can with discussions of the problem.'' And he yielded to the whole thing whereby they brought the amendment up.

Now, Mr. President, I would hope the Senator from New Mexico would agree with his own words. We know Mr. Ullman, I have here; Mr. Panetta, Mr. Bellmon, Mr. REGULA, Mr. Bolling and the numerous Senators on this side, but particularly Senator DOMENICI. I quote, on December 3, 1980, where 5 years hence, and I quote him:

> And also obviously it is an extremely fitting event for Senator HOLLINGS. He did not have the privilege of being chairman of this committee for very long, but he worked on the committee for years and I think that he must feel very good today, knowing that under his leadership this first reconciliation act will become a reality.

It was the first. And all reconciliation, as Mr. Pickle from Texas and everyone else pointed out—reconciliation was the process to bring the deficits down, bring the spending down into a particular budget target, not to increase deficits with tax cuts.

Mr. President, I ask unanimous consent that an article by Bill Dauster, dated May 30, in Roll Call entitled ''The Day the Senate Died: Budget Measure Weakens Minority'' be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Roll Call, May 30, 1996]

THE DAY THE SENATE DIED: BUDGET MEASURE WEAKENS MINORITY

(By Bill Dauster)

The Senate died last week. At the very least, it suffered a blow that leaves it clinging to life.

You may be forgiven if you missed it. It happened while the Senate considered the budget resolution, a budget whose fiscal priorities pretty much repeat last year's endless budget failure.

But while most observers of Congress yawned, the Republican majority used the budget process to fundamentally alter the way the Senate works. From now on, the Senate will conduct much of its business at its hallmark deliberative pace only if the majority wants it that way.

It is the Senate's deliberative pace that has distinguished it from the House of Representatives and other parliaments. Yes, the Senate does apportion its membership by state instead of by population, but its true uniqueness flows from the way its rules preserve the rights of determined minorities.

Once the presiding officer has recognized a Senator, the Senate's rules allow the Senator to speak as long as humanly possible, unless 60 Senators vote to end the filibuster. The mere threat of filibuster—called a ''hold'' can detain legislation.

As well, when the Senate is considering one subject, Senators have the perfect right to offer amendments on entirely different subjects. These powers to debate and amend make every single-United States Senator a force to be reckoned with. They give dedicated groups of Senators substantial power. And they give 41 Senators the absolute right to kill a bill.

All that changed last week. Sen. Pete Domenici (R–NM), the Budget Committee chairman, brought to the Senate floor a budget resolution that markedly expanded the use of a procedure called ''reconciliation.'' The reconciliation process creates bills that the Senate considers with only limited debate and limited opportunities to amend.

Because reconciliation bills limit debate, Senators cannot filibuster them. A simple majority can pass them. Because Senators may offer only germane amendments to reconciliation bills, Senators must stick to only the subjects chosen by the majority in the committee process. Because of the reconciliation process's power, the Senate has limited it solely to deficit reduction through the ''Byrd Rule,'' named after the Senate's parliamentary conscience, Sen. Robert Byrd (D-WVa).

This year's budget will generate an unprecedented three reconciliation bills—on welfare, Medicare, and tax cuts—designed to maximize partisan confrontation with the President. And in a marked departure from past practice, the Republican budget resolution devotes one of the three reconciliation bills—the one to cut taxes—solely to worsening the deficit.

On May 21, Senate Minority Leader Tom Daschle (D-SD), backed by Sens. Jim Exon (D-Neb), Ernest Hollings (D-SC), and Byron Dorgan (D-ND), formally challenged the procedure. The Republican-appointed Parliamentarian gave it his blessing.

In a series of exchanges with the presiding officer, Daschle demonstrated that the new procedure has few limits. Daschle appealed the ruling, but the Senate sustained the procedure on a straight party-line vote.

From now on, the majority party can create as many reconciliation bills as it wants. And the majority can use them to increase spending or cut taxes, worsening the deficit. From now on, the majority can use the reconciliation process to move its entire legislative agenda through the Senate with simple majority votes and few distractions.

The old Senate is dead. Some may say, ''Good riddance.'' After all, as a Democratic Member of Congress once said, ''In the Senate, you can't go to the bathroom without 60 votes.''

If a simple majority can now pass important legislation in the Senate, perhaps a lot more will get done. Democrats will recall their frustration with Republican filibusters. Indeed, then-Budget Committee Chairman Jim Sasser (D-Tenn) once tried to convince Byrd to allow the Senate to consider the Clinton health care reform bill using the reconciliation process. Byrd did not want that done.

Also, the Parliamentarian at that time advised that it would not be in order for a budget resolution to instruct the creation of a reconciliation bill that solely worsened the deficit.

One can think about efficiency and Congress in two ways. The current conventional wisdom thinks in terms of legislative efficiency: How many bills become laws?

But as Nobel Prize-winning economist James Buchanan has argued, societal efficiency may be better served by a Congress

that has hard time enacting laws. Under those circumstances, laws would change less often, less frequently disrupting peoples' lives, less often intruding into them. If you agree with Thoreau that the best government is that which governs least, then the most societally efficient government is the one with the most checks and balances.

The Republican majority may thus have served legislative efficiency at the expense of societal efficiency. Good or bad, the Senate has changed.

As Daschle warned on May 21, ''What goes around comes around.'' Democrats will remember the lessons the Republicans have taught them of how to use the power of the majority.

So say ''bye, bye'' to this slice of American pie. This'll be the day that it dies. This'll be the way that it dies.

Mr. HOLLINGS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. DOMENICI. Mr. President, I ask unanimous consent that we proceed in morning business, and that each Senator have 5 minutes to speak in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I yield the floor.

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

THE PERPETRATORS OF HATE CRIMES

Ms. MOSELEY-BRAUN. Mr. President, I will speak in morning business in relation to the rash of hate crimes that we have experienced in this country lately.

Mr. President, the perpetrators of the rash of hate crimes and church burnings in this country are no more than cowardly domestic terrorists. They work under cover of darkness and anonymity to intimidate some and encourage others precisely because they have neither the will nor the courage to be associated with the evil they seek to unleash on the land. It has been suggested that the objective of their actions is to start a race war. However, there is every indication that the arsonists are confused about the country in which their crimes are taking place.

Most Americans, Mr. President, are appalled and outraged. Our Nation as a whole, without regard to color or religion, is shamed by this horror. The outpouring of support and comfort for the victims of the terrorism has been consistent and has been multiracial. The religious community has closed ranks with the targets of the arson in rejection and repudiation of the evil these crimes represent. From the President of the United States to the neighbors in areas which have witnessed these crimes, the leadership taken by individual citizens to affirm a climate of respect and community gives truth to the fact that our Nation will not fall prey to the forces of fear.

Mr. President, I recently talked with the victim of a cross burning in my own State of Illinois, who lives in Glen Carbon, IL. I spoke with Mr. Ellis who had been victimized by a cross being burned on the front lawn of his home. And the comment that I was most struck with is that he said how nice his neighbors had been. This is an integrated community. His neighbors, black and white alike, have come to the aid of this family that has suffered this heinous crime.

Mr. President, America will not go back. As we enter the 21st century, America is anxious to put the ugly legacy of racial divisions behind us. Unlike a century ago, the masses of people who make up our national community cannot be seduced by the messages of hate and conflict which consumed us in the past. Those messages lost their power with the moral victory of the civil rights movement, and our country has matured in ways which cannot be undone by racist terrorism. We are not intimidated, but embarrassed, and challenged by these criminals and their destruction.

Make no mistake but that they are criminals. The act of arson is a crime, when directed at a church it is a crime of unspeakable dimension. But that is precisely why we are called upon, each of us, to speak and act in ways which will demonstrate our collective intolerance of such hate crimes. Our community, as a whole, must dedicate itself to the rebuilding of the churches. We must engage our Government and law enforcement apparatus to investigate and uncover the perpetrators of this terrorism. No stone should be left unturned in our search for the truth. Federal, State, and local law enforcement must approach these hate crimes with the same vigor and sophistication as would be given the most heinous foreign threat.

My late mother would often say, ''The Lord works in mysterious ways, His wonders to perform.'' And she was right. The resurrection of the burnt places of worship may well provide the kind of redemption which can only come of suffering. We will move our Nation forward to the elimination of racism if we dedicate ourselves to restore the symbols of love and unity, and in so doing put to rest forever the forces of division based on race which these acts of terror seek to unleash.

Mr. President, this is one of those historic moments for America, when the path of our future will be chosen. In our collective repudiation of domestic terrorism, in our aggressive prosecution of its perpetrators, in our vigilance against hate and in the vitality of our response to it, we will build the New Jerusalem of a stronger, more moral, and more inclusive country.

With that, Mr. President, I will send later to the desk a resolution which I hope will be cleared quickly for action by this body and which I hope and pray will receive the unanimous consent of my colleagues. Thank you very much, Mr. President. I yield the floor and note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, the Senator from California is a very valuable member of the Budget Committee. We had saved some time for her. I request we move back to the budget resolution, and I yield up to 8 minutes to the Senator from California, or whatever time she needs.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1997—CONFERENCE REPORT

Mrs. BOXER. Mr. President, thank you. I want to thank my leader on the Budget Committee, Senator EXON, who will be sorely missed when he retires. This is a man who has stood for a real balance in our Government, a balanced budget, and a balance in our priorities. I hope as America listens to him, and some of us who do not believe this budget is the right budget, I hope Americans will understand the fight over balancing the budget.

Mr. EXON. Will the Senator yield?

Mrs. BOXER. I am happy to yield to the Senator.

Mr. EXON. I appreciate your kind remarks, and I yield 5 hours to the Senator from California.

Mrs. BOXER. Mr. President, thank you so much.

As I was saying about the Senator from Nebraska, he has stood for real balance in the budget, both in terms of dollars in and dollars out, so that we do not add to a debt, but also a balance of needs. What is very interesting to me, in particular, Senator EXON, as the former chairman of the Budget Committee, and now as its ranking member, has always been one who has stood for the strongest possible defense that America must have. When I hear him stand up and talk about some of the excesses in that area, it means a lot to me.

What is interesting to me, when we had an opportunity to vote on budgets, we had three budgets. We had the Republican budget before the Senate today, coming back from the conference; we had the Democratic budget, which, basically, was President Clinton's budget; and we had the bipartisan

budget, which was put together by Republicans and Democrats in this U.S. Senate.

I had the privilege of voting for two budgets, the Democrat budget and the bipartisan budget. I did not vote for the Republican budget. Although many people's eyes glaze over when you talk about the budget, it is really a very simple document when you think about it. It is a statement of our priorities, and a statement, really, of what we think we ought to be doing as a nation, just as we and our families will determine every year what our priorities are, where we will spend our dollars. We do that here.

One would think that the cold war had not ended if you look at this budget. That is what is so terribly confusing to me, because we know we have to be lean in this budget. We know we are not doing as much for education as we would like. We are not doing as much to clean up the environment as we would like, at least most of us. We are certainly not doing enough health research as we would like.

Every dollar that we can find to make these investments is a dollar, I think, that is well spent when we make them. Yet, we have this Republican Senate and House throwing $12 billion more at the Pentagon than they asked for in budget authority. That, to me, is nonsensical.

We need the strongest military in the world, and we have it, and we will always have it. We do not need to throw dollars that the generals and the admirals do not want. What is the point of it? It is wasting money, money that we need elsewhere, money that could even reduce the deficit further.

To me, it is not a close call as far as how I will vote. The Republican budget left the Senate, and I think the priorities were out of whack. Too many cuts in Medicare, too many cuts in Medicaid, too many cuts in education, too many cuts in the environment, and too much spending on the Pentagon—more than they asked for. It is something I hope that the American people will look at, because it is not pie-in-the-sky and it is not rhetoric. It is not politics. It is budgeting. It is hard dollars that will go to pay for what the American people need to have.

Mr. President, we do have an election coming up in November. Frankly, I think a lot of these issues will be issues in that election. I can think of no greater honor than to serve on the Budget Committee. When I was in the House, I spent 6 years there, and here in the U.S. Senate I am finishing the fourth. To me, it is one of the most important things that I do, because the hopes and dreams of American people, their aspirations, are really contained in that budget.

All you have to do is look at education, and see how the Republicans are slashing it, to understand that will translate into fewer scholarships for our young people to go to college, fewer slots that can be filled in Head Start so our kids can get off to a good start on a level playing field, fewer ways to clean up Superfund sites. Frankly, in California, we have many that are languishing and are dangerous, with toxins seeping into water supplies, because we do not have enough resources there.

This is the greatest Nation in the world. We can do better.

The Democratic budget, the Clinton budget, the bipartisan budget, I think all of those are quite mainstream in their approach, compared to this budget that is before the Senate today. We do not have to hurt our seniors the way they will be hurt with this. We do not have to hurt our children the way they will be hurt with this.

Now we have a whole new idea. We will go back to star wars. We will build a full star wars. I think we ought to prepare, in case we have to. We should do all the research. I have always taken that position. But to get ready to deploy a star wars system—we will be facing that in the defense bill—it will cost us billions of dollars, billions of dollars, when we do not even know exactly what we need to do, and we are being told the threat is not defined yet. It just does not make sense.

I submit, Mr. President, if you went to a supermarket or shopping center in Tennessee, or I went to one in California, or my friend went to one in Nebraska, and you said to the person who was coming in to do his shopping: Out of these few things, which do you feel most threatened by, crime in the street and that you might get mugged or attacked, or somebody in your family getting breast cancer or prostate cancer, or a ballistic missile coming over and hitting you in your house? I honestly think that people would say we should have the strongest military in the world, but the threats that are facing me are absolutely that someone in my family would get such a dreadful disease or that, yes, someone could be a victim of a crime. Yet, you look at this budget and it has the opposite kind of priorities.

So I thank my friend from Nebraska for his leadership, his very down-to-earth Nebraska leadership. I will sorely miss it next year. I think he stands for mainstream America in his opposition to this budget.

I urge my colleagues to vote against this budget. It got worse when it went into conference. It has more of the NEWT GINGRICH approach to budgeting, and I frankly think we ought to vote ''no.''

I yield the floor at this time.

Mr. EXON. Mr. President, I want to briefly thank my dear friend and colleague from California. I said earlier that she is a valuable member of the Budget Committee, and her earlier training over on the House side has served her and us well. She is very consistent and tender, one who becomes involved in the details of the budget process. It has been a great pleasure for me to see this relatively new Senator come in and take her place as a very influential member of the Budget Committee. I thank her for her kind remarks.

MORNING BUSINESS

Mr. EXON. Mr. President, I ask unanimous consent that the Senate now move off of the budget temporarily and return to a period of morning business with Senators allowed to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. THOMPSON). Without objection, it is so ordered.

A NEW CHANCE FOR PEACE IN NORTHERN IRELAND

Mr. PELL. Mr. President, I welcome the news that negotiations on Northern Ireland are back on course. Fractious though they might be, the talks involving the British and Irish Governments, as well as representatives of Northern Ireland's political parties, offer hope to all of us who long for a permanent peace in Northern Ireland.

The talks, which opened Monday, had hit a significant impasse over the role of our former colleague George Mitchell, who was chosen by the British and Irish Governments to chair the negotiating sessions. Due to the courage shown by all those involved, but particularly Prime Minister Major and Unionist leader David Trimble, the impasse has been resolved and a possible deadlock has been averted. The talks will proceed with Senator Mitchell at the helm.

I regret that there are still some Unionists, however, who object to Senator Mitchell's chairmanship, for the sole purpose, I suspect, of obstructing the peace process. Having served with George Mitchell for many years in the Senate, I can personally attest to his even-handed and judicious approach to the issues. Here in the Senate, he was admired by members of both parties for his ability to build bridges and cut across partisan lines. George Mitchell is quite frankly, one of the most fair-minded individuals with whom I have had the pleasure of working.

Senator Mitchell has already demonstrated great wisdom and balance with regard to the peace process in Northern Ireland. In January, Senator Mitchell issued an excellent report examining the link between the decommissioning of weapons and all-party talks. As head of the international body charged with studying this issue. Senator Mitchell drew upon his background as a judge. He did an excellent

job of reaching out to the various parties to hear their views on this difficult matter, and of characterizing the opposing views on that issue. For this reason, the report was hailed across the board. It provides a solid set of principles for the negotiations. I am confident that Senator Mitchell will continue to demonstrate even-handedness and great insight as he takes up the gavel at Stormont Castle, the site of the talks.

The talks on Northern Ireland will proceed without the participation of Sinn Fein, the political wing of the Irish Republican Army. Sinn Fein is barred from the negotiating sessions because the IRA has failed to commit to a cease-fire. That is as it should be. The ground rules for the talks make clear that all parties must offer their total commitment to the principles of democracy and nonviolence.

But there is a place reserved at the table for Sinn Fein. The IRA need only recommit itself to nonviolence to take its seat at that table. Genuine all-party talks cannot take place without Sinn Fein or without the Unionist parties which have thus far eschewed the process.

A great deal of progress has been made toward achieving a lasting peace. Let us hope that the momentum can be continued.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, too many Americans have not the foggiest notion about the enormity of the Federal debt. Every so often, I ask various groups, how many millions of dollars are there in a trillion? They think about it, voice some estimates, most of them not even close.

They are stunned when they learn the facts, such as the case today. To be exact, as of the close of business yesterday, June 11, 1996, the total Federal debt—down to the penny—stood at $5,136,928,256,903.23.

Another astonishing statistic is that on a per capita basis, every man, woman, and child in America owes $19,380.69.

As for how many millions of dollars there are in a trillion, there are a million in a trillion, which means that the Federal Government owes more than five million million dollars.

REFERRAL OF S. 1718

Mr. WARNER. Mr. President, I ask that bill S. 1718, the Intelligence Authorization Act for Fiscal Year 1997, be referred to the Committee on Rules and Administration, pursuant to section 3(b) of Senate Resolution 400. This committee, which has jurisdiction over legislation pertaining to Senate committee structure, desires an opportunity to consider a provision affecting the structure of the Senate Select Committee on Intelligence.

Mr. President, I ask unanimous consent to have printed in the RECORD the text of a letter advising the Select Committee on Intelligence of this action.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE, COMMITTEE ON RULES AND ADMINISTRATION,
Washington, DC, June 12, 1996.

Hon. ARLEN SPECTER,
Chairman, Senate Select Committee on Intelligence, U.S. Senate, Washington, DC.

DEAR ARLEN: This is to advise that I have requested sequential referral of S. 1718, the Intelligence Authorization Act for Fiscal Year 1997, which was marked up by the Select Committee on Intelligence on April 30, 1996. It is my understanding that this bill contains a provision affecting the structure of the Select Committee on Intelligence, which, as you know, is an issue of significant interest to, and clearly within the jurisdiction of the Committee on Rules and Administration.

To this end and pursuant to S. Res. 400, I have requested that S. 1718 be referred to the Committee upon its discharge from the Senate Committee on Governmental Affairs, to which the bill was referred on June 6, 1996.

With kind regards, I am

Sincerely,

JOHN WARNER,
Chairman.

AMERICA'S FAMILY FARMS: A WAY OF LIFE WORTH PRESERVING

Mr. DASCHLE. Mr. President, I recently visited the farm of Doug Henderson in Beresford, SD, and discussed with Doug and his neighbors issues facing southeastern South Dakota farmers. There was much give and take on the new farm bill, the state of cattle prices and, of course, the weather. The discussion put in bold relief the frustrations and challenges South Dakota farmers and ranchers face every day, and raised legitimate questions about current agricultural policy.

I also had the opportunity to meet privately with the Henderson family in their home prior to the broader public discussion. It was an experience I will remember forever.

Keeping the family farm together for the past 4 decades has not been easy for the Hendersons. Their secret to survival has been an enduring appreciation of the land and hard work on the part of each and every member of the family, including the children.

The rewards for the Hendersons' dedication to farming have been numerous. They speak eloquently about raising their children in a tight-knit community steeped in strong values. They clearly love their chosen profession, which allows them to see the tangible results of a good day's work.

Despite their love of farming, the Hendersons' story also has a sad side—the continuous struggle to make a decent financial return on their investment of time, money and plain old hard work.

The Hendersons' story is described in a letter presented to me at our meeting. I would like to share that letter with my colleagues. It lays out in clear, honest terms the difficult dilemma facing hard-working, dedicated farm families all across rural America: how to survive financially on a modest-sized family farm in today's agricultural environment. The Hendersons' letter presents a picture that merits more attention and reflection in Washington policymaking circles.

The bottom line, Mr. President, is that today financial survival on family farms is much tougher than it should be in a nation that enjoys the most abundant and least expensive source of food on the globe. If we are to preserve this durable source of farm commodities, our rural communities and their rock solid values, then farmers must enjoy a reasonable return on their investment. This problem must be addressed if family farms are to survive in the future.

Mr. President, I ask unanimous consent that Doug Henderson's letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

FALL, 1995.

MY STORY: 40+YEARS OF FAMILY FARMING

My name is Doug Henderson. My wife, Joan, and 4 sons, ages 10 to 17, live on a crop/dairy farm west of Beresford, South Dakota. Our operation includes 100 mature holstein cows. 100 replacements, 50–100 extra cattle. 100 acres owned and 400 rented.

My grandfather bought this farm in the early 40's. My father came back to rent and then later buy the farm after serving nearly 5 years in the Pacific during WWII. I was the oldest of four sons and one daughter. Each of us played an important part in the daily operation of this family unit during the 50's and 60's—and we knew that because we could feel it. It felt good. I think that's why I was drawn to this place.

My wife and I earned teaching degrees in '77 after having served in the U.S. Army from '72 to '75. After teaching for two years and farming ''on the side'' I had the opportunity to ''take over the place'' and farm fulltime. We did some work on the house and moved our family in here in the spring of 1981. Financially, we have had some good years and some not so good years. Personally, we have had only good years. However, 1995 finds us at a crossroads.

Personally, I truly cannot think of a place I would have rather been or anything I'd have rather been doing for the last 14 years. My oldest son, a high school senior, is qualified to do almost anything I do out here. My sons 12 and 15 are almost as competent. All four have a good sense of self and a high regard for the traditional values that my wife and I do our best to model for them. Our involvement in community and church has provided growth and enrichment. Our lives have truly been joyfilled during these early years. This setting has made child rearing easy.

Financially, the future of this production unit is dim. Our facilities now nearly 30 years old, do not produce the volume of milk required per man hour to allow us to be as competitive as we need to be. Our balance sheet has not improved significantly during the last 4–5 years. While we claim not to have made purchasing or marketing mistakes and have always been moderate in our strategies, we acknowledge the reduced will to pour out boundless energies to try to make everything click. I know that the farm

would not break even without the input of the family. We have estimated an annual family labor input of 6000 to 6500 hours/year. In return my family draws $14,400/yr and housing, milk and meat. Our gross revenues in each of the past two years have approached 300,000 dollars. Milk is the primary product produced and that production in 1994 was 1.6 million pounds (160,000 cwt). That 1994 production represents almost three times the production of this same facility in 1978–80 when my father, brother and I worked as partners and each drew a salary. Together my father and I have been making payments to the FHA for over 40 years and I have 25 years and $110,000 to go on my farm ownership loan. We would probably not have maintained this operation without the security of the FHA loan.

We have added some buildings and prepared for a less labor-intensive livestock production enterprise and do of course have the option to update and sign the dotted line for another lifetime of debt if we want to take on a partner and continue producing milk. The fact of the matter is however that after nearly 20 years of working 3500–4000 hours per year, my body is saying ''enough''! My brain is saying ''there must be a better way''! And my heart is saying ''thou shalt not offer a son''! I never thought I'd feel this way, let alone admit it.

In a nutshell, I know agriculture. I know crops. I know livestock. I can produce. I love to work. My family works for free. I love this life. My family does too. We plan to quit (as soon as we can figure a way to pull it off financially. . . but maybe sooner). I hope I can find work that allows us to maintain the high cost of country living.

EPILOGUE—MAY 1996

As it turns out, 1995 was a year of major marketing mistakes—at least wrong choices. Instead of selling 55 surplus steers at depressed prices in the fall to pay off bills, we were duped into selling 10,000 bushels of corn. The price seemed relatively good; and after all, how much worse could the cattle market get? This single decision will ultimately represent a turn around of nearly 30,000 dollars. When combined with a poor crop year, severe weather stresses to herd health and dairy production and additional budget pressures that happen from time to time, we simply were not in a strong enough financial position to handle this much adversity.

As a result, we had to either seek a guaranteed loan or sell out secured chattel which at depressed prices would have left us very little on which to operate. Fortunately the timing was right and the loan was approved. We honestly would not be operating this year without the help of the FHA. These people (Ron Walker and his loan officers) have always been cordial, understanding and very helpful. I salute them and the general mission of the Farmer's Home Administration.

SHOCK is the best way to describe what happened to us financially. It occurs to me that I can distinctly recognize the seven stages of grief in this process. There is for a man who has known tremendous happiness and satisfaction in his personal life as well as his business, no greater stress and loss than financial failure. The MOURNING and BLAME part of this process is very, very disturbing. Our Extension Service here in South Dakota responded to the flooding in 1993 with Project Rebound. I hope the cattle ranchers and feeders will be offered at least the emotional support they need during this cattle crisis. We have a plan and with decent crops should HEAL. I have a hunch that milk prices are going to respond fairly quickly to current market pressures. The REBUILDING part of this process for me will likely include a career change. I've always managed a higher level of energy for new challenges. I'm hoping again to see one of my sons have a life here—a clear sign we are rebuilding.

TRIBUTE TO SENATOR BOB DOLE

Mr. KYL. Bob Dole's statement upon announcing he would give up his Senate seat to run for the Presidency—that he is ''just a man''—packs a lot in a simple string of words, as is his habit. This phrase captures the modesty, the simplicity, and above all the straightforwardness and honesty of the Senator from Kansas. Men like Bob Dole achieve great things because they go at them directly, with no ifs, ands, or buts asking a lot of themselves and taking responsibility for the bottom line.

Senator Dole's more than 35 years of service to the Congress of the United States have been filled with great accomplishments because he never let up, he brought people of different views together to hammer out legislation, and he was an honest broker trusted by everyone. My father, Congressman John Kyl of Iowa, served with then-Congressman Dole in the House of Reprentatives in the 1960's and knew him to be a man of leadership and utter integrity. As Congressman Dole, and later Senator Dole, learned his job as a legislator, he never lost that sense of being ''just a man'' from Russell, KS. He is not one to be dazzled by the bright lights, the pomp, and the power of Washington. He came armed with the simple virtues of his Kansas constituents, and those same virtues are evident in him today. He remains the embodiment of the heartland of America—a place much maligned by sophisticates, perhaps, but a place that still has the moral strengths that we Americans define ourselves by: dedication to duty, plain but honest speech, and an awareness that limited government requires of office holders that they never take their power for granted. When Bob Dole says that he is grateful to have served his fellow citizens, those are not empty words. We believe him.

In his parting statement today, he hold us that ''there are some issues that transcend politics * * * and result in legislation that makes a real and lasting difference.'' Whether it is a matter of supporting civil rights, doggedly backing our military troops in an unpopular conflict in Indochina during the 1960's and 1970's, or ensuring access to public places for disabled Americans in the 1990's, he has often put aside partisanship and laid it on the line for the things he believes in. His statesmanship, his ability to come to closure for the sake of the common good, is well known to those of us who have worked with him inside this institution. But perhaps few outside of the Congress are aware of it. If everyone could know him as we do, they would see a man with an extraordinary capacity to see beyond the heated conflicts of the moment, to keep the big picture in mind, and to reach a consensus that yields practical results. If everyone knew him as well as his colleagues do, they would see that Bob Dole has everything it takes to be President of this country.

Of the Senate he now says, on the day of his departure, ''It is a place that I have loved.'' Again, no rhetorical flourishes, just simple words of emotion, and all the more powerful for being unadorned. He reached the pinnacle of leadership among Senate Republicans, and for all too short a time has been leader of the Chamber itself. But he has walked away, and in characteristic style. Bob Dole is at the peak of his powers. But he moves on, ready to take on the biggest challenge in a life full of challenges. He has demonstrated—and in a remarkably dramatic way—that he is not one to rest on his laurels; instead, he is the kind of man who does honor to every contest he enters.

CHINESE NUCLEAR MISSILES IN PAKISTAN

Mr. PRESSLER. Mr. President, last year the Clinton administration asked Congress for the authority to allow United States military equipment to be delivered to Pakistan. Since 1990, such deliveries were not allowed because of a 1985 law known as the Pressler amendment, which prohibited any United States Assistance to Pakistan if the President failed to certify Pakistan was not in possession of a nuclear explosive device. My colleagues may recall that we debated this issue quite extensively. It was very controversial. In the end, despite strong opposition from this Senator and many of my colleagues, the Senate approved the so-called Brown amendment, which authorized the transfer of military equipment and repealed the Pressler amendment's prohibitions on nonmilitary aid to Pakistan. The Brown amendment became law earlier this year.

To bolster the Clinton administration's request, Under Secretary of State Peter Tarnoff sent a letter to Members of Congress on August 3, 1995, when the Senate first debated the Brown amendment. Secretary Tarnoff attempted to assure Senators that the administration's support of the Brown amendment would be conditional on ''no significant change on nuclear and missile non-proliferation issues of concern to the United States.''

Mr. President, that was then.

On February 22, 1996, Dr. John Deutch, the Director of Central Intelligence, testified before the Senate Select Committee on Intelligence. Director Deutch confirmed earlier reports that Pakistan had taken delivery of sensitive nuclear technology used to develop weapons-grade uranium. He also confirmed that Pakistan had received M–11 ballistic missiles from China. My colleagues will recall that when we debated the Brown amendment, there was some dispute over whether Pakistan had in fact taken delivery of the M–11 missiles. Director

Deutch's testimony was the first time a Clinton administration official publicly confirmed the existence of the M–11s. In my view, this development should have halted the delivery of the military equipment to Pakistan. Unfortunately, the Clinton Administration did not consider the acquisition of this nuclear technology to be, in Secretary Tarnoff's words, a ''significant change on nuclear and missile non-proliferation issues of concern to the United States.''

Mr. President, this morning's Washington Times reveals that Pakistan has done more than just take possession of the M–11's. The Times reported that the M–11 missiles in Pakistan are operational and nuclear capable. If this account is accurate, and I have no reason to doubt it, Pakistan now has a complete, modern, nuclear weapons delivery system.

Mr. President, first of all, in spite of a string of pious promises and written agreements to the United States, China has demonstrated a severe lack of international responsibility. By providing both nuclear technology and the means to deliver nuclear weapons, Chinese Government-owned companies have contributed to a vast escalation of tensions between Pakistan and India. Director Deutch has pointed to the Indian subcontinent as the most worrisome area in the world. He's right.

The more immediate question, Mr. President, is what is the United States going to do? At the time the Senate approved the Brown amendment, we were of the belief that Pakistan did not possess both the technology to produce weapons-grade uranium, and an operational nuclear weapons delivery system. That was then. This is now. I do not believe the Senate would have approved the Brown amendment had we known then what we know now.

The Washington Times also reported that State Department officials attempted to water down or alter the intelligence reports regarding the M–11's, and also tried to prevent these reports from moving through normal intelligence channels. Apparently this was done to prevent sanctions from being enforced. This is a very serious allegation. In effect, Federal officials are being accused of blocking the law from being enforced.

Frankly, Mr. President, the Washington Times story is astounding. It is no secret that I am an outspoken critic of the Clinton administration's nuclear nonproliferation policy, or lack thereof. Before today, I never thought the administration's credibility regarding nonproliferation goals in South Asia could get worse. I was wrong.

I have written to President Clinton, asking that he enforce the nonproliferation laws he has sworn to uphold. I also have asked the President to withhold delivery of any military equipment authorized by the Brown amendment. Clearly, the conditions the Clinton administration made to Pakistan for its support of the Brown amendment have been violated to a degree unimaginable. I also intend to contact the chairman of the Senate Select Committee on Intelligence, Senator SPECTER, to request that the committee conduct a full investigation on the allegations raised involving the blocking or altering of intelligence reports by State Department officials. Finally, I intend to continue seeking the support of my colleagues to repeal the Brown amendment, and may offer an amendment to do just that in the near future. I think we have more than enough evidence to demonstrate why the Brown amendment should not have been passed. In my view, Congress was badly misled last year relative to Pakistan's nuclear arms development and delivery capability. My bill, which already has several cosponsors, would restore the supremacy of our nuclear nonproliferation laws.

Mr. President, I ask unanimous consent that my letter of today to President Clinton and a Washington Times article by Bill Gertz be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, June 12, 1996.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: A story in today's Washington Times reported that the U.S. intelligence community has determined that Pakistan obtained M–11 ballistic missiles from the People's Republic of China (PRC) as part of an illegal conspiracy to evade national international arms control agreements. Even more disturbing, the Times reported that these nuclear capable missiles have been deployed by Pakistan.

If these reports are true, I strongly urge you to enforce the law and impose sanctions on both countries to the fullest extent of the law. Further, I urge you to withhold from delivering to Pakistan any U.S. equipment as provided in the so-called Brown amendment to the Fiscal Year 1996 Foreign Operations Appropriations Act.

As you know, the United States has sought for a number of years to put an end to illegal missile transfers originating in the PRC. As you well know, sanctions were imposed on China just three years ago for transferring M–11 components in violation of the Missile Technology Control Regime (MTCR). Those sanctions were lifted in 1994, after the PRC pledged not to make future deliveries of missiles or related components listed under the MTCR.

Last year, the New York Times and Defense News reported that Pakistan had received M–11 missiles from the PRC. This was confirmed by Central Intelligence Agency Director John Deutch in his testimony before the Senate Intelligence Committee on February 22, 1996.

These are troubling developments. We face a situation in which the PRC has violated both a multinational missile control agreement as well as a written non-proliferation agreement with the United States. As a result of these violations, Pakistan now has for the first time a strategic nuclear delivery capability.

Again, if the reports are true, I see no recourse but to impose sanctions on both Pakistan and the PRC. Our own credibility as a world leader in nuclear non-proliferation requires no less.

Our credibility also requires that we take additional action: the withholding of any U.S. military equipment authorized for delivery under the so-called Brown amendment. Last August, when the Brown amendment was first considered in the Senate, Under Secretary of State Peter Tarnoff stated that your Administration's support for the Brown amendment would be conditional on ''no significant change on nuclear and missile non-proliferation issues of concern to the United States.''

At the time Secretary Tarnoff made this statement, Congress and the Administration were of the belief that Pakistan did not have both the nuclear technology capable of processing enriched uranium, and an operational system of ballistic missiles capable of delivering a nuclear payload. Clearly, the conditions set by your Administration have been violated by Pakistan to a degree unimaginable.

Finally, I believe Congress was misled badly last year relative to Pakistan's arms development and delivery capability. Earlier this year, I wrote to you expressing my concern that members of your Administration knew that Pakistan was obtaining illicit nuclear technology from the PRC while the Brown amendment was pending. I am equally concerned with allegations raised in the Washington Times article that members of your Administration may have attempted to alter the content or the processing of intelligence reports in order to avoid sanctions. This is a very serious allegation, and I have requested that the Senate Intelligence Committee conduct a thorough review of this matter.

Mr. President, you and I have not always agreed with the best course of action on nuclear non-proliferation, particularly in South Asia. I am sure you will agree with me that if the Washington Times story is true, we have reached a very dangerous stage in an already very unstable part of the world. It has always been our policy to other nations that nuclear proliferation should carry a heavy price. It is imperative to the peace and security of all the peoples of South Asia that this policy be enforced.

For these reasons, I strongly urge you to enforce fully our nation's non-proliferations laws, and honor the conditions set forth last year by withholding any future implementation of the Brown amendment.

Thank you for your attention to this very critical nonproliferation issue.

Sincerely,

LARRY PRESSLER,
U.S. Senator.

[From the Washington Times, June 12, 1996]

PAKISTAN DEPLOYS CHINESE MISSILES

(By Bill Gertz)

U.S. intelligence agencies have concluded that Pakistan has deployed nuclear-capable Chinese M–11 missiles and that the transfer was part of a conspiracy to skirt missile-control agreements.

The declaration, contained in interagency intelligence reports produced last month, confirms for the first time that Pakistan now has a strategic nuclear delivery capability. The finding is expected to trigger U.S. economic sanctions against both Pakistan and China based on a 1990 law.

State Department officials, however, are trying to block the intelligence judgment through bureaucratic maneuvering to avoid imposing sanctions, according to intelligence sources familiar with the effort.

The intelligence sources disclosed to The Washington Times that a report that Pakistan has operational Chinese M–11 missiles

was discussed last month by the Weapons and Space Systems Intelligence Committee. The committee is an interagency panel of intelligence experts who evaluate missile developments worldwide. The report was based on sensitive CIA data.

A separate ''statement of fact'' also was drafted last month declaring that China and Pakistan took part in a ''conspiracy to transfer M–11s,'' according to an intelligence document obtained by The Times.

U.S. officials said the statement is the first step in an intelligence M–11 components were spotted in Pakistan three years ago.

China's delivery of the weapons violates the 31-nation Missile Technology Control Regime (MTCR), as well as a 1994 U.S.-China agreement not to deploy M–11s in Pakistan.

CIA and State Department spokesmen would not comment on the intelligence findings. A Chinese Embassy spokesman also declined to comment.

A Pakistani Embassy spokesman denied that any M–11s are operational in his country or that any were bought from China.

The M–11 finding highlights China's active role in arms-proliferation activities and comes after the recent administration decision not to impose economic sanctions on China for selling nuclear-weapons technology to Pakistan.

The administration announced last month it would not impose sanctions because it claimed senior Chinese officials were unaware of the sale last year of ring magnets—components used to produce nuclear-weapons fuel—to Pakistan.

William C. Triplett, a specialist on China, said the M–11 deployment, when coupled with the sale of nuclear-arms technology, is a major boost in Pakistan's drive for a strategic nuclear capability and will increase tensions in the volatile region.

''This is a major change in the geostrategic balance between Pakistan and India, and a devastating blow to Clinton administration efforts to reduce tensions on the subcontinent,'' said Mr. Triplett, a former counsel to the Senate Foreign Relations Committee.

Mr. Triplett, a former U.S. intelligence official, also said he is not surprised by efforts of the State Department Bureau of Intelligence and Research to block the M–11 deployment judgment. The bureau is notorious for politicizing analyses and should be excluded from taking part in future interagency estimates, he said.

Limited sanctions were imposed on China in 1993 for selling M–11 components to Pakistan.

The sanctions, affecting an estimated $500 million in American sales, were lifted in October 1994 after Chinese Foreign Minister Qian Qichen and Secretary of State Warren Christopher signed an agreement halting sales of the M–11 and similar missiles.

Under a 1990 U.S. law, Pakistan's possession of operational M–11s requires the president to impose two years' sanctions on both countries that limit U.S. sales of high-technology products.

The sanctions also would bar imports of any products made by the government-owned China Precision Machinery Import-Export Corp., which makes M–11s, and Pakistan's Defense Ministry. Both companies were sanctioned in the 1993 M–11 component transfer.

Sanctions would have their greatest impact on sales of high-technology goods to China. Those goods were a major portion of the $12 billion in U.S. trade with China last year.

A State Department official said in 1994 when MTCR-related sanctions were lifted that if complete missiles were deployed in Pakistan ''we would have no choice but to impose MTCR sanctions.''

Mr. Deutch said in Senate testimony Feb. 22 that China has continued to sell inappropriate weapons and military technology in recent months, including ''nuclear technology to Pakistan, M–11 missiles to Pakistan, cruise missiles to Iran.''

''If this is true, there is no longer any excuse for not imposing sanctions on both China and Pakistan,'' said Gary Milhollin, director of the Wisconsin Project on Nuclear Arms Control.

China's disregard for the arms-control agreements despite U.S. appeals has exposed the weakness of U.S. policy toward Beijing, he said.

The MTCR, which limits sales of missiles with ranges greater than 186 miles or with warheads weighing more than 1,100 pounds, has no enforcement mechanism. But an amendment to the 1990 Defense Authorization Act requires the government to impose sanctions against foreign firms for MTCR violations.

U.S. officials have said the M–11 is a nuclear-capable missile whose export is barred under the MTCR because its warhead capacity exceeds MTCR limits.

U.S. intelligence agencies reported last year that the M–11 deal moved ahead after Pakistan paid $15 million to China for missiles, launchers and support equipment. The M–11s were shipped to Pakistan in 1993, but their assembly was not confirmed.

Spy-satellite photographs taken in April 1995 showed missile canisters at a facility in Sargodha, Pakistan. Two teams of Chinese missile technicians were sent to Pakistan later to provide training and to unpack and assemble the M–11s, intelligence sources said.

TRIBUTE TO SENATOR ROBERT DOLE

Mr. JEFFORDS. Mr. President, I rise today to pay tribute to Senator Robert J. Dole of Russell, KS for his 35 years of service in the U.S. Congress. Tuesday was a sad day for the U.S. Senate, for we lost one of our great leaders. It was also a sad day for me personally, for I lost a trusted colleague and a valued friend in the Senate. As the Republican leader in the Senate for 11 years, Senator Dole has left his fingerprints on every piece of legislation that has passed the Congress. His legacy will be remembered forever as one of vast legislative achievement.

I got my first glimpse of Senator Dole's legislative abilities when I came to Congress in 1975. In the wake of Watergate, and the massive congressional turnover that ensued, I was secured the position of ranking member of the House Agriculture Subcommittee with jurisdiction over the dairy industry. As a member of the Senate Agriculture Committee, Senator Dole and I worked closely together on many issues. I remember well the bonds we formed as conferees together on farm bills and working together to pass legislation for food stamps and child nutrition.

Later, as I gained seniority on the House Education and Labor Committee, we worked together again on disability policy. Senator Dole's commitment and determination to the passage of legislation ensuring that all Americans, regardless of physical disability, had equal opportunity was inspirational.

In 1989 when I became a member of the U.S. Senate, I had the privilege of seeing Senator Dole's leadership abilities first-hand everyday. I have watched with amazement his ability to pull legislative initiatives out of the fire, and prevail on issues from civil rights to Social Security reform. In Vermont there's a saying, ''You can't get there from here.'' Well, Senator Dole proved that adage wrong time and time again as he has moved legislation through the Senate.

In an institution where you are only as good as your word, Senator Dole prospered. His ability to build coalitions and form consensus on some of this Nation's most pressing issues is a testament to his integrity and character. In a world that has become ever more crude and impertinent, Senator Dole has defined ''the word'' civility.

Tuesday was a bittersweet day, for although I'm sad Senator Dole has left us in the Senate, I know he'll be close by as he seeks higher aspirations. I only hope that he knows that this is one Senator who feels that the U.S. Senate will never be the same without him.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPORT CONCERNING THE ANNUAL REPORT OF THE NATIONAL ENDOWMENT FOR THE ARTS FOR FISCAL YEAR 1995—MESSAGE FROM THE PRESIDENT—PM 153

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

It is my pleasure to transmit herewith the Annual Report of the National Endowment for the Arts for the fiscal year 1995.

On September 29, 1995, at the close of the fiscal year, the Arts Endowment celebrated its 30th anniversary. A young man or woman born at the same time as this Federal agency's establishment has enjoyed access to the arts and culture unparalleled in the history of the country. The National Endowment for the Arts has helped bring tens of thousands of artists into schools, teaching tens of millions of students about the power of the creative imagination. This small Federal agency has helped launch a national cultural network that has grown in size and quality these past 30 years.

This Annual Report is another chapter in a great success story. In these pages, you will find projects that bring

the arts to people in every State and in thousands of communities from Putney, Vermont, to Mammoth Lakes, California. The difference art makes in our lives is profound; we see more clearly, listen more intently, and respond to our fellow man with deeper understanding and empathy.

In these challenging times, when some question the value of public support for the arts, we should reflect upon our obligation to the common good. The arts are not a luxury, but a vital part of our national character and our individual human spirit. The poet Langston Hughes said, ''Bring me all of your dreams, you dreamers. Bring me all of your heart melodies . . .'' For 30 years, the Arts Endowment has helped keep those dreams alive for our artists and our audiences. May it long continue to do so.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *June 12, 1996*.

MESSAGES FROM THE HOUSE

At 4:02 p.m., a message from the House of Representatives delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3540. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1997, and for other purposes.

MEASURE REFERRED

The following bill was read the first and second times by unanimous consent and referred as indicated:

H.R. 3540. An act making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1997, and for other purposes; to the Committee on Appropriations.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–2991. A communication from the Secretary of Defense, transmitting, pursuant to law, a report relative to the Counterdrug Detail Program; to the Committee on Armed Services.

EC–2992. A communication from the Secretary of Defense, transmitting, pursuant to law, a report on the Defense Nuclear Agency Long-Term Radiation Tolerant Microelectronics Program; to the Committee on Armed Services.

EC–2993. A communication from the Assistant Secretary of Defense, transmitting, pursuant to law, a report relative to off-the-shelf systems; to the Committee on Armed Services.

EC–2994. A communication from the Director of the Office of Surface Mining, Reclamation and Enforcement, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''The Texas Regulatory Program,'' received on June 10, 1996; to the Committee on Energy and Natural Resources.

EC–2995. A communication from the Assistant Secretary of the Interior for Fish and Wildlife and Parks, transmitting, pursuant to law, a rule entitled ''Public Use Regulations for the Alaska Peninsula,'' (RIN1018–AD30) received on June 6, 1996; to the Committee on Energy and Natural Resources.

EC–2996. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, a rule relative to FM broadcast stations, received on June 10, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2997. A communication from the Managing Director of the Federal Communications Commission, transmitting, pursuant to law, the report of six rules relative to FM broadcast stations, received on June 10, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2998. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of twelve rules including a rule entitled ''Airworthiness Directives,'' (RIN2120-AA64, 2120-A64, 2120–AA66) received on June 10, 1996; to the Committee on Commerce, Science, and Transportation.

EC–2999. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Policies Relating to Rulemaking Proceedings,'' (RIN2105–AC55) received on June 6, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3000. A communication from the General Counsel of the Department of Transportation, transmitting, pursuant to law, the report of twenty rules including a rule entitled ''Revision of Class E Airspace'' (RIN2120–AA66, 2120–AB18, 2120–AA64, 2120–AA65, 2120–A64) on June 6, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3001. A communication from the Program Management Officer, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Atlantic Swordfish Fishery,'' (RIN0648–AI23) received on June 10, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3002. A communication from the Program Management Officer, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''The Gulf of Mexico Fisheries Disaster Program,'' (RIN0648–ZA19) received on June 6, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3003. A communication from the Program Management Officer, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Whaling Provisions,'' (RIN0648–AI81) received on June 6, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3004. A communication from the Program Management Officer, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Exclusive Economic Zone Off Alaska,'' (RIN0648–AI18) received on June 10, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3005. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of two rules including a rule entitled ''List of Regulated Substances and Thresholds for Accidental Release Prevention,'' (FRL5516–6, 5517–4) received on June 6, 1996; to the Committee on Environment and Public Works.

EC–3006. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of six rules including a rule entitled ''Protection of Stratospheric Ozone,'' (FRL5509–5, 5518–1, 5506–5, 5514–2 5464–4, 5514–6) received on June 7, 1996; to the Committee on Environment and Public Works.

EC–3007. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of six rules including a rule entitled ''Description of Areas for Air Quality Planning Purposes,'' (FRL5515–7, 5516–4, 5513–3, 5511–2, 5368–4, 5515–1) received on June 5, 1996; to the Committee on Environment and Public Works.

EC–3008. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of three rules including a rule entitled ''Accidental Release Prevention Requirements,'' (FRL5516–6, 5516–6, 5517–4) received on June 6, 1996; to the Committee on Environment and Public Works.

EC–3009. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, a draft of proposed legislation entitled ''The Water Resources Development Act of 1996''; to the Committee on Environment and Public Works.

EC–3010. A communication from the Board of Trustees of the Federal Hospital Insurance Trust Fund, transmitting, pursuant to law, the annual report for 1996; to the Committee on Finance.

EC–3011. A communication from the Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund, transmitting, pursuant to law, the annual report for 1996; to the Committee on Finance.

EC–3012. A communication from the Chief of the Regulations Branch of the U.S. Customs Service, Department of the Treasury, transmitting, pursuant to law, the rule entitled ''Determining the Country of Origin of a Good,'' (RIN1515–AB34) received on May 31, 1996; to the Committee on Finance.

EC–3013. A communication from the Chairman of the U.S. International Trade Commission, transmitting, pursuant to law, the report on trade between the U.S. and China, and the Successor States to the former Soviet Union for the period October 1, 1995 through December 31, 1995; to the Committee on Finance.

EC–3014. A communication from the Acting Assistant Secretary of State (Legislative Affairs), transmitting, pursuant to law, the report of a final rule relative to passport information, received on June 6, 1996; to the Committee on Foreign Relations.

EC–3015. A communication from the Assistant General Counsel, U.S. Information Agency, transmitting, pursuant to law, a rule entitled ''The Exchange Visitor Program,'' received on June 12, 1996; to the Committee on Foreign Relations.

EC–3016. A communication from the Under Secretary of Defense (Acquisition and Technology), transmitting, pursuant to law, the report entitled ''Quality of Research Under the DOD Small Business Innovation Research Program''; to the Committee on Small Business.

EC–3017. A communication from the Secretary of Health and Human Services, transmitting, a draft of proposed legislation entitled ''The Developmental Disabilities Assistance Amendments of 1996''; to the Committee on Labor and Human Resources.

EC–3018. A communication from the Assistant General Counsel, Department of Education, transmitting, pursuant to law, a rule relative to the William D. Ford Federal Direct Loan Program, (RIN1840–AC18) received on June 6, 1996; to the Committee on Labor and Human Resources.

EC–3019. A communication from the Assistant Secretary of Labor for Employment and Training, transmitting, pursuant to law, the report of a rule entitled ''Unemployment Insurance Program Letter 23–96,'' received on June 3, 1996; to the Committee on Labor and Human Resources.

EC–3020. A communication from the Director of the Office of Regulations Management, Office of the General Counsel, Department of Veterans Affairs, transmitting, pursuant to law, the report of a final rule entitled ''Information Law; Miscellaneous,'' (RIN2900–AI23) received on June 6, 1996; to the Committee on Veterans' Affairs.

EC–3021. A communication from the Director of the Office of Regulations Management, Office of the General Counsel, Department of Veterans Affairs, transmitting, pursuant to law, the report of a final rule entitled ''Investigation Regulations,'' (RIN2900–AI25) received on June 6, 1996; to the Committee on Veterans' Affairs.

EC–3022. A communication from the Director of the Office of Regulations Management, Office of the General Counsel, Department of Veterans Affairs, transmitting, pursuant to law, the report of a final rule entitled ''Veterans Education: Course Measurement for Graduate Courses,'' (RIN2900–AH39) received on June 6, 1996; to the Committee on Veterans' Affairs.

EC–3023. A communication from the Director of the Office of Regulations Management, Office of the General Counsel, Department of Veterans Affairs, transmitting, pursuant to law, the report of a final rule entitled ''National Service Life Insurance,'' (RIN2900–AH55) received on June 10, 1996; to the Committee on Veterans' Affairs.

EC–3024. A communication from the Director of the Office of Regulations Management, Office of the General Counsel, Department of Veterans Affairs, transmitting, pursuant to law, the report of five final rules entitled ''United States Government Life Insurance,'' (RIN2900–AH52, 2900–AH53, 2900–AH54, 2900–AI15, 2900–AI04) received on June 6, 1996; to the Committee on Veterans' Affairs.

EC–3025. A communication from the Director of the Office of Regulations Management, Office of the General Counsel, Department of Veterans Affairs, transmitting, pursuant to law, the report of a final rule entitled ''Autopsies,'' (RIN2900–AI07) received on June 6, 1996; to the Committee on Veterans' Affairs.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM–580. A joint resolution adopted by the Legislature of the State of Maine; to the Committee on Appropriations.

''JOINT RESOLUTION NO. 1381

''Whereas, President Nixon stated, 'No qualified student who wants to go to college should be barred by lack of money. That has long been a great American goal.'; and

''Whereas, each subsequent President, including President Clinton, has reaffirmed this policy; and

''Whereas, a dollar invested in the federal educational grant programs will return $4.30 in additional tax revenue over a student's lifetime; and

''Whereas, full-time college students work an average of 25 hours a week to support themselves; and

''Whereas, college-aged youths from the highest income families are more than 3 times as likely to be enrolled in college as those from the lowest income families; and

''Whereas, under current Congressional proposals, 212,000 college students will lose state grants and an additional 150,000 needy students will lose student loans; and

''Whereas, Congress has proposed reducing student grants for college by eliminating Pell grants for 400,000 students; and

''Whereas, Congress has proposed to penalize colleges and universities for serving needy students by instituting a tax on schools equal to 2% of loan volume; and

''Whereas, educational programs that will receive no funding under the current congressional continuing resolution include: law-related education, cooperative education, Douglas Teacher scholarships, innovative community service projects, drop-out prevention demonstrations, state vocational education councils and art programs; Now, therefore, be it

''*Resolved*, That We, your Memorialists, respectfully recommend and urge the Congress of the United States to maintain aid for higher education; and be it further

''*Resolved*, That duly authenticated copies of this Memorial be submitted by the Secretary of State to the Honorable William J. Clinton, President of the United States, the President of the Senate, the Majority Leader of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each Member of the Maine Congressional Delegation.''

POM–581. A joint resolution adopted by the Legislature of the State of Tennessee; to the Committee on Appropriations.

''SENATE JOINT RESOLUTION NO. 323

''Whereas, the Center for Applied Science and Technology for Law Enforcement (CASTLE) successfully completed six months of pilot operation in September, 1995; and

''Whereas, the laudable mission of the CASTLE program is to understand and solve critical needs of the United States law enforcement and corrections community through the application of unique or specialized technology; and

''Whereas, the CASTLE program is committed to serving law enforcement and corrections in a fourteen (14) state Southeastern region, and transferring its lessons-learned, methodologies and technologies nationally; and

''Whereas, serving as a partnership of key Southeastern law enforcement professionals, universities, private sector companies and the Oak Ridge scientific complex, CASTLE has demonstrated its ability to identify the real needs of grass roots law enforcement, develop new forensic capabilities, apply advanced technology to crime fighting and improve police officer safety; and

''Whereas, CASTLE has the potential to be a significant contributor to national security; and

''Whereas, CASTLE is proactive, innovative and tireless in its service to national security through technology for better, safer and less costly law enforcement; and

''Whereas, to date, the CASTLE program has provided invaluable technical and research services to numerous Tennessee state and local law enforcement agencies that have sought access to specialized technology beyond their scope and means via CASTLE's expert assistance; and

''Whereas, the excellent support provided by CASTLE in these instances has been instrumental in solving several murder cases and other sensitive, high profile cases; and

''Whereas, the centerpiece of the next phase of CASTLE, as identified in its Strategic Plan, will be the establishment of Oak Ridge National Laboratory (ORNL) as the lead laboratory for a National Institute of Justice (NIJ) sponsored virtual National Forensic Center; and

''Whereas, if adequately funded by the federal government, CASTLE will be a leader in solving critical needs of grass roots law enforcement through innovative management and selective application of advanced technology; and

''Whereas, the recent budget impasse in Washington, D.C. has threatened the continuation of adequate federal funding for the next phase of the CASTLE program; and

''Whereas, it would indeed be devastating to the public safety and welfare if the unique, advanced technology, innovative methodologies and tireless professionalism of the CASTLE program were to be sacrificed in the interests of less worthy components of the federal budget; Now, therefore, be it

''*Resolved*, by the Senate of the Ninety-Ninth General Assembly of the State of Tennessee, the House of Representatives concurring, That this General Assembly hereby memorializes the President of the United States, the U.S. Congress and the U.S. Department of Justice to secure adequate federal funding for the implementation of the next phase of The Center for Applied Sciences and Technology for Law Enforcement (CASTLE) as identified in its Strategic Plan dated October, 1995, and to maintain adequate funding for the CASTLE program at its present level of operation; be it

''*Resolved*, That the Chief Clerk of the Senate is directed to transmit a certified copy of this resolution to the Honorable Bill Clinton, President of the United States; the Honorable Janet Reno, Esquire, U.S. Attorney General; the Speaker and the Clerk of the U.S. House of Representatives; the President and the Secretary of the U.S. Senate; and to each member of Tennessee's congressional delegation.''

POM–582. A joint resolution adopted by the Legislature of the State of Tennessee; to the Committee on Appropriations.

''HOUSE JOINT RESOLUTION NO. 525

''Whereas, the operations of predecessor federal agencies and the past and current operations of the U.S. Department of Energy now require the control and abatement of legacy environmental hazards and also require ongoing waste management activities which, together, involve more than 130 sites and facilities in over 30 states and territories; and

''Whereas, the research and production missions of predecessor agencies and of the U.S. Department of Energy have been essential to the national defense; to development of safe, economical and reliable energy sources; and to many fields of scientific research which have enriched our nation; and

''Whereas, since 1942, the Oak Ridge Reservation in Anderson County, Tennessee, and in Roane County, Tennessee, has hosted missions and programs contributing to national security, national energy supply, national environmental enhancement, and national economic competitiveness; and

''Whereas, the Oak Ridge National Laboratory is a national asset with world-class recognition and capabilities in energy, environmental materials, computer science, research and development that contributes to Tennessee's and the nation's economic competitiveness; and

''Whereas, the Environmental Management Program of the U.S. Department of Energy is responsible for control and abatement of environmental problems on the Oak Ridge Reservation; and

''Whereas, the Environmental Management Program of the U.S. Department of Energy is

further responsible for essential support of ongoing national security and national scientific research missions on the Oak Ridge Reservation through provision of waste management services and through technology development activities; and

''Whereas, appropriations for the defense environmental management, non-defense environmental management, and uranium decontamination and decommissioning funds for the Oak Ridge Reservation Environmental Management Programs have been reduced significantly for federal fiscal year 1996; and

''Whereas, the Oak Ridge community and the East Tennessee region now host a world-class community of over 100 environmental management and service companies which are demonstrating that environmental problems and ongoing waste management activities can be accomplished with greater efficiencies and effectiveness within the constraints of reduced budgets; and

''Whereas, the need to address environmental management challenges exists on the Oak Ridge Reservation and the talent and technological capability to address such challenges reside in the surrounding region; Now, therefore, be it

''*Resolved*, by the House of Representatives of the Ninety-Ninth General Assembly of the State of Tennessee, the Senate Concurring, That the General Assembly finds that stable and adequate funding of the DOE Environmental Management Program for the Oak Ridge Reservation is essential to the health, safety and general welfare of the citizens of Tennessee and essential to the protection of the environmental quality of the State of Tennessee; be it further

''*Resolved*, That the General Assembly memorializes the committees of the United States Congress with jurisdiction for both program authorization and for appropriation of funds to the DOE Environmental Management Program to provide authorities and funding to this program for federal fiscal year 1997 sufficient to assure Tennessee citizens that:

''(1) Oak Ridge Reservation contaminants are controlled to prevent situations where it would cost more at a later date to control the spread of contamination;

''(2) workers on the Oak Ridge Reservation are not exposed to undue risks;

''(3) wastes that are produced in the ongoing defense and scientific research missions on the reservation are characterized and managed in such a way as to prevent a future environmental liability;

''(4) wastes receive appropriate treatment and are moved on to final disposal, thus avoiding the continuing costs of interim storage where disposal capacity is now available;

''(5) nuclear materials and facilities stabilization and decontamination and decommissioning of facilities are accomplished expeditiously by funding such projects now to reduce the overall life-cycle costs to taxpayers and to allow industry to take advantage of the infrastructure, technology, and capable work force;

''(6) U.S. Department of Energy programs are able to comply with state and federal law to the same extent that private business and industry are required to comply with state and federal law;

''(7) local governments and area citizens are fully involved in shaping the environmental management programs which will determine future uses and the environmental conditions appropriate for such future uses of the Oak Ridge Reservation; and

''(8) existing agreements made in good faith and in the spirit of cooperation and progress by the State of Tennessee with the U.S. Department of Energy are honored to the fullest extent applicable by law; be it further

''*Resolved*, That enrolled copies of this resolution be transmitted to the respective chairs of the Energy and Water Development Appropriation Subcommittees of the U.S. House of Representatives and the U.S. Senate; the Speaker and the Clerk of the U.S. House of Representatives; the President and the Secretary of the U.S. Senate; and each member of Tennessee's Congressional delegation.''

POM–583. A joint resolution adopted by the Legislature of the State of Utah to the Committee on Appropriations.

''HOUSE JOINT RESOLUTION NO. 1

''Whereas the constitutional role of the United States military is to protect the life, liberty, and property of United States citizens and to defend our nation against insurrection or foreign invasions;

''Whereas the United States is an independent sovereign nation and not a tributary of the United Nations;

''Whereas there is no popular support for the establishment of a world sovereignty of any kind either under the United Nations or under any world body in any form of global government; and

''Whereas global government could lead to the destruction of our United States Constitution and corruption of the spirit of the Declaration of Independence, our freedom, and our way of life: Now, therefore, be it

''*Resolved* That the Legislature of the state of Utah urge the United States Congress to cease the appropriation of United States funds for any military activity not authorized by the Constitution, to cease engagement in any military activity under the authority of the United Nations or any world body, and to cease any support for the establishment of any form of global government; be it further

''*Resolved*, That the Legislature urge the United States Congress to refrain from taking any further steps toward the economic or political merger of the United States into a world body or any form of world government; be it further

''*Resolved*, that copies of this resolution be sent to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, and Utah's congressional delegation.''

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. INOUYE (for himself and Mr. AKAKA):

S. 1864. A bill to transfer jurisdiction over certain parcels of Federal real property located in the District of Columbia, and for other purposes; to the Committee on Energy and Natural Resources.

By Mrs. FEINSTEIN:

S. 1865. A bill to direct the Administrator of the Federal Aviation Administration to issue regulations relating to recirculation of fresh air in commercial aircraft, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. HOLLINGS:

S. 1866. A bill to amend title 18, United States Code, to clarify Federal jurisdiction over offenses relating to damage to religious property; to the Committee on the Judiciary.

By Mr. BIDEN (for himself and Mr. SPECTER):

S. 1867. A bill to restore the American family, enhance support and work opportunities for families with children, reduce out-of-wedlock pregnancies, reduce welfare dependence, and control welfare spending; to the Committee on Finance.

By Mr. BREAUX:

S. 1868. A bill to amend the Deepwater Port Act of 1974 to promote the use of deepwater ports to transport Outer Continental Shelf oil by reducing unnecessary and duplicative regulatory requirements, and for other purposes; to the Committee on Commerce, Science, and Transportation.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BINGAMAN (for himself, Mr. LEAHY, Mr. DOMENICI, Mr. DASCHLE, and Mr. PRESSLER):

S. Res. 259. A resolution to express the sense of the Senate that the Secretary of Agriculture should use the disaster reserve established under section 813 of the Agricultural Act of 1970 to alleviate distress to all livestock producers who have suffered feed losses due to drought, flooding, or other natural disasters in 1996 in the most cost efficient manner practicable, including cash payments from the sale of commodities in the disaster reserve, and should provide voluntary conservation assistance to persons who hay or graze on conservation reserve lands, and for other purposes; considered and agreed to.

By Mr. DOMENICI (for himself, Mr. BINGAMAN, Mr. GRAMM, Mrs. HUTCHISON, and Mr. PRESSLER):

S. Res. 260. A resolution to express the sense of the Senate that livestock producers who are not eligible for emergency livestock feed assistance in the 1996 crop year, and who have suffered feed losses due to drought, flooding, or other natural disasters in 1996, should receive special consideration for assistance from commodities or the sale or commodities currently available in the disaster reserve established under section 813 of the Agricultural Act of 1970, and for other purposes; considered and agreed to.

By Mr. GRAMM (for himself, Mrs. HUTCHISON, Mr. DOMENICI, and Mr. PRESSLER):

S. Res. 261. A resolution to express the sense of the Senate that the Secretary of Agriculture should allow livestock feed assistance in the 1995 crop year to be eligible for emergency livestock feed assistance in the 1996 crop year, and for other purposes; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. INOUYE (for himself and Mr. AKAKA):

S. 1864. A bill to transfer jurisdiction over certain parcels of Federal real property located in the District of Columbia, and for other purposes; to the Committee on Energy and Natural Resources.

FEDERAL REAL PROPERTY TRANSFER LEGISLATION

• Mr. INOUYE. Mr. President, I introduce a bill to transfer jurisdiction over a parcel of land from the Architect of the Capitol to the Department of the Interior. This no-cost transfer would allow this parcel to be used to establish

a memorial to Japanese-American patriotism in World War II, since monuments cannot be built on the Capitol Grounds. I am pleased to note that this transfer has the support of the National Park Service, the Bureau of Land Management, and the Architect of the Capitol.

This memorial, authorized in 1992 by Public Law 102–502 to honor the patriotism of Americans of Japanese ancestry during World War II, must begin construction by October 24, 1999. It is essential that the land exchange take place as soon as possible in order to begin the formal approval processes for the memorial's design.

I hope that my colleagues will join me in supporting this measure's expedient passage.●

By Mrs. FEINSTEIN:

S. 1865. A bill to direct the Administrator of the Federal Aviation Administration to issue regulations relating to recirculation of fresh air in commercial aircraft, and for other purposes; to the Committee on Commerce, Science, and Transportation.

THE AVIATION CLEAN AIR ACT OF 1996

Mrs. FEINSTEIN. Mr. President, I rise to introduce legislation having to do with the quality of air in passenger cabins of commercial aircraft.

I want to begin for a moment by telling you how I got into this. Three years ago, obviously coming to the Senate, I began a whole series of flights from San Francisco and from Los Angeles to Washington, and I noticed something. I noticed when I rode a 747 I did not get a headache and the circulation in my hand did not cease. When I rode a 757 or a 767, I began to get rather severe headaches. If I fell asleep, the circulation in my hand ceased. This, then, promptly woke me up.

I began to look into it. What did I find? I looked at Federal clean air standards for enclosed spaces. I found that the Federal standard for fresh air in prison cells is 20 cubic feet per person per minute. The fresh air standard for an office building, for a theater lobby, for a restaurant, is the same. Then I found there were no fresh air standards for commercial aircraft.

So I asked, what are the existing levels? Let me tell you what I found. The average amount of fresh air circulation in a 757 is 9 cubic feet per person. The average amount of fresh air in a 767 is 9.1 cubic feet per person per minute. The new 737's, provide an average of 9.6 cubic feet per person per minute. Now, what is the significance? The significance is that it is less than one-half the fresh air that is required in a prison cell, an office or a restaurant. And then I began to ask flight attendants about the problems. What I learned is that stories documented of sore throats and headaches, of difficulty of breathing, of poor circulation in the body and swollen legs, of colds, flus, and airborne diseases, such as flu and tuberculosis are now beginning to spiral throughout the 1.4 million passengers per day that ride commercial airlines.

Well, today I want to introduce in the Senate an idea whose time has come, and that is an aviation clean air act. This is also being introduced in the House of Representatives at the same time. Essentially, what this bill would require is that commercial airlines provide ventilation systems that provide 20 cubic feet of fresh air per person per minute in the cabin. This is equal to what is provided today by older aircraft, namely, the 747. Many of the larger commercial aircraft, such as the 737's, 757's, or 767's, as I said, provide less than one-half of what is provided by a 747.

Second, the bill would ensure that air filters used in airplane cabin air recirculation systems are monitored and changed regularly.

Third, it would require that airlines monitor humidity and ozone levels.

Fourth, it would require the FAA to create a ''1–800'' number to receive reports of illnesses relating to air travel.

I also want to introduce into the RECORD directly following my statement a statement of Patricia Friend, the international president of the Association of Flight Attendants; a statement of Andrew Parramore, a flight attendant; a statement of Joe Johnson, a member of the Association of Flight Attendants, and Janie Johnson, a member of the Association of Flight Attendants.

I ask unanimous consent that they be printed in the RECORD.

There being no objection, the materials were ordered to be printed in the RECORD as follows:

STATEMENT OF PATRICIA FRIEND AT AN AVIATION CLEAN AIR ACT PRESS CONFERENCE

On behalf of the 40,000 members of the Association of Flight Attendants, I would like to thank Senator Dianne Feinstein and Representative Jerrold Nadler for today introducing legislation that will significantly air quality in the airplane cabin.

This legislation seeks to establish a minimum ventilation standard of 20 cubic feet of fresh air per minute per person in the cabin. In addition to the ventilation standard, the proposed legislation would also require the monitoring of air filters, ozone and humidity. The Aviation Clean Air Act of 1996 seeks to establish a toll-free telephone number at the FAA for individuals to report cabin air quality incidents. These are critical elements to achieving a healthy workplace for flight attendants.

While frequent fliers often complain of headaches, nausea, dizziness, consistently coming down with upper respiratory viral infections after flying, and in some cases, passing out during flight and having oxygen administered by the flight attendants, the flight attendants themselves are at even greater risk from poor cabin air quality.

Flight attendants are inflight safety professionals. In the daily performance of our duties, we inhale a greater amount of air, increasing our exposure to viruses and bacteria, fumes from chemical solvents, and carbon monoxide from incomplete combustion of fuel. Flight attendants who routinely work in cabins with poor air quality complain of respiratory problems and other health difficulties such as dizziness, severe headaches, loss of balance and numbness in the hands.

Our position on increased fresh air in the cabin is supported by the FAA's recently introduced final rule. The FAA determined that health and safety considerations justify these standards, stating that cabin crew members must be able to perform their duties without undue discomfort or fatigue.

Regrettably, their rule did not address air quality in aircraft currently being operated but applies only to future generation aircraft. After 7 years of pending rule-making, the FAA's final rule is still unsatisfactory offering too little, too late.

Recall the USAir Flight 1016 accident on a DC9–31 (with 100% fresh air), in which the flight attendants helped passengers to escape from the aircraft. One of them, Rich DeMary, repeatedly risked his life to single-handedly save four persons from the burning wreckage. Imagine what might have happened had these flight attendants been suffering loss of balance, headaches, or numbness in their hands. Whether it is reacting to severe turbulence, safely evacuating passengers during an emergency or responding to an onboard fire, flight attendants must be ready to respond at a moment's notice.

AFA strongly supports the legislation to establish a minimum standard of 20 cubic feet of fresh air per minute per person in the cabin. Both Senator Feinstein and Representative Nadler deserve the thanks of all flight attendants and passengers, whose health and safety will benefit from this legislation.

STATEMENT OF ANDREW PARRAMORE

On April 25, 1994, on an aircraft with recirculated air, scheduled to fly from Los Angeles to the East coast, with 103 passengers and 7 flight attendants aboard, developed severe air cabin quality problems. The result was an eventual unscheduled landing in Chicago, where passengers and crew were met by paramedics, and one flight attendant was hospitalized with abnormally high carbon monoxide levels. Four others went en route sick list, experiencing headache, disorientation, motor skill impairment and respiratory difficulties, symptoms, I was told by a physician, which are consistent with prolonged exposure to carbon monoxide poisoning and resultant oxygen deprivation.

Immediately upon takeoff the coach cabin filled with dense white smoke, the flight attendants experienced eye irritation, smells described as overheating metal and/or electrical fire, and a bitter metallic taste. The cockpit was notified, the cabin was searched for source of possible fire, and the problem attributed to a deferred, inoperative air pack which had been activated. Crewmembers noted an unusually high percentage of coach passengers in a deep, heavy sleep; the few conscious complained of dizziness, fatigue, headache, nausea, and complained of the cabin air. Flight attendants were unable to complete the beverage service without rotating to the cockpit for supplementary oxygen.

At this point, one of the flight attendants described what happened:

''I tried to finish setting up two liquor carts. I had to leave at least twice and go to the forward galley to warm up and clear my head, but eventually I went to the cockpit for oxygen as well. When I was in the cockpit, I again told the pilots we were feeling ill and several passengers had complained. [The pilots] hypothesized what the problem could be but I definitely got the impression that they thought this was a cosmetic problem (bad smell in the cabin) and our illness was all in our heads. They asked why the first class flight attendants were not feeling ill. I said the smoke and fumes were primarily in the main cabin and not first class.''

I then came into the cockpit to take oxygen.

Our symptoms worsened, and individual oxygen bottles were soon retrieved. The flight attendant crew experienced increasing loss of motor skills and mental alertness, loss of ability to judge time passage and elementary computations, disorientation, headache, extreme fatigue. The lunch service was canceled, passengers awakened with great difficulty and relocated from coach to business class [which is designed to provide a somewhat increased level of fresh air per person] where effects seemed less severe. The flight attendants responsible for the coach section of the aircraft spent the last two hours of the flight seated, breathing from oxygen bottles. Individual flight attendants intermittently lost consciousness. Passengers were either completely ''out'', often with flushed faces, or in an apathetic, non communicative ''daze''. The airline safety official's ''best guess'' is that the malfunctioning air pack combusted superheated synthetic oil, flooding the coach cabin with resulting fumes and particulate irritants and as a byproduct created poisonous carbon monoxide.

STATEMENT OF JOE JOHNSON

I have been a flight attendant for about 16 years and traveling by air for much longer than that. With the relatively recent introduction of aircraft with recycled air systems, I have experienced a reduction of air quality on board. I have experienced fatigue, difficulty in breathing, lightheadedness, and headaches on some flights. Passengers often complain to me of the same. The first thought is that this could be due to smoking on board flights. However, since most flights have been nonsmoking for some time, I believe this is just a contributing factor.

There is a marked difference in air quality when flying older aircraft such as the 747–100 series, any 727 or 737–200 series. I am told by experts in the field this is due to 100 percent fresh air exchange on the older airplanes. On some newer generation airplanes, we frequently ask the pilots to turn off the recirculation fans, which I understand, allows more fresh air into the cabin. This procedure, I am told by our engineers, theoretically uses more fuel, however, it does improve air quality. You can surmise in an era of cost control that this practice is not popular among airline management's.

Another area that contributes to poor air quality is the lack of adequate maintenance of the filtration systems. I have witnessed filters that are so black and clogged I don't know how any air could have passed through. On a recent flight from Los Angeles to Washington, a frequent flying passenger repeatedly asked me to ask the pilots to improve the air quality and air flow. He proclaimed to all who were around that, ''I travel all the time and we are all going to have black lungs from the air on board airplanes. These new planes are terrible.'' I repeatedly relayed his requests to the cockpit.

Due to design, it would appear, air quality continues to deteriorate. This is a real problem for flights attendants as well as the traveling public.

STATEMENT OF JANIE JOHNSON

As a veteran flight attendant for 23 years, I believe the air quality continues to deteriorate. A great number of flight attendants experience headaches, have difficulty breathing, suffer from upper respiratory problems and are fatigued.

On August 24, 1994, I worked a flight from Washington, DC to Anchorage International via Denver's Stapleton airport. It was an aircraft with recirculating cabin air and was a non-smoking flight. The air was stuffy. Many passengers requested aspirin and I myself had a terrible headache, with sharp pains between my eyes. I also had a difficult time breathing. It was as if someone was standing on my chest.

We reported this to the pilots and they turned off a recirculation fan to see if it would help and it did. Within approximately 20 minutes I found it much easier to breath and my headache was gone.

Upon our return flight from Anchorage to Dulles, via Denver on a different aircraft of the same type, we experienced the same symptoms and again the pilots turned off one of the recirculation fans. The results were the same. We did notice that the ceiling vents in both galleys were obstructed by lint. We logged the problems with the air quality and upon our arrival into Denver, mechanics removed the covers and cleaned the filters. They were almost totally blanketed with what appeared to be lint, and other debris.

I am not a doctor nor a mechanic but just a flight attendant that makes a living of working on board airplanes. Lack of good air quality is negatively impacting not only my health but the health of my flying partners and passengers who travel on board our airplanes every day. During a conference call regarding air quality on one of the new generation of aircraft with recirculated air, the maintenance engineer commented, ''when I went to training for this system, I was told it was a flying cold.''

Numerous incidents of poor air quality have been filed by flight attendants, yet, over the years, conditions continue to worsen. It would appear for the sake of some fuel savings, air quality and our health and safety continue to suffer.

By Mr. HOLLINGS:

S. 1866. A bill to amend title 18, United States Code, to clarify Federal jurisdiction over offenses relating to damage to religious property.

THE CHURCH ARSON PREVENTION ACT OF 1996

Mr. HOLLINGS. Mr. President, I rise today to introduce a bill aimed at providing a mechanism for Federal law enforcement to combat the most recent scourge to sweep across the Southeast. I am talking about the burnings of black churches that have been making such dramatic headlines lately. The burning of houses of worship have been taking place for the past 5 or 6 years, but this particular outbreak of fires has all the characteristics of an epidemic. Not since the sixties have I been witness to such blatant intolerance and hatred, such utterly despicable acts of American citizens against their fellow Americans as has I have seen over these past few weeks. I turn on the news and see a burning church, a haunting image with horrific symbolic and practical implications, and I say this must stop. Not just this specific rash of crime, but the whole trend toward violence and intolerance in our society. We as Americans have fought too hard to let racial or religious intolerance once again pollute our democracy.

This morning I accompanied President Clinton as he traveled to South Carolina. I welcome his strong presence in the midst of this unsettling trend, and moreover I welcome the message he brought to my home State. This country is stronger than the forces of hatred that would divide us. We will rebuild, and we will punish those responsible for these episodes of destruction.

To fight against the forces of divisiveness, we must pull together as a community. In the South, that means rebuilding, it means congregations of churches all over America picking a Sunday and dedicating their collections to rebuild these burned churches. Here in the Government, in means using every means within our power to make sure that this never happens again.

As of this moment, we don't have legislation that adequately addresses this brand of criminal behavior. The investigations by Federal authorities, and their ability to prosecute these cases have been limited by the current law. The bill I propose will remove the impediments to bringing Federal cases, and give the Attorney General an effective, and necessary weapon with which to combat these crimes. Section 247 of title 18, United States Code, makes it a crime to damage religious property or to obstruct persons in the free exercise of religious beliefs. I propose to amend this by requiring only that the offense ''is in or affects interstate or foreign commerce.'' Congress will be effectively granting jurisdiction over all conduct which may be reached under the interstate commerce clause of the constitution.

Additionally, the bill eliminates the $10,000 threshold for fire damages to grant Federal jurisdiction in cases where there is only minimal damage. This way, desecration or defacement of houses of worship can be prosecuted under 18 U.S.C. 247.

I urge the Senate to act quickly and adopt this provision. As I understand a similar measure is making its way through the House, the Senate should also act in an expeditious manner to ensure the Federal Government has the necessary authority to combat this tragic epidemic.

More importantly, this country must come together, leave racial intolerance behind, and insure that we end this type of bigotry.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1866

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 ''Church Arson Prevention Act of 1996''.

SEC. 2. DAMAGE TO RELIGIOUS PROPERTY.

Section 247 of title 18, United States Code, is amended—

(1) so that subsection (b) reads as follows: ''(b) The circumstances referred to in subsection (a) are that the offense is in or affects interstate or foreign commerce.''; and

(2) in subsection (a)(1), by inserting '', racial, or ethnic'' before ''character''.

By Mr. BIDEN (for himself and Mr. SPECTER):

S. 1867. A bill to restore the American family, enhance support and work opportunities for families with children, reduce out-of-wedlock pregnancies, reduce welfare dependence, and control welfare spending; to the Committee on Finance.

THE BIPARTISAN WELFARE REFORM ACT OF 1996

Mr. BIDEN. Mr. President, since 1987, when I first proposed an overhaul of the welfare system, I have argued that welfare recipients should be required to work. Nine years later, America is still in need of fundamental welfare reform.

So, today, Mr. President, Senator SPECTER and I are introducing the Bipartisan Welfare Reform Act of 1996—the Senate companion to legislation introduced in April by Representatives MIKE CASTLE and JOHN TANNER and 30 moderate House Members from both parties.

Let me briefly review how we got to this point and why we are taking this action.

Last September, the Senate passed a bipartisan welfare reform bill by an overwhelming vote of 87–12. I voted for that bill, and President Clinton said he could sign it.

Since then, however, polarizing partisanship and Presidential politics have permeated this issue. And, the result has been paralysis. Nothing has been accomplished.

In an attempt to break the gridlock, last February, the Nation's Governors—led by my Governor, Tom Carper—proposed a bipartisan welfare reform bill. In April, Representatives CASTLE and TANNER and a group of other moderates wrote what I believe is a first-rate bipartisan welfare reform plan.

No such bipartisan plan to date has been introduced in the Senate. And, as this issue will be back before us again soon, Senator SPECTER and I decided that now is the time—and the Castle-Tanner proposal is the bill to move us forward.

What this bill proposes, in and of itself, is not new. What is new is that it is being proposed all together in a bipartisan fashion.

For that, Representative CASTLE and Senator SPECTER deserve great applause. They are reaching across the aisle to do what the American people sent us to Congress to do—work together to solve the problems facing this country. And, again, I think the bill we are introducing today is a first-rate bill.

To highlight the basic principles: there would be a 5-year time limit on receiving welfare benefits. After 2 years, welfare recipients would be required to work—at least 25 hours per week. And, child care would be available, so that children are not left home alone while their mothers are working.

The bill would make getting tough on the deadbeat dads who do not pay child support as high a priority as getting tough on the welfare moms. And, the bill takes steps to crack down on welfare—particularly food stamp—fraud.

This will all sound familiar to those who have followed this debate. And, as I said a moment ago, it is. For the principles have never been in doubt—almost everyone agrees on them.

You see, what has been lost in the shuffle and shouting of the last 10 months is that there is a great deal of common ground on welfare reform. So much so, that if you leave behind the politics and the partisanship, a tough, bipartisan welfare reform bill is easily within reach.

I think this is that bill. But, if not, it is awfully darn close. Let me just mention a couple of examples of bipartisan compromise.

For Republicans, the bill converts aid to families with dependent children—AFDC— to a block grant to the States. For Democrats, it more adequately invests in child care.

For Republicans, the bill freezes funding for cash welfare payments. For Democrats, it provides additional help to those States faced with economic downturns.

For Republicans, the bill imposes a family cap. For Democrats, it gives States flexibility to opt out.

Is this bill exactly how I would have written a bill on my own in the solitude of my office? The answer is no. But, if we are going to move forward, we must stop insisting that there be a perfect bill or no bill at all.

It is time to say that we do not care who gets credit for reforming welfare. It is time to just do it—in a bipartisan fashion—for the sake of the American people and for the sake of the people on welfare.

I urge my colleagues to cosponsor the Biden-Specter Bipartisan Welfare Reform Act, and I ask unanimous consent that a summary of the bill prepared by Representative TANNER be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

HIGHLIGHTS OF THE BIPARTISAN WELFARE REFORM ACT OF 1996

TITLE I—BLOCK GRANT FOR TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF)

Basic grant. Consolidates funding for AFDC, JOBS and Emergency Assistance (EA) into a $16.35 annual billion block grant to states beginning in FY 1997 called the Temporary Assistance for Needy Families (TANF) block grant.

Supplemental grant fund of $800 million for FY 1997–FY 2000 for states with high population growth and/or low grant amounts per poor person.

Contingency Fund for State Welfare Programs. Establishes a contingency fund for states of $2 billion in matching funds over five years (FY 1997–2001) for states that experience high unemployment or an increase in the food stamp caseload. States must also meet a 100% maintenance of effort requirement in the year they use the contingency fund. Funds are provided at the end and cannot exceed 20% of a state's annual TANF grant in a fiscal year.

State plan. States would be required to submit a state plan for approval in order to receive federal funds. The Secretary must approve any plan which meets the following basic requirements:

Work Requirements. Require all able-bodied recipients to engage in work activities within two years of receiving assistance.

Fair and equitable treatment. Set forth objective criteria for the delivery of benefits and the determination of eligibility and fair and equitable treatment, treat families with similar needs and circumstances similarly and provide opportunities for recipients who have been adversely affected to be heard in a state administrative or appeal process.

Out of wedlock pregnancies. Establish goals and take actions to reduce the incidence of out of wedlock pregnancies, with special emphasis on teenagers.

Other programs. Have in place a child support enforcement and child protection programs.

Local Control. Certify that 1) local governments and private sector organizations are included in all phases of developing the plan; 2) local officials who are responsible for administration of services are able to plan, design and administer programs in their jurisdiction; and 3) there are no unfunded mandates on local governments.

Non-displacement. Certify that the state program will not result in the displacement of any current employees or replacement of an employee who was terminated with individuals receiving assistance under the state plan.

Maintenance of effort. 85% maintenance of effort requirement through FY 2001 based on a state's FY 1994 spending on AFDC, JOBS, and AFDC-related child care and EA. State spending on programs that were not part of the state's AFDC program would not be counted in meeting the maintenance of effort. The Secretary may reduce the maintenance of effort requirement by up to 5% (down to 80%) for states that have high performance in placing individuals in private sector employment and increase the states maintenance of effort by up to 5% (up to 90%) if the state fails to meet the work participation rates.

Transferability. States may transfer up to 20% of the federal TANF grant to the Child care and Development Block grant.

Time limits on benefits:

Five year federal limit. A state may not provide cash assistance to a family that includes and adult who has received any assistance under the TANF grant for 60 months.

State option for time limits. States have the option of terminating benefits to a family that includes an adult who has received assistance for 24 months.

Exemption to time limits. States may grant exemptions to up to 20% of the caseload for either reason of hardship or if the individual has been battered or subject to extreme cruelty.

Vouchers. States have the option of providing assistance in the form of vouchers for the needs of the child (diapers, etc.) for families who lose benefits as a result of the federal five year time limit. States must provide vouchers to families who lose assistance as a result of a state time limit of less than five years.

Work requirements. States must require a parent or caretaker receiving assistance under the program to engage in work after receiving assistance for 24 months:

Individual Responsibility Contract. Require welfare recipients sign an individual responsibility contract developed by the state upon becoming eligible for cash assistance. The individual responsibility contract would outline what actions the individual would take to move to private sector employment. The contract will also outline what services the state will provide to the individual.

Eligible work activities. Unsubsidized employment; subsidized private and public sector employment; work experience, on-the-job

training; job search and job readiness (limited to 12 weeks in a year); community service; vocational educational training (not to exceed 12 months for any individual). Education and job skills training will not count toward meeting the first 20 hours of participation (unless in the case of education, the parent is a teen). Individuals who have welfare for private sector employment (''leavers'') would be considered as engaged in work activities for purposes of calculating participation rates for six months provided that they remain employed.

Required hours. The minimum average number of hours per week for all recipients in 20 hours for FY 1996, FY 1997, and FT 1998; and 25 hours in FY 1999 and thereafter.

Participation rates. States must meet the following participation rates for single parent families: 1996–15%, 1997–20%, 1998–25%, 1999–30, 2000–35%, 2001–40%, 2002 and thereafter-50%. The rates for two-parent families are: 1996–50%, 1997–75%, 1998–75%, 1999 and thereafter-90%.

Pro rata reduction in participation rate. States will receive pro rata reduction in the participation rate requirement if the number of families receiving assistance under the State program is less than the number of families that received the AFDC in FY 1995.

Work Funding. Provides $3 billion in supplemental funds for the operation of work programs that states can draw down beginning in 1999 if the state is maintaining 100% of 1994 state spending on AFDC work programs and demonstrates that it needs additional funds to meet the work requirements or certifies that it intends to exceed the work requirements. The state must match the additional federal funds for work programs at FMAP.

Other Provisions:

Minor mothers. Teen parents under age 18 must attend school and live at home or with a responsible adult. States have the option of denying aid to unmarried teen mothers and their children.

Family cap. States have the option of denying cash assistance to additional children born or conceived while the parent is on welfare.

Bonuses for reducing out-of-wedlock births. Includes bonuses to states that reduce out-of-wedlock births without increasing abortions.

TITLE II—SSI REFORM

SSI Benefits for children. Reform the SSI program to address the so-called ''crazy check'' problem in the child SSI program by eliminating the current Individualized Functional equivalency standards, maladaptive behavior and psychoactive substance dependence disorder. The Social Security Administration would be required to revise functional equivalency standard within the medical listings. All children who are currently on the rolls as a result of the IFA process would be reevaluated under the new criteria established in Section 9601. Parents would be required to demonstrate that funds received from SSI were used to assist the disabled child during the review. The provisions would be effective on October 1, 1996.

Deeming of parents income for children. Increase the portion of the income of a child's parents that is ''deemed'' in determining the eligibility of that child for SSI for families with incomes above 150% of poverty.

Disability Review for SSI recipients who are 18 years of age. Requires children who received SSI benefits to undergo a disability review before being placed on the adult rolls at age 18.

SSI benefits for individuals convicted of fraud. Denies benefits for ten years to an individual who is found to have fraudulently misrepresenting residence in order to receive AFDC, TEA, Food Stamps or SSI benefits simultaneously in two or more states.

SSI benefits for fugitive felons and probation and parole violators. Denies SSI benefits to individuals in any month in which the individual is fleeing prosecution or imprisonment. Authorizes SSA to provide information regarding SSI beneficiaries if requested by law enforcement officers for recipients who are fleeing prosecution or imprisonment.

SSI Continuing Disability Reviews. Requires Social Security Administration to schedule continuing disability reviews (CDRs) for all current and future adult SSI recipients to ensure that they are still eligible. The CDRs would be scheduled on a staggered schedule with reviews every three years for covered individuals. Individuals who have disabilities which are not expected to improve or who are more than 65 years old would be exempt.

TITLE III—CHILD SUPPORT

Distribution. Post-welfare arrearages must be paid to the family first beginning October 1, 1997. Pre-welfare arrearages will also be paid to the family first but the effective date for this provision will be October 1, 2000. If pre-welfare arrearages paid to the family exceed state savings from the elimination of the $50 disregard and other methods of improving collections in the bill, the federal government will pay the difference to the state.

Incentive adjustments. The Secretary will develop a new performance-based incentive system to be effective October 1, 1997.

System automation. Extends the 90% enhanced match for state implementation of the data systems requirement that were created by the Family Support Act until October 1, 1997. States must have submitted their advance planning document by September 30, 1995. Increases in the funding available for new systems requirements to $400 million from the $260 million, originally included in both bills. Provides an enhanced match of 80% for new requirements.

Paternity establishment rate. Increases the paternity establishment rate from 75% to 90%. States failing to reach it or make adequate progress will have their TANF grant reduced. Paternity establishment ratio is amended to be based on all children born out-of-wedlock, not just to those receiving AFDC or child support services.

New requirements. States must establish an automated central registry of IV–D case records and support orders and an automated directory of new hires; operate a centralized unit to collect and disburse all child support orders (not just IV–D cases); and meet expanded requirements around enforcement and paternity establishment.

Licenses. Requires states to have laws suspending drivers, professional, occupation and recreational license for overdue child support.

TITLE IV—IMMIGRATION.

Food stamp and SSI bar. Current and future immigrants are barred from food stamps and SSI until attaining citizenship with the following exceptions:

(1) Children are exempted from the food stamp ban;

(2) Disabled children;

(3) Victims of domestic abuse;

(4) Refugees in their five years in the U.S.;

(5) Veterans and active duty service members and their spouses and dependents;

(6) Individuals who have worked and paid FICA taxes for 60 months.

5-year ban. New entrants are denied all other federally means-tested benefits for five years after arrival in the U.S. with same exemptions as above. Programs not included in the bar include Medicaid emergency medical services, child nutrition, immunization programs, foster care and adoption assistance, higher education loans and grants and Chapter 1.

Deeming until citizenship required for Medicaid (same exemptions as above) for all immigrants until citizenship.

State options. New immigrants would be barred for five years from Medicaid, Title XX and the TANF block grant. States have the option to deny or restrict benefits under these programs for current immigrants and new immigrants (after their first five years). State authority to limit eligibility of immigrants for state and local means-tested programs. Non-profit organizations and community organizations designated by the state attorney general would be exempted from enforcing this ban.

Affidavits of support. Sponsors' affidavits of support are binding and enforceable against the sponsors until the immigrant attains citizenship.

TITLE V.—REDUCTIONS IN FEDERAL GOVERNMENT POSITIONS

Requires a reduction of 75 percent in the number of federal positions in agencies that administer programs that have been converted into a block grant.

TITLE VI.—REFORM OF PUBLIC HOUSING

Ensures that penalties imposed by states against individuals who fail to comply with rules under welfare programs do not result in reduced public and assisted housing rents.

TITLE VII.—CHILD CARE

Funding. Over the period FY 1997–FY 2002, combines $13.85 billion in mandatory funding and $6 billion in discretionary spending into the Child Care and Development Block Grant (CCDBG):

Discretionary funding (representing the old CCDBG) is authorized at $1 billion annually and must be appropriated annually. Allocation of these funds to states is based on current CCDBG formula.

Mandatory funding or entitlement funding levels are $1.967 billion in FY 1997, $2.067 billion in FY 1999, $2.367 billion in FY 2000, $2.567 billion in FY 2001 and $2.717 billion in FY 2002. States will receive a ''base allocation'' based on what they received in previous years funds above this amount will be distributed on a matching basis.

CCDBG rules. Rules and regulations of the Child Care Development Block Grant apply to all funds under the child care section. Retains current requirement that states apply minimum health and safety standards to providers and adds a requirement that states not implement any policy or practice that has the effect of restricting parental choice. All funds must be transferred to the lead agency under the Child care and Development Block Grant. There will be a 5 percent cap on administrative costs.

TITLE IX.—CHILD NUTRITION

Child and Adult Care Food Program. Restructures the meal reimbursements for family day care homes in the Child and Adult Care Food Program (CACFP) by targeting assistance to poorer areas.

Summer Food Service Program. Reduces the reimbursement rate for breakfast, lunches and snacks served under the Summer Food Service Program.

TITLE X.—FOOD STAMP REFORM

Fraud and Abuse. All of USDA's proposals to combat food stamp fraud and abuse are included, whereas HR 4 included only some of those proposals.

Cooperations with child support agencies Requiring food stamp participants to cooperate with child support agencies will be an option for the States, rather than a mandate as under HR 4.

Adjustments to Thrifty Food Program. Food stamp benefits will be based on 100% of the Thrifty Food Plan rather than 103% as in current law, as in both bills. The standard deduction used in calculating food stamp eligibility and benefit levels will be reduced.

Simplified food stamp program States will be authorized to operate a simplified food stamp program, combining elements of the food stamp program and the cash welfare program. Such a program must be approved by the Secretary and may not increase federal costs or substantially alter the appropriate distribution of benefits according to household need.

Waiver authority USDA will be required to respond to a request of a State for a waiver of food stamp rules within 60 days of receipt of the request.

TITLE XI.—MISCELLANEOUS

Appropriation of funds by state legislature. Requires that block grants must be appropriated in accordance with the laws and procedures applicable to expenditures of the state's own revenues, including appropriation by the state legislature. Applies to the cash assistance, child care, child protection and optional food stamp block grants. (This would preempt state law in a number of states.)

Social Services Block Grant. Reduces the mandatory spending level of the Social Services Block Grant by 10% beginning in FY 1997 through FY2002—from $2.8 billion to $2.52 billion annually.

Electronic Benefit Transfer (EBT) programs. Exempts state and local government electronic benefit transfer programs from Regulation E of the Electronic Funds Transfer Act.

Mr. SPECTER. Mr. President, I have sought recognition to speak on the Biden-Specter Bipartisan Welfare Reform Act of 1996, a companion measure to H.R. 3266, the Castle-Tanner Bipartisan Welfare Reform Act of 1996. At the outset, I want to compliment my colleague from Delaware, Senator BIDEN, and Congressmen CASTLE and TANNER for their efforts in drafting a strong, bipartisan bill that represents commonsense welfare reform and should attract a broad consensus. Our basic objective in reforming the welfare system is the reduction of poverty and the improvement of the standard of living of millions of Americans. We should not let this goal become lost in partisan politics and we should not wait for the next election to achieve welfare reform and a balanced budget. This Congress can be known as the can do Congress if we work together on these vital issues.

I support many of the principles reflected in the Bipartisan Welfare Reform Act, such as establishing new work requirements in conjunction with improved job training, child care, and other support services for welfare recipients trying to end their dependence on Government assistance. I also support its get-tough policy on collecting overdue child support and on reducing fraud in various Government benefit programs. Although I have concerns about some of the provisions in our legislation, such as the calculation of the formula for the State block grant, it is important to demonstrate that there is a bipartisan effort in the Senate on reforming welfare and I intend to address my reservations during the coming weeks as welfare reform proposals are considered in the Senate. While I have some reservations, I believe this bill is a good starting point for bipartisan legislation.

Looking back to my youth, I began to learn about some of the problems of welfare while growing up in Russell, KS, a small agricultural-oil community. Then, upon moving to Philadelphia for college I saw the problems that can arise in a large city. I have observed problems of welfare dependency for more than 30 years, going back to my earliest days of public service. As an assistant district attorney in Philadelphia, I saw the tremendous impact, the tremendous cost occasioned by a program which did not realistically move people from welfare rolls to payrolls. I learned a great deal about the problems of poverty and the interrelation of jobs, housing, education, welfare, and crime. Later, as district attorney, I brought prosecutions on welfare fraud which I believe were among the first to be brought in the country. So my concern about welfare reform goes back a long way.

Mr. President, in the mid-1980's I had the pleasure of introducing and cosponsoring several pieces of welfare reform legislation that included job training for economically disadvantaged individuals. In the 99th Congress, I cosponsored Senate bills 2578 and 2579 with Senator MOYNIHAN, which were directed toward improving the welfare system. In the 100th Congress, I introduced similar legislation with Senator DODD and worked closely with Senator MOYNIHAN on the legislation that became the first comprehensive welfare reform bill, the Family Welfare Reform Act of 1988, which was signed by President Reagan.

It is against this background of my own involvement with the problem of welfare that I am seeking to work with my colleagues again this year in fashioning legislation that will constitute firm action to put many able-bodied people back to work while ensuring that a social safety net continues to exist, particularly where children are involved.

As we revisit this debate, it is painfully obvious to me that our welfare system has not worked. When one weighs all the factors, it is apparent that we must try a new approach at the Federal level. Consider, for example, the astonishing fact that the overall percentage of persons in poverty in 1994 was roughly equivalent to poverty rates in 1965—the year the Federal Government broadened its role in reducing poverty in our society. In my own State of Pennsylvania, I have been troubled that as many as 5 percent of our more than 11 million residents were receiving some form of welfare benefits as of the end of 1994, more than double the 2.4 percent that were receiving benefits in 1965. Further, since 1965, the number of Pennsylvanians receiving aid to families with dependent children has risen from 276,000 to 608,000.

There are ongoing efforts at real welfare reform at the State level, such as in Wisconsin, where Gov. Tommy Thompson has made notable progress. In Pennsylvania, Gov. Tom Ridge recently signed into law far-reaching welfare reform which will institute agreements between the government and welfare recipients that spell out the steps they must take to move from welfare to work. Pennsylvania's new law emphasizes work, personal responsibility, job training, child care, and other support services, all of which are key elements of the Biden-Specter reform plan. While I do not agree with all provisions of the proposed Pennsylvania legislation, I do concur that reform legislation is needed.

Because a new approach is merited, Congress should pass welfare reform legislation that the President will sign into law. Last year, Congress passed H.R. 4, the Personal Responsibility and Work Opportunity Act of 1995, and H.R. 2491, the Balanced Budget Reconciliation Act of 1995, both of which were vetoed by President Clinton. In order to bridge the differences between Congress and the President concerning how to balance the budget and reform welfare, I began working with the centrist coalition, a bipartisan group of 22 Senators led by Senators CHAFEE and BREAUX, to craft a 7-year comprehensive balanced budget proposal. This plan, which would achieve $45 to $53 billion savings by reforming the welfare system, was offered as a substitute to the fiscal year 1997 budget resolution, but failed by a vote of 46 to 53. Although the coalition budget failed to win a majority, it showed once again that there is great potential in this body for initiatives presented in a bipartisan manner. If the policies work, there is ample credit to be shared. But, if we don't try to work together, we deserve to share the blame.

The bill which I am jointly introducing today, the Bipartisan Welfare Reform Act of 1996, represents another attempt to generate a broad consensus and achieve meaningful welfare reform this year. The Biden-Specter bill builds on the conference report to H.R. 4 and the bipartisan Governors' proposal, but is more specific and requires stronger State accountability and maintenance of effort in important areas, such as child care and contingency funding. Like other proposals considered by this Congress, this legislation delivers a strong message that many Americans who are currently on welfare need to get into the work force and pursue job training. Significantly, we will be giving the States greater latitude to analyze and deal with the problems closer to home. I am hopeful that this will result in better tailored, more cost-effective social programs. However, effective welfare reform is not simply a matter of increasing flexibility or shifting incentives. The movement toward block grants is a sound one, provided that there are some limitations

and requirements that continue to be imposed by the Federal Government in Washington. We need to make sure that we simply do not give the States a blank check where money may be spent for other purposes that fail to protect a national interest identified by Congress.

Among its key provisions, the legislation we are introducing today does the following: First, it limits benefits—no cash assistance beyond 5 years except exemptions for up to 20 percent of a State's caseload for reason of hardship or if individual was battered or subject to extreme cruelty; second, it requires that 50 percent of welfare recipients must be working by the year 2002—all able-bodied recipients must engage in work activities within 2 years of receiving benefits, generally 25 hours/week, but 20 hours/week for parents with children 6 and under; third, it requires States to meet 85 percent level of maintenance of effort, which is stronger State accountability than last year's GOP plan, 75 percent, Chafee-Breaux, 80 percent or this year's GOP plan, 75 to 80 percent; fourth, it requires welfare recipients to sign an individual responsibility contract developed by the State upon becoming eligible for cash assistance, which would outline steps the individual must take to get in private sector and would outline the State's obligations; fifth, it allows eligible work activities to include unsubsidized employment, subsidized private and public sector employment, on-the-job training, vocational training, community service; sixth, it provides an additional $3 billion for work-related programs beginning in 1999 if States are meeting 100 percent of their fiscal year 1994 spending levels and need more funds for work participation; seventh, it provides $20 billion in mandatory and discretionary child care funding over the next 6 years, an amount higher than last year's Senate bill, similar to Chafee-Breaux, and recommended by the National Governors Association—also maintains current law's Federal health and safety protections for licensed child care providers; eighth, during economic downturns, States can access a $2 billion contingency fund if they have high unemployment rates or high rates of increase in their food stamp population—also provides $800 million in additional funding for States with rapid population increases and a $1.7 billion loan fund for States that need additional money; and ninth, it requires States to enforce and improve existing child support laws, including the suspension of certain licenses for overdue child support—also increases the likelihood that a child's paternity will be established.

As my colleagues are aware, I had some real reservations about some aspects of last year's welfare reform legislation. Although I supported the conference report on H.R. 4 because it advanced the underlying goal of reforming a program that has discouraged poor families from working, I would have preferred that the original Senate-passed bill, agreed to by a virtual consensus of 87 to 12, become law. Some of my concerns are met by the legislation we are introducing today. I am hopeful that my additional concerns will be met as the Senate considers this and other welfare reform legislation during the balance of the 104th Congress.

Mr. President, as we move forward with budget reconciliation, I will continue to work with my colleagues to craft legislation that will not only save money and help families mired in poverty to move off of welfare and become self-sufficient, but also protect children and preserve the rights, dignity, and well-being of those currently involved in our welfare system. I urge my colleagues to support the Biden-Specter Bipartisan Welfare Reform Act of 1996 as a commonsense approach to this difficult, complex issue which is so important to the future of our society.

ADDITIONAL COSPONSORS

S. 905

At the request of Mr. AKAKA, the name of the Senator from Tennessee [Mr. THOMPSON] was added as a cosponsor of S. 905, a bill to provide for the management of the airplane over units of the National Park System, and for other purposes.

S. 953

At the request of Mr. CHAFEE, the name of the Senator from North Dakota [Mr. DORGAN] was added as a cosponsor of S. 953, a bill to require the Secretary of the Treasury to mint coins in commemoration of black revolutionary war patriots.

S. 1237

At the request of Mr. HATCH, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 1237, a bill to amend certain provisions of law relating to child pornography, and for other purposes.

S. 1400

At the request of Mrs. KASSEBAUM, the name of the Senator from Minnesota [Mr. GRAMS] was added as a cosponsor of S. 1400, a bill to require the Secretary of Labor to issue guidance as to the application of the Employee Retirement Income Security Act of 1974 to insurance company general accounts.

S. 1438

At the request of Mr. MCCONNELL, his name was added as a cosponsor of S. 1438, a bill to establish a commission to review the dispute settlement reports of the World Trade Organization, and for other purposes.

S. 1542

At the request of Mr. ABRAHAM, the name of the Senator from Tennessee [Mr. THOMPSON] was added as a cosponsor of S. 1542, a bill to amend the Internal Revenue Code of 1986 to provide for the expensing of environmental remediation costs in empowerment zones and enterprise communities.

S. 1578

At the request of Mr. FRIST, the name of the Senator from Virginia [Mr. ROBB] was added as a cosponsor of S. 1578, a bill to amend the Individuals With Disabilities Education Act to authorize appropriations for fiscal years 1997 through 2002, and for other purposes.

S. 1596

At the request of Mr. MURKOWSKI, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 1596, a bill to direct a property conveyance in the State of California.

S. 1624

At the request of Mr. HATCH, the name of the Senator from Georgia [Mr. COVERDELL] was added as a cosponsor of S. 1624, a bill to reauthorize the Hate Crime Statistics Act, and for other purposes.

S. 1644

At the request of Mr. BROWN, the names of the Senator from Illinois [Ms. MOSELEY-BRAUN] and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 1644, a bill to authorize the extension of nondiscriminatory treatment—most-favored-nation—to the products of Romania.

S. 1674

At the request of Mr. GRASSLEY, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1674, a bill to amend the Internal Revenue Code of 1986 to expand the applicability of the first-time farmer exception.

S. 1743

At the request of Mr. BINGAMAN, the name of the Senator from California [Mrs. FEINSTEIN] was added as a cosponsor of S. 1743, a bill to provide temporary emergency livestock feed assistance for certain producers, and for other purposes.

S. 1845

At the request of Mr. GREGG, the name of the Senator from Texas [Mrs. HUTCHISON] was added as a cosponsor of S. 1845, a bill to amend the Federal Election Campaign Act of 1971 to require written consent before using union dues and other mandatory employee fees for political activities.

S. 1853

At the request of Mr. FAIRCLOTH, the names of the Senator from Tennessee [Mr. FRIST] and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 1853, a bill to amend title 18, United States Code, to clarify the Federal jurisdiction over offenses relating to damage to religious property.

S. 1857

At the request of Mr. CHAFEE, his name was added as a cosponsor of S. 1857, a bill to establish a bipartisan commission on campaign practices and provide that its recommendations be given expedited consideration.

SENATE RESOLUTION 151

At the request of Mr. MACK, the name of the Senator from Idaho [Mr. CRAIG]

was added as a cosponsor of Senate Resolution 151, a resolution to designate May 14, 1996, and May 14, 1997, as ''National Speak No Evil Day,'' and for other purposes.

SENATE RESOLUTION 259—RELATIVE TO THE SECRETARY OF AGRICULTURE

Mr. BINGAMAN (for himself, Mr. LEAHY, Mr. DOMENICI, Mr. DASCHLE, and Mr. PRESSLER) submitted the following resolution; which was considered and agreed to:

S. RES. 259

Resolved,

SECTION 1. USE OF DISASTER RESERVE FOR DISASTER ASSISTANCE.

It is the sense of the Senate that the Secretary of Agriculture should use the disaster reserve established under section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a) to alleviate distress to livestock producers caused by drought, flood, or other natural disasters in 1996, in the most efficient manner practicable, including cash payments from the sale of commodities currently in the disaster reserve. A livestock producer should be eligible to receive the assistance during the period beginning May 1, 1996, and ending not sooner than August 31, 1996.

SEC. 2. VOLUNTARY CONSERVATION ASSISTANCE.

It is the sense of the Senate that the Secretary of Agriculture should use the authorities provided in the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127) to provide voluntary conservation assistance to any person who is permitted to hay or graze conservation reserve land on an emergency basis.

SENATE RESOLUTION 260—RELATIVE TO LIVESTOCK PRODUCERS

Mr. DOMENICI (for himself, Mr. BINGAMAN, Mr. GRAMM, Mrs. HUTCHISON, and Mr. PRESSLER) submitted the following resolution; which was considered and agreed to:

S. RES. 260

Resolved,

SECTION 1. SPECIAL CONSIDERATION FOR DISASTER ASSISTANCE.

It is the sense of the Senate that livestock producers who do not qualify for emergency livestock feed assistance for the 1996 crop year, but have incurred feed losses in 1996 due to drought, flooding, or other natural disasters, should receive special consideration for assistance from commodities or the sale of commodities currently available in the disaster reserve established under section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a). A livestock producer should be eligible to receive the assistance during the period beginning May 1, 1996, and ending not sooner than August 31, 1996.

SENATE RESOLUTION 261—RELATIVE TO THE SECRETARY OF AGRICULTURE

Mr. GRAMM (for himself, Mrs. HUTCHISON, Mr. DOMENICI, and Mr. PRESSLER) submitted the following resolution; which was considered and agreed to:

S. RES. 261

Resolved,

SECTION 1. ELIGIBILITY FOR EMERGENCY LIVESTOCK FEED ASSISTANCE.

It is the sense of the Senate that, as part of the orderly termination of the emergency livestock freed assistance program established under title VI of the Agricultural Act of 1949 (7 U.S.C. 1471 et seq.), livestock producers who were eligible for emergency livestock feed assistance for the 1995 crop year, but were unable to apply for the assistance for the 1996 crop year, and who have suffered a qualifying loss as determined by the Secretary, should be eligible to receive assistance under the program through at least August 31, 1996.

AMENDMENTS SUBMITTED

THE ADMINISTRATIVE DISPUTE RESOLUTION ACT OF 1996

LEVIN (AND GRASSLEY) AMENDMENT NO. 4045

Mr. LOTT (for Mr. LEVIN, for himself and Mr. GRASSLEY) proposed an amendment to the bill (S. 1224) to amend subchapter IV of chapter 5 of title 5, United States Code relating to alternative means of dispute resolution in the administrative process, and for other purposes; as follows:

At the end of the bill, add the following new section:

SEC. 11. REAUTHORIZATION OF NEGOTIATED RULEMAKING ACT OF 1990.

(a) PERMANENT REAUTHORIZATION.—Section 5 of the Negotiated Rulemaking Act of 1990 (Public Law 101–648; 5 U.S.C. 561 note) is repealed.

(b) CLOSURE OF ADMINISTRATIVE CONFERENCE.—

(1) IN GENERAL.—Section 569 of title 5, United States Code, is amended—

(A) by amending the section heading to read as follows:

"§ 569. Encouraging negotiated rulemaking";

and

(B) by striking out subsections (a) through (g) and inserting in lieu thereof the following:

''(a) The President shall designate an agency or designate or establish an interagency committee to facilitate and encourage agency use of negotiated rulemaking. An agency that is considering, planning or conducting a negotiated rulemaking may consult with such agency or committee for information and assistance.

(b) To carry out the purposes of this subchapter, an agency planning or conducting a negotiated rulemaking may accept, hold, administer, and utilize gifts, devises, and bequests of property, both real and personal, provided that agency acceptance and use of such gifts, devises or bequests do not create a conflict of interest. Gifts and bequests of money and proceeds from sales of other property received as gifts, devises, or bequests shall be deposited in the Treasury and shall be disbursed upon the order of the head of such agency. Property accepted pursuant to this section, and the proceeds thereof, shall be used as nearly as possible in accordance with the terms of the gifts, devises, or bequests. For purposes of Federal income, estate, or gift taxes, property accepted under this section shall be considered as a gift, devise, or bequest to the United States.''.

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 5, United States Code, is amended by striking out the item relating to section 569 and inserting in lieu thereof the following:

''569. Encouraging negotiated rulemaking.''

(c) EXPEDITED HIRING OF CONVENORS AND FACILITATORS.—

(1) DEFENSE AGENCY CONTRACTS.—Section 2304(c)(3)(C) of title 10, United States Code, is amended by inserting ''or negotiated rulemaking'' after ''alternative dispute resolution.''

(2) 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 inserting ''or negotiated rulemaking'' after ''alternative dispute resolution''.

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—Subchapter III of title 5, United States Code, is amended by adding at the end thereof the following new section:

"§ 570a. Authorization of appropriations

''There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this subchapter.''.

(2) 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 570 the following:

''Sec. 570a. Authorization of appropriations''

(e) STUDY.—No later than 180 days after the enactment of this Act, the Director of the Office of Management and Budget shall complete a study with recommendations on expediting the establishment of negotiated rulemaking committees, including eliminating any redundant administrative requirements related to filing a committee charter under section 9 of the Federal Advisory Committee Act and providing public notice of such committee under section 564 of title 5, United States Code.

COHEN AMENDMENT NO. 4046

Mr. LOTT (for Mr. COHEN) proposed an amendment to the bill S. 1224, supra; as follows:

At the end of the Committee amendment add the following:

SEC. 11. JURISDICTION OF THE UNITED STATES COURT OF FEDERAL CLAIMS: BID PROTESTS.

(a) BID PROTESTS.—

(1) TERMINATION OF JURISDICTION OF DISTRICT COURTS.—Section 1491 of title 28, United States Code, is amended—

(A) by redesignating subsection (b) as subsection (d);

(B) in subsection (a)—

(i) by striking out ''(a)(1)'' and inserting in lieu thereof ''(a) CLAIMS AGAINST THE UNITED STATES.—'';

(ii) in paragraph (2), by striking out ''(2) To'' and inserting in lieu thereof ''(b) REMEDY AND RELIEF.—To''; and

(iii) by striking out paragraph (3); and

(C) by inserting after subsection (b), as designated by paragraph (1)(B)(ii), the following new subsection (c):

''(c) BID PROTESTS.—(1) The United States Court of Federal Claims has jurisdiction to render judgment on an action by an interested party objecting to a solicitation by a Federal agency for bids or proposals for a proposed contract or to a proposed award or the award of a contract. The court has jurisdiction to entertain such an action without regard to whether suit is instituted before or after the contract is awarded.

''(2) To afford relief in such an action, the court may award any relief that the court considers proper, including declaratory and injunctive relief.

''(3) In exercising jurisdiction under this subsection, the court shall give due regard to the interests of national defense and national security and the need for expeditious resolution of the action.

''(4) The district courts of the United States do not have jurisdiction of any action referred to in paragraph (1).''.

(2) CLERICAL AMENDMENTS.—

(A) SECTION HEADING.—The heading of such section is amended by inserting ''bid protests;'' after ''generally;''.

(B) TABLE OF SECTIONS.—The table of sections at the beginning of chapter 91 of title 28, United States Code, is amended by striking out the item relating to section 1491 and inserting in lieu thereof the following:

''1491. Claims against United States generally; bid protests; actions involving Tennessee Valley Authority.''.

(b) NONEXCLUSIVITY OF GAO REMEDIES.—Section 3556 of title 31, United States Code, is amended by striking out ''a district court of the United States or the United States Claims Court'' in the first sentence and inserting in lieu thereof ''the United States Court of Federal Claims''.

(c) SAVINGS PROVISIONS.—

(1) ORDERS.—The amendments made by this section shall not terminate the effectiveness of orders that have been issued by a court in connection with an action within the jurisdiction of that court on the day before the effective date of this section. Such orders shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked by a court of competent jurisdiction or by operation of law.

(2) PROCEEDINGS AND APPLICATIONS.—(A) The amendments made by this section shall not affect the jurisdiction of a court of the United States to continue with any proceeding that is pending before the court on the day before the effective date of this section.

(B) Orders may be issued in any such proceeding, appeals may be taken therefrom, and payments may be made pursuant to such orders, as if this section had not been enacted. An order issued in any such proceeding shall continue in effect until modified, terminated, superseded, set aside, or revoked by a court of competent jurisdiction or by operation of law.

(C) Nothing in this paragraph prohibits the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(d) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 1996.

NOTICES OF HEARINGS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. WARNER. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in SR–301, Russell Senate Office Building, on Tuesday, June 18, 1996, at 9 a.m. on public access to Government information in the 21st century, with a focus on the GPO Depository Program/Title 44.

For further information concerning this hearing, please contact Joy Wilson of the committee staff on 224–3213.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. WARNER. Mr. President, I wish to announce that the Committee on Rules and Administration will meet in SR–301, Russell Senate Office Building, on Wednesday, June 19, 1996, at 9:30 a.m. on public access to Government information in the 21st century, with a focus on the GPO Depository Program/Title 44.

For further information concerning this hearing, please contact Joy Wilson of the committee staff on 223–3213

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. GORTON. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be allowed to meet during the session of the Senate on Wednesday, June 12, 1996, to consider the Food Quality Protection Act (S. 1166).

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. GORTON. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet during the Wednesday, June 12, 1996, session of the Senate for the purpose of conducting a hearing on S. 1726, the promotion of commerce on-line in the digital era.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. GORTON. Mr. President, I ask consent that the Committee on Finance be permitted to meet Wednesday, June 12, 1996, beginning at 11 a.m. in room SH–215, to conduct a markup on two tax bills.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. GORTON. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet Wednesday, June 12, 1996, at 2 p.m. to hold a closed hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SPECIAL COMMITTEE TO INVESTIGATE WHITEWATER DEVELOPMENT AND RELATED MATTERS

Mr. GORTON. Mr. President, I ask unanimous consent that the Special Committee to Investigate Whitewater Development and Related Matters be authorized to meet during the session of the Senate on Wednesday, June 12, 1996, to conduct hearings pursuant to Senate Resolution 120.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

DEMOCRACY IN THE BALKANS

• Mr. SARBANES. Mr. President, on May 9, 1996, Dr. John Brademas, Chairman of the National Endowment for Democracy [NED], delivered a very thoughtful address to a conference on ''The Greek-U.S. Relationship and the Future of Southeastern Europe,'' organized by the Institute for Foreign Policy Analysis. I was fortunate to be able to attend a portion of that conference, at which some very important and difficult issues were discussed relating to the future of democracy in the Balkans. As my colleagues know, the National Endowment for Democracy is our Nation's premier institution for assisting in the transition from closed, authoritarian, and totalitarian systems to free and open systems of elected and accountable government around the world.

Dr. Brademas, a longtime friend and former colleague, is one of the Nation's most highly regarded experts on the promotion and expansion of democracy, as well as a longtime observer and analyst of development in Southern Europe. His proposal for a Center for Democracy in the Balkans is therefore worthy of special note, and I commend his remarks to my colleagues. I ask that his remarks be printed in the RECORD.

The remarks follow:

REMARKS OF DR. JOHN BRADEMAS

I am for several reasons pleased to have been invited to Washington, D.C. to take part in this conference on U.S.-Greek relations and the future of Southeastern Europe. And I should like to salute the Institute for Foreign Policy Analysis, the Constantinos Karamanlis Foundation, the International Security Studies Program of the Fletcher School of Law and Diplomacy and the Lilian Voudoris Foundation for having brought together so many outstanding authorities on the subject.

That the distinguished President of the Hellenic Republic, His Excellency Constantinos Stephanopoulos, as well as Foreign Minister Theodoros Pangalos and Education Minister George Papandreou and other prominent leaders from both Greece and the United States should be participating in these discussions is a mark of their great importance.

And that both President Clinton's meeting with President Stephanopoulos and this conference come only one month following the visit here of Prime Minister Costas Simitis is but further indication of the close ties between our two countries.

Another reason I am glad to have been asked to join you is that, as most of you know, I am a child of both Greece and the United States. My father was born in Kalamata and my mother in Indiana.

As the first native-born American of Greek origin elected to the Congress of the United States, where I served for twenty-two years, I naturally had a particular interest in issues concerning Greece. But it was an interest deeply rooted in my commitment to the principles of the Constitution of the United States. For example, I was openly and strongly critical of the military junta of 1967 to 1974, and I opposed US military aid to Greece during that period. And, 22 years ago this summer, in company with my valued friend, now the distinguished senior Senator from Maryland, Paul S. Sarbanes, and others, I was deeply engaged in the struggle between Congress and the White House following the unlawful use by Turkey of American weapons to invade and occupy the independent Republic of Cyprus. The failure of the executive branch of the US government of respect the Constitution and the rule of law contributed to the bitter legacy that, we all know, is with us still.

THE NATIONAL ENDOWMENT FOR DEMOCRACY

I must cite one more reason I'm pleased to be with you and that is to speak in my capacity as Chairman of the National Endowment for Democracy. For one of the most important bonds between Greeks and Americans is that we have the good fortune to be citizens of lively democracies.

Indeed, it is about our common commitment to the institutions and practices of democracy, of self-government, that I want to offer some brief comments this afternoon.

For I believe that we in the American and Greek democracies—and the European democracies in general—have an obligation—this is not only a moral question but it is in our respective national interests—to promote free, open and democratic societies.

Let me tell you a little about the National Endowment for Democracy, or NED, because it relates directly to my talk.

Founded in 1983 by Act of Congress, the National Endowment for Democracy is a nonpartisan, non-governmental organization that champions, through grants to private entities in other countries, the institutions of democracy. NED grants are made to organizations dedicated to promoting the rule of law, free and fair elections, a free press, human rights and the other components of a genuinely democratic culture.

I must add that a time when the political atmosphere in Washington is even more partisan than usual, NED is unique in enjoying strong support across party and ideological lines.

PROMOTING DEMOCRACY IN THE BALKANS

As all of us here are profoundly concerned about developments in the Balkans, let me report to you on efforts of the National Endowment for Democracy to address some of the obstacles to democratization in that region. Albeit with modest funds, NED has supported programs to encourage the resolution of inter-ethnic conflict, greater political pluralism and economic reform as well as to strengthen the independent organizations necessary to form the basis of civil society in the area.

For example, in Albania, NED is assisting a project of the American Federation of Teachers and the Albanian Teachers' Union to conduct ''Introduction to Teaching Democracy'' workshops.

In Bulgaria, NED sponsors the Bulgarian Association for Fair Elections (BAFE), a network of community centers to stimulate civic participation at the local level.

In Romania, NED has helped the League for Europe, which presses for better relations between Romanians and Hungarians in Transylvania.

The Endowment also supports several media outlets that produce impartial news on developments in the former Yugoslavia. Only a few weeks ago, our board approved grants to five independent media operations in Serbia/Montenegro (FRY).

Now who can deny that the challenges to building democracy in this part of the world, especially in the areas ravaged by war, are immense, indeed, daunting? But, in my view, the enormity of the challenge is all the more reason for us to act.

Certainly, it seems to me, the encouragement of free, open, stable and democratic societies throughout the Balkans must be of direct interest to the people of Greece. Not only would such developments contribute to Greek national security but to the Greek economy, too. I've already discussed with Greek business leaders the opportunities they see for expanding their markets in the region as well as enhancing the climate for foreign investment in Greece. In fact, even today Greek investments in banking and other private sector activities in the Balkans and throughout Southeastern Europe generate economic growth and ties that can, spur the democratic process. Remember, too, a consideration important to American policymakers, that Greece is the only country in the region that is a member of the European Union, Council of Europe and NATO.

A CENTER FOR DEMOCRACY IN THE BALKANS

In my judgment, we should now take advantage of, on the one hand, the recent accords between Athens and Skopje and, on the other, the Dayton agreements on Bosnia, to consider seriously the establishment of a center to encourage democracy in the Balkans.

My own view is that an appropriate location for such a center is Greece.

I note first that Greece is the birthplace of democracy and a thriving democracy still.

Second, Thessaloniki, in northern Greece, at the crossroads of the South Balkans, is a natural site for a forum devoted to matters affecting the region. Thessaloniki is a multicultural, cosmopolitan city, named, as we know, by the European Union as the 1997 ''Cultural Capital of Europe.''

Indeed, only a few weeks ago, I took part in a conference in Thessloniki sponsored by a recently established Association for Democracy in the Balkans. Scholars from nine Balkan countries made presentations on political institutions, on civil society in general and nongovernmental organizations in particular as well as on the role of the media in each country. By all accounts, the conference was a success.

A GENUINELY MULTI-NATIONAL CENTER

I believe it particularly important to note there that their participants in the Thessaloniki meeting made clear that a center to promote democracy should not be a Creek enterprise but one genuinely multi-national in nature.

If the seed for such a multi-national center has been planted in Thessaloniki, I'm glad to tell you of some steps to follow up those discussions.

In two weeks, there will be another conference on democracy in the Balkans, to be held in New York City, under the auspices of the National Endowment for Democracy and the American Ditchley Foundation. We shall convene a group of scholars, diplomats, journalists and others to discuss the concept, the obstacles, the opportunities and the practical steps needed to establish a center to encourage democracy in the region. Former Assistant Secretary of State Richard Holbrooke will address the conference, which I shall chair, as will Congressman Benjamin Gilman, Chairman of the International Relations Committee of the U.S. House of Representatives, and Senator Paul Sarbanes, a senior member of the Senate Foreign Relations Committee.

Here let me express appreciation to both Congressman Gilman and Senator Sarbanes for their continuing contributions to strengthening relations between Greece and the United States and pay tribute as well to another outstanding legislator who shares that commitment, Congressman Lee Hamilton, senior Democrat on the House committee, who addressed you earlier today.

Among others to take part in the New York City conference this month are President Clinton's Special Envoy on the Former Yugoslav Republic of Macedonia, Matthew Nimetz, and U.S. Ambassador-designate to FYROM, Christopher Hill.

Then in June, at Ditchley Park, outside Oxford, the American and British Ditchley Foundations will sponsor another conference, which I'll also chair, with essentially the same purpose except that participants will be drawn chiefly from Europe.

A few weeks ago, as you all know, the First Lady of the United States, Hillary Rodham Clinton, on her first visit to Greece, said of Athens that it was the city that had ''given the world its greatest gift—the gift of democracy.''

Let me then voice the hope that the peoples of the United States and Greece can work together—and with others—to encourage in the too-long troubled region of the Balkans the institutions and practices of self-government, ''the gift of democracy.''●

ENCRYPTION REFORM NEEDED NOW

● Mrs. BOXER. Mr. President, I have just become a cosponsor of S. 1726, the Commerce Promotion Act of 1996. This bill would remove export controls on encryption technology, a coding system enabling individuals and corporations to keep computer communications private.

Under current law, sophisticated encryption technology is sold without restriction in the United States. It is this technology that enables banks and other financial institutions to guarantee the confidentiality of personal and financial information. Furthermore, many analysts argue that concerns about security are restraining the Internet's growth as a commercial enterprise.

American-made software is the best in the world. Many foreign companies and individuals want to buy our products. However, because of concerns relating to international criminal activity, the U.S. Government refuses to allow the export of software that includes certain encryption technology.

The current policy is damaging American software companies. Foreign corporations and individuals will not pay top dollar for computer technology that cannot guarantee that personal information will stay private. As a result, our major trading partners are forced to buy software made outside the United States, costing American companies billions.

These export controls place U.S. software companies at a competitive disadvantage, giving foreign competitors the opportunity to encroach on our dominant position in the global marketplace. The United States enjoys a huge trade surplus in software. Our export policies should seek to strengthen U.S. companies, not give their competitors an unfair advantage.

I am very sensitive to the concerns raised by the Clinton administration about this issue. I strongly believe that U.S. intelligence agencies must retain the ability to intercept communications about terrorist attacks and other criminal acts. However, I am confident that this goal can be achieved without restraining the ability of U.S. companies to sell their products abroad for legitimate commercial uses.

Mr. President, we have a problem on our hands, but we can solve it. Congress and the administration must act together to pass an encryption technology reform bill this year.●

• Mr. SARBANES. Mr. President, on Friday, May 3, I had the honor of joining with Secretary of State Christopher and the American Foreign Service Association [AFSA] in paying tribute to Commerce Secretary Ron Brown and 32 other Americans who were tragically killed in Croatia while in service to our country. A plaque was also dedicated to three diplomats who died seeking peace in Bosnia less than a year ago. On the occasion we were reminded not just of the individuals who lost their lives in these terrible tragedies, but of the risks and sacrifices that members of our Foreign Service undertake on a daily basis in an effort to support peace, democracy and freedom around the globe.

During the ceremony, held on the 31st annual Foreign Service Day, very moving speeches were delivered by Harold Ickes on behalf of President Clinton, by Secretary of State Christopher, and by F. Allen ''Tex'' Harris, president of AFSA. I believe their remarks bear repeating to a broader audience and thus ask that they be printed in the RECORD.

The remarks follow:

REMARKS BY SECRETARY OF STATE WARREN CHRISTOPHER, HAROLD ICKES, AND F. ALLEN HARRIS

Mr. HARRIS. Dear Family Members, Distinguished Guests, Ladies and Gentlemen and colleagues:

The American Foreign Service Association has the sorrow-filled responsibility of honoring those members of the Foreign Service and our colleagues serving abroad who lost their lives under heroic or other inspirational circumstances.

Today, we have the very sad duty of adding six names to the traditional Memorial Plaque:

Samuel Nelson Drew.
Robert C. Frasure.
Joseph J. Kruzel.
Ronald H. Brown.
Lee F. Jackson.
Stephen C. Kaminski.

We have the deep sorrow of honoring all those who died with Secretary Ronald H. Brown:

Gerald V. Aldrich.
Niksa Antonini.
Dragica Lendic Bedek.
Duane R. Christian.
Barry L. Conrad.
Paul Cushman, III.
Adam N. Darling.
Ashley J. Davis.
Gail E. Dobert.
Robert E. Donovan.
Claudio Elia.
Robert Farrington, Jr.
David Ford.
Carol L. Hamilton.
Kathryn E. Hoffman.
Lee F. Jackson.
Stephen C. Kaminski.
Kathryn E. Kellogg.
Shelly A. Kelly.
James M. Lewek.
Frank Maier.
Charles F. Meissner.
William E. Morton.
Walter J. Murphy.
Lawrence M. Payne.
Nathaniel C. Nash.
Leonard J. Pieroni.
Timothy W. Shafer.
John A. Scoville, Jr.
I. Donald Terner.
P. Stuart Tholan.
Cheryl A. Turnage.
Naomi P. Warbasse.
Robert A. Whittaker.

I now have the honor of introducing the personal representative of the President of the United States of America, Mr. Harold Ickes, Assistant to the President and Deputy Chief of Staff.

Mr. HAROLD ICKES. Secretary Christopher, Secretary Perry, Secretary Kantor, members of Congress, men and women of the Foreign Service, ladies and gentlemen.

President Clinton asked me to be with you today as we honor an extraordinary group of Americans who gave their lives in service of their country and in the service of humanity.

Before reading the President's dedication, let me say to the families and loved ones of Bob Frasure, Joe Kruzel, Nelson Drew, and to those of Ron Brown and his entire delegation, I know that this is a day of very, very mixed emotions.

You've lost a father, a mother, a husband or a wife, a son or a daughter, a friend. The American people have lost some of their finest.

On a very personal note, with the death of Secretary Ron Brown, I lost one of my closest friends and wisest advisers. Ron Brown was in his service and in his life a spring day. He let himself and all of us to believe that making a difference was a joy as well as a duty. He was an achiever of potential. His grace, his intelligence, his self-confidence without a trace of arrogance, and his abilities to motivate, to lead and to bridge were a rare combination of qualities.

I am very proud and very fortunate to have had him as my friend. To Alma, Michael, Tracy, we will all miss him greatly. Let me now read the President's dedication.

Each year on Foreign Service Day, hundreds of active and retired Foreign Service employees come together to discuss foreign policy initiatives. It is also a day of remembrance when the foreign affairs community honors its many colleagues who have given their lives in service of our country.

''As we pay tribute to the memory of those who we have lost, let us rededicate ourselves to the goal for which they lived: maintaining America's leadership in the fight for peace and freedom throughout the world.

''In today's increasingly interdependent world, our nation's future is linked more than ever to events that take place beyond our borders, to strengthen our security, promote our prosperity and advance our interests. As we move towards the 21st century, America must stay engaged.

''Whether supporting peace, freedom and democracy and other transnations threats, combating environmental degradation, opening markets and expanding of trade, the American Foreign Services has a critical role to play.

''Our Foreign Affairs men and women serve on the front lines, often in demanding and sometimes dangerous surroundings. I'm committed to do all I can to insure that Congress provides the funding we need to support your essential work.

''This year, our nation has lost some of its best and brightest public servants, and I have lost a very dear friend. The American people will not forget the contributions made by Secretary of Commerce Ron Brown and the 34 members of his delegation who died in a plane crash on a fog-shrouded mountainside in Croatia.

''They were on an important mission to bring development and economic stability to a wartorn region far from home. Unfortunately, theirs is not the only recent tragedy in that part of the world. We finally and respectfully remember our colleagues, Robert Frasure, Joseph Kruzel and Samuel Nelson Drew who lost their lives in Bosnia.

''These men, who represented the Department of State, the Department of Defense and the National Security Council and the United States Air Force, embodied the spirit of service that sets our nation apart. Their heroic efforts helped bring an end to four years of bloodshed and gave the children of Bosnia a chance to grow up in peace.

''To all Foreign Service professionals, active and retired, and their family members in the United States and abroad who support America's values worldwide, I send my deepest thanks and appreciation.'' Bill Clinton.

Mr. HARRIS. Thank you very much. We appreciate that. I now have the great honor of introducing a distinguished American with a long, long successful record of service to this nation and to his community. Family members, distinguished guests, ladies, gentlemen, colleagues, the Secretary of State, Warren Christopher.

Secretary CHRISTOPHER. Thank you, Tex, Harold, Senator Kassenbaum. Senator Sarbanes, Secretary Perry, Secretary Kanter, and other distinguished guests here today.

Let me extend a special welcome to the families of the men and women we are honoring today. You will always be a close part of the State Department family.

As the President has said, we come together every year on this day to celebrate the dedication and the accomplishments of the Foreign Service. But this is often a sad day as well because it is the day we add names to the memorial plaques in remembrance of our colleagues who gave their lives in service to their country.

Thirty years ago there were 72 names on this wall, covering all of American history since 1780. Now the list has grown to 188. And in the last year, two terrible tragedies have reminded us again that in this dangerous world, duty and sacrifice often go hand in hand.

We often say that we must take risks for peace. Today we see that the risks are all too real. To our sorrow, we learn that peace cannot be made through telephone or fax. It usually can't be made in Washington or in Geneva. It can only be made by people who are willing to fly where the bullets fly, to go where roads are treacherous and where safety and security are often missing in action.

Sadly, we can't take the danger out of diplomacy. But we can and must honor the peacemakers and their deeds. And we can make sure the American people know of the sacrifices the peacemakers make for our sake.

Last August in Bosnia three American diplomats were on their way to the besieged city of Sarajevo when they lost their lives on a muddy mountain road. Bob Frasure, Joe Kruzel, and Nelson Drew believed that peace was possible in Bosnia. And they were certainly right. Indeed, they were the path-finders who made peace possible.

Just a month ago, Ron Brown and a team of government officials and business leaders were on a journey to Croatia. They lost their lives trying to make sure that the peace our diplomats had forged would endure. They were convinced that American capital and American know-how could help rebuild that shattered land, that it could give the people of that country a reason to resist the temptations of war. And they, too, were right.

As I have travelled the world in the weeks since these two tragic events, I have received a chorus of condolences from leaders all around the world who understand the sacrifices made by the families of the men and women who died in those tragic events.

A short time ago, when I was in Sarajevo and in the compound of our Embassy, I

planted two dogwood trees in honor of Bob Frasure. But by far the most eloquent tribute to his work, and to Joe's and to Nelson's and to Ron's and all those we honor today, has been the return of normal life that I could see all around me in Sarajevo. Every school reopened, every family reunited, every road and factory rebuilt is a monument to the service of these brave Americans.

That monument, of course, is a work in progress. It is being shaped by countless hands—by our diplomats, our soldiers, by our civil servants, and by the people of the region. The memory of our fallen colleagues impels us not to rest—not to rest at all—until this work is completed.

The men and women we honor today, as the President said, will always represent what is best about America. They were generous enough to share their talent and spirits with others. They were dedicated enough to make sacrifices in the cause of public service. They were realistic enough to know that America's fate is inseparable from the fate of the world. And they were optimistic enough to believe that the difficult problems can be solved but only solved when America is determined to overcome them.

Thinking of them, I was reminded of something that one of our visitors this week, Shimon Peres, once said: ''Nobody will ever really understand the United States . . . You have so much power, and [yet] you didn't dominate another people; you have problems of your own, and [yet] you have never turned your back on the problems of others.''

Anyone who knew these wonderful friends and colleagues understands something very important about America. Anybody who passes through this hall and who pauses to think about the lives behind the names of the people on these plaques will understand something about the American ideal. Here, in the presence of these names, there is not an ounce of cynicism about the country or about the people who represent it.

So even as we mourn, let us keep alive the spirit that gave these lives such meaning. And let these names be a reminder to us all—a reminder of the risks and hardships that dedicated Americans endure for their country, and let it be a reminder of the constant need to carry on their work, our work, until it is finally finished.

Thank you very much.●

ADMINISTRATIVE DISPUTE RESOLUTION ACT OF 1995

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 350, S. 1224.

The PRESIDING OFFICER. The clerk will report:

The bill clerk read as follows:

A bill (S. 1224) to amend subchapter IV of chapter 5 of title 5, United States Code, relating to alternative means of dispute resolution in the administrative process, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Governmental Affairs, with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Administrative Dispute Resolution Act of 1995''.

SEC. 2. AMENDMENT TO DEFINITIONS.

Section 571 of title 5, United States Code, is amended:

(1) in paragraph (3)—

(A) by striking out ''settlement negotiations,''; and

(B) by striking out ''and arbitration'' and inserting in lie thereof ''use of ombuds, and binding or nonbinding arbitration,''; and

(2) in paragraph (8)—

(A) in subparagraph (B) by striking out ''decision,'' and inserting in lieu thereof ''decision.''; and

(B) by striking out the matter following subparagraph (B).

SEC. 3. AMENDMENTS TO CONFIDENTIALITY PROVISIONS.

(a) TERMINATION OF AVAILABILITY EXEMPTION TO CONFIDENTIALITY.—Section 574(b) of title 5, United States Code, is amended:

(1) in paragraph (5) by adding ''or'' at the end thereof;

(2) in paragraph (6) by striking out ''; or'' and inserting in lieu thereof a period; and

(3) by striking out paragraph (7).

(b) LIMITATION OF CONFIDENTIALITY APPLICATION TO COMMUNICATION.—Section 574 of title 5, United States Code, is amended—

(1) in subsection (a) in the matter before paragraph (1) by striking out ''any information concerning''; and

(2) in subsection (b) in the matter before paragraph (1) by striking out ''any information concerning''.

(c) 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.''.

(d) EXEMPTION FROM DISCLOSURE BY STATUTE.—Section 574 of title 5, United States Code, is amended by striking out subsection (j) and inserting in lieu thereof the following:

''(j) A dispute resolution communication which is generated by or provided to an agency or neutral, and which may not be disclosed under this section, shall also be exempt from disclosure under section 552(b)(3).''.

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 out ''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 out 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 out ''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 out the second sentence and inserting in lieu thereof: ''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 out 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 out ''agency, or'' and inserting in lieu thereof ''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 out ''agency, or'' and inserting in lieu thereof ''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 United States Code is amended—

(1) by striking out subsection (c) and inserting in lieu thereof 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 resolution; and

''(2) develop procedures that permit agencies to obtain the services of neutrals on an expedited basis.''; and

(2) in subsection (e) by striking out ''on a roster established under subsection (c)(2) or a roster maintained by other public or private organizations, or individual''.

SEC. 8. ARBITRATION AWARDS AND JUDICIAL REVIEW.

(a) ARBITRATION AWARDS.—Section 580 of title 5, United States Code, is amended—

(1) by striking and subsections (c), (f), and (g); and

(2) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

(b) JUDICIAL AWARDS.—Section 581(d) of title 5, United States Code, is amended—

(1) by striking out ''(1)'' after ''(b)''; and

(2) by striking out paragraph (2).

SEC. 9. 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 out section 11.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Subsection IV 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:

''Sec. 584. Authorization of appropriations.''.

Mr. COHEN. Mr. President, over the past decades, a consensus has emerged that traditional litigation is an inefficient way to resolve disputes. Not only is litigation costly, but due to its adversarial, contentious nature, litigation often deteriorates working relationships and fails to produce long-term solutions to problems.

Private corporations recognized many years ago that certain types of disputes could be resolved much less expensively and with less acrimony by relying on techniques such as mediation, arbitration, and partnering,

which collectively have become known as alternative dispute resolution or ADR.

In 1990, Congress recognized that the Government lagged well behind the private sector in this field and in response enacted the Administrative Dispute Resolution Act to promote the use of ADR in Government agencies. Senators GRASSLEY and LEVIN led the effort to pass this legislation and bring the benefits of ADR to the Federal Government.

The act authorizes agencies to apply ADR to almost any type of claim involving the Government, requires the appointment of ADR specialists in each agency, establishes procedures for hiring neutral third-parties to help resolve disputes, and provides confidentiality protection to parties participating in ADR.

S. 1224, the bill before the Senate, would permanently reauthorize this important legislation. It would also improve the system for hiring mediators, provide additional confidentiality protections to ADR participants, promote the use of binding arbitration and make a number of other minor adjustments to the act.

The Subcommittee on Oversight of Government Management held a hearing on the bill on November 29. At the hearing, the Department of Justice, the Federal Mediation and Conciliation Service, the Office of Management and Budget, the American Bar Association, and private individuals representing the Heritage Foundation and a consortium of Government contractors all praised the ADR Act and strongly endorsed its reauthorization. On December 12, 1995, the bill was unanimously reported, with an amendment in the nature of a substitute, by the Committee on Governmental Affairs.

The most significant change this bill makes to the original ADR Act is the repeal of a provision known as the arbitration escape clause. During consideration of the ADR Act in 1990, this provision was included to accommodate the Department of Justice's view that agencies lacked constitutional authority to refer disputes to binding arbitration. Although many scholars and the sponsors of the bill disagreed with this view, to satisfy the Department of Justice [DOJ], a provision was added that enabled Federal agencies to opt-out of arbitral awards. Unfortunately, this unilateral provision has deterred private parties from entering into arbitration with the Government. As one witness testified at the hearing on this reauthorization legislation, unless the escape clause is eliminated, ''arbitration likely will never become a viable alternative for the Federal Government.''

This would be unfortunate. Throughout the private sector, companies are saving money and reducing litigation costs by using arbitration to resolve commercial disputes instead of resorting to litigation. If we want the Government to enjoy the efficiencies of the private sector, it must have the flexibility to operate as a private business, especially when the Government is acting as a commercial entity. Indeed, the Government achieves a double benefit when a case is resolved through arbitration rather than litigation because not only are agency litigation costs and attorneys fees reduced, but judicial resources are freed to pursue criminal cases or other civil matters.

Last year, DOJ's Office of Legal Counsel issued a detailed opinion concluding that Federal agencies could submit disputes to binding arbitration without violating the Constitution. Since the constitutional objection to binding arbitration has been removed, there is no longer any reason to reauthorize the agency escape clause.

There are two amendments to S. 1224 before the Senate for consideration. The first amendment is designed to increase the efficiency of our procurement system by consolidating jurisdiction over bid protest claims in the Court of Federal Claims. The amendment would reverse the decision of the D.C. Circuit in Scanwell Lab., Inc. versus Shaffer (1969), that permitted bid protests to be filed in any district court across the country. Providing district courts with jurisdiction to hear bid protest claims has led to forum shopping and the fragmentation of Government contract law. Consolidation of jurisdiction in the Court of Federal Claims is necessary to develop a uniform national law on bid protest issues and end the wasteful practice of shopping for the most hospitable forum. Congress established the Claims Court—now the Court of Federal Claims—for the specific purpose of improving the administration of the law in the areas of patents, trademarks, Government contracts, Government employment, and international trade. Scanwell jurisdiction frustrates this purpose and deprives litigants of the substantial experience and expertise the Court of Federal Claims has developed in the Government contracting area.

The Information Technology and Management Reform Act of 1996, which I authored, eliminated the authority of the General Services Board of Contract Appeals to entertain bid protests on information technology contracts and left the General Accounting Office as the single extra-agency administrative forum for such actions. My amendment to S. 1224 follows this path of reform by creating a single forum for all bid protest litigation, which will lead to the development of more uniform, and thus more predictable, law.

Identical legislation passed the Senate as part of the Federal Acquisition Streamlining Act, but was rejected in conference. The Department of Justice and Office of Management and Budget strongly support the addition of this legislation to the ADR Act.

I also want to express my support for the Levin-Grassley amendment to S. 1224, which would reauthorize the Negotiated Rulemaking Act. This legislation establishes a framework for agencies to convene interested parties for the purpose of developing consensus-based regulation. When it is used, negotiated rulemaking can improve the quality, acceptability, and timeliness of regulations, reduce litigation, and enhance industry compliance, thereby reducing the costs of regulations to both private industry and the Government. Over the past 5 years negotiated rulemaking has been an unqualified success; there is no reason not to reauthorize this legislation while we are dealing with the closely related ADR Act.

In sum, reauthorization of the ADR and Negotiated Rulemaking Acts and the elimination of Scanwell jurisdiction represent cost-saving, commonsense improvements to the Federal regulatory and administrative processes. These reforms are good for the taxpayer, good for our courts, and good for the parties that have disputes with the Government.

I congratulate Senators GRASSLEY and LEVIN for the success of the original pieces of legislation and commend them for their work on this reauthorization bill.

I urge my colleagues to support this bill and sincerely hope that it may be enacted into law during this session of Congress.

I ask unanimous consent that the letter from the Department of Justice I referred to be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, April 12, 1996.

Hon. WILLIAM S. COHEN,
Chairman, Subcommittee on Oversight of Government Management and the District of Columbia, Committee on Governmental Affairs, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Administration supports your efforts to enact legislation that would make one small but vital improvement to the handling of bid protests arising from the award of Federal contracts—the elimination of district court jurisdiction over bid protests (the so-called Scanwell cases).[1] In disputes between an agency and a contractor after the award of a contract, Congress has previously recognized the need for a uniform national body of law to guide both Federal procurement officials and Federal contractors. The same need for nationwide uniformity exists for bid protests. The current forum shopping between the Federal district courts and the Court of Federal Claims only encourages needless litigation in a search for the most hospitable forum, and results in disparate bodies of law between the circuits. There is simply no need to have multiple judicial bodies to review bid protests of federal contacts.

In the past, Congress has recognized the need for nationwide uniformity in several areas of the law, and established the Claims

[1] *Scanwell Lab., Inc.* v. *Shaffer*, 424 F.2d 859, 869, 137 U.S. App. D.C. 371, 381 (1969) (held, a contractor making a prima facie showing alleging arbitrary or capricious action, or an abuse of discretion, by an agency or contracting officer in making the award of a contract, has standing to sue in district court under the Administrative Procedure Act).

Court (now the Court of Federal Claims) and the Court of Appeals for the Federal Circuit to achieve that result. Federal Courts Improvement Act of 1982 (FCIA) Pub. L. No. 97–164. The purpose of the FCIA was to improve ''the administration of the law in the areas of patents, government contracts, merit system protection, trademarks and international trade.'' H. Rep. No. 97–312, 97th Cong., 1st Sess. 17 (1981). As a result of the enactment of the FCIA, the Court of Federal Claims was made the sole judicial forum for resolution of contract disputes between the contractor and the agency. The very same need exists for nationwide uniformity in the handling of bid protests.

By eliminating the authority of the General Services Board of Contract Appeal to entertain bid protests of the award of information technology contracts, the recently-enacted defense authorization bill for fiscal year 1996 (Pub. L. No. 104–106) took a significant step forward in the handling of bid protests by leaving the General Accounting Office as the sole remaining extra-agency administrative forum. The process of procurement reform should continue by eliminating Scanwell jurisdiction, and by creating a single judicial forum to govern all bid protest litigation, both prior to and after award. While there is good reason to apply local state law, as district courts are required to do when they adjudicate torts under the Federal Tort Claims Act, it is simply inappropriate to have different interpretations of Federal contracts applied, depending upon where the contractor resides or where the contract will be performed. This results in inconsistent application of legal principles and an unwieldy body of procurement law.

Our concerns about varying results in the district courts is not hypothetical. For example, the district court in *Advanced Seal Tech., Inc.* v. *Perry*, 873 F. Supp. 1144 (N.D. Ill. 1995), disagreed with the district court's holding in *Abel Converting, Inc.* v. *United States*, 679 F. Supp. 1133 (D.D.C. 1988), regarding the burden of proof borne by the protestor to establish grounds for injunctive relief. Similarly, the district court in *Washington Mechanical Contractors, Inc.* v. *United States Dept. of the Navy*, 612 F. Supp. 1243 (N.D. Cal. 1984), disagreed with the district court's decision in *Robert E. Dereckto of Rhode Island, Inc.* v. *Goldschmidt*, 506 F. Supp. 1059 (D. R.I. 1980), regarding the quantum of proof necessary to invalidate an award of a contract. In addition, the district court in *Metric Systems Corp.* v. *United States Dept. of the Air Force*, 673 F. Supp 439 (N.D. Fla. 1987), disagreed with the holding in *Acme of Precision Surgical Co., Inc.* v. *Weinberger*, 580 F. Supp. 490 (E.D. Pa. 1984), that Federal district courts have both pre- and post-award bid protest jurisdiction. These cases show that, since Federal district court judges rarely have the opportunity to review bid protests, as might be suspected, the results vary from court-to-court.

Legislation should seek to accomplish three important goals. First, it should achieve a uniform and consistent body of precedent governing bid protests, by providing interested parties with a choice of only one administrative and one judicial forum for the resolution of bid protests. Second, it should discourage forum shopping between the remaining tribunal and court by imposing a similar, if not identical, standard and scope of review in both fora. Finally, it should impose a standard and scope of review which both recognizes the deference to the contracting agency in conducting procurements and also limits expensive, time-consuming and resource-intensive discovery.

As Mr. Steven Kelman, Administrator for Federal Procurement Policy, testified before your subcommittee last July:

''With its nationwide jurisdiction and contract expertise, the Court of Federal Claims could effectively and efficiently serve as a unified judicial forum operating in the national interest. This would avoid the unfairness of forum shopping. At the same time, it would not prevent small businesses from having their day in court inasmuch as the Court of Federal Claims is authorized to hold hearings throughout the country to minimize inconvenience and expense to litigants.''

In summary, the problems associated with district court bid protest activity can be effectively avoided by vesting judicial bid protests authority, both pre- and post-award, exclusively in the Court of Federal Claims and imposing a deferential standard of review and limited scope of review similar to that used by the General Accounting Office. With national jurisdiction, this court would effectively serve as a unified judicial forum with contract expertise, eliminating forum shopping and promoting the application of consistent legal principles.

We urge Congress to take immediate action to eliminate Scanwell jurisdiction in the district courts. We would be happy to work with you to ensure enactment of legislation that would meet this important objective. The Office of Management and Budget has advised that there is no objection from the standpoint of the Administration's program to the presentation of this report.

Sincerely,

ANDREW FOIS,
Assistant Attorney General.

Mr. LEVIN. Mr. President, we all want a Government that works better and costs less, and I am pleased that the Senate is considering today legislation authored by myself and Senator CHUCK GRASSLEY to encourage faster, less costly ways to resolve disputes with the Federal Government.

It's a fact of life that many people have disputes with the Federal Government. In the late 1980's, of the 220,000 civil cases filed on Federal court, more than 55,000 involved the Federal Government in one way or another. Resolving these disputes costs taxpayers billions of dollars.

Resolving them before they become courtroom dramas is one way to make a dent in this billion-dollar drain on taxpayer funds. Mediation, arbitration, mini-trials, and other methods offer cheaper, faster alternatives to courtroom battles.

That's why, 6 years ago, Senator GRASSLEY and I cosponsored the Administrative Dispute Resolution Act of 1990. It is why we have teamed up again this year on legislation to reauthorize that act and ensure that alternative dispute resolution techniques, which those familiar with it call ADR, remain a cost-effective tool that Federal agencies can use to resolve disputes.

Since the passage of the ADR law in 1990, Federal agencies have increasingly used alternatives to courtroom litigation to save time and money. The Army Corps of Engineers, for example, successfully resolved 53 of 55 contract disputes with ADR over a 5-year period, including settling a $55 million claim in 1994 for $17.3 million in 4 days. The Resolution Trust Corporation saved legal costs of approximately $115 million from 1991 through 1994, by using ADR instead of litigation. The Navy shortened dispute resolution times in some cases from 4 years to 3 months by replacing formal litigation with informal, abbreviated proceedings. Not all Federal agencies have used ADR extensively, but those agencies that have tried it report both savings and satisfaction with the process.

In these times of tight Federal budgets and shrinking Government, we need more of the savings that ADR offers, not less. That's why the ADR Act should become a permanent fixture in Federal law. The act's unfortunate lapse in October of last year due to the press of business before Congress shows why this step is necessary.

The bill that Senator GRASSLEY and I have introduced, S. 1224, would fill the current statutory void by permanently reauthorizing the ADR law. It would also fine-tune the law in several ways.

First and most importantly, the bill would eliminate a 30-day escape hatch that allowed Federal agencies unilaterally to vacate an arbitration award that disadvantaged the Government. In the 5 years this one-way escape clause has been on the books, no one has ever agreed to an arbitration proceeding with the Government on this basis. Eliminating this unilateral escape clause—which allows the Government but not its opponent to nullify an arbitration decision—is expected to encourage parties to agree to use binding arbitration as a cost-saving alternative to civil litigation. Other bill provisions make it clear that Federal agencies also retain the option to use nonbinding arbitration, when they so choose.

Second, the bill would encourage use of ADR methods by clarifying the confidentiality of ADR proceedings in several respects. The bill would make it clear that confidential documents prepared for purposes of an ADR proceeding are also exempt from disclosure under the Freedom of Information Act. The bill would also strike overly broad language which, if taken literally, would prohibit ADR neutrals and parties from disclosing any information concerning an ADR proceeding, even whether an ADR proceeding took place. The bill would also eliminate a provision that ended confidentiality protections for any document given to all parties, since this provision discourages open communications among all the parties to a dispute. Together, these changes clarify, focus and strengthen the law's confidentiality protections for ADR negotiations.

Third, the bill would encourage ADR by making it easier to use and improving coordination with other dispute resolution procedures. Specifically, the bill would clarify agency authority to hire mediators and other ADR neutrals on an expedited basis; allow agencies to accept donated services from State, local and tribal governments to support an ADR proceeding; add an explicit authorization for such sums as may be necessary to implement the ADR law; remove a provision which

barred Federal employees from electing to use ADR methods to resolve certain personnel disputes; and eliminate special paperwork burdens on contractors willing to use ADR to resolve small claims against the Government under the Contract Disputes Act.

Finally, the bill would reassign the tasks of encouraging and facilitating agency use of ADR methods from the Administrative Conference of the United States, which no longer exists due to a lack of appropriations, to the Federal Mediation and Conciliation Service, which has experience in this area.

Mr. President, I would also like to urge my colleagues to support a Levin-Grassley amendment to the ADR bill which would also reauthorize the Negotiated Rulemaking Act of 1990. The Negotiated Rulemaking Act became law back in 1990, at the same time as the ADR Act—in fact, for a time, the two laws shared the same United States Code cites—so it would be fitting to reauthorize both laws in the same piece of legislation.

Like the ADR law, the Negotiated Rulemaking Act is a reform effort that seeks to interject common sense and cost savings into the way the Federal Government does business. In essence, it allows a regulated community to form an advisory committee with all other interested parties to work with the Federal Government to draft regulations that everyone will then have to live by.

An its name implies, the point of the law is to get parties to negotiate with each other and the Federal Government to devise sensible, cost effective rules. No one is required to participate in a negotiation, and no one gives up their rights by agreeing to negotiate. It is a voluntary, rather than a mandatory, process.

The pleasant surprise is that it works. Since the Negotiated Rulemaking Act was enacted 6 years ago, agencies across the Government have tried it and liked it.

Over the past 6 years, negotiated rulemaking has been used to issue regulations under the Clean Air Act to produce cleaner burning gasoline and to clear haze from the Grand Canyon. The Coast Guard has used it to improve ships' oilspill fighting capabilities, while the Federal Railroad Administration has used it to improve railway worker safety. The Farm Credit System has negotiated a rule to apportion its administrative expenses among banks and other parties, while the FCC has used it to apportion data messaging services on satellites.

President Clinton has embraced the concept with an Executive order that encourages all agencies to try negotiated rulemaking at least once per year. Some agencies, like the Federal Aviation Administration, have found it so rewarding that they have established standing negotiated rulemaking committees and routinely invoke negotiated rulemaking to resolve difficult regulatory problems.

These agencies and others have discovered that, in many rulemaking situations, negotiation beats confrontation in terms of cost, time, aggravation, and the ability to develop regulations that parties with very different perspectives can accept. One industry participant in the clean air negotiations put it this way, ''It's a better situation when people who are adversaries can sit down at the table and talk about it rather than throwing bricks at each other in courtrooms and the press.'' An environmental journal came to the same conclusion, summing up the Grand Canyon negotiation with the headline, ''See You Later, Litigator.'' The Washington Post has called negotiated rulemaking plainly a good idea, while the New York Times has called it an immensely valuable procedure that ought to be used far more often.

The goal of the Levin-Grassley amendment is exactly that—to reauthorize the Negotiated Rulemaking Act to ensure continued agency use of this rulemaking procedure.

The amendment itself is straightforward. Like the ADR bill, it reauthorizes the 1990 law and makes it a permanent part of the U.S. Code. Like the ADR bill, it facilitates agency hiring of neutrals, called convenors and facilitators; provides an authorization for appropriations; and reassigns the responsibility of facilitating and encouraging agency use of negotiated rulemaking from the Administrative Conference of the United States, which has been terminated, to an agency or interagency committee to be designated by the President.

This amendment has been circulated extensively among negotiated rulemaking practitioners and is supported by the administration and the American Bar Association. It has been cleared by both sides of the aisle. It is being offered now to avoid a lapse in the law which is scheduled to expire in November.

Mr. President, I would like to thank Senator GRASSLEY for his leadership on both ADR and negotiated rulemaking; Senator COHEN, chairman of the Government Affairs Oversight Subcommittee, for his continuing support; and Senator STEVENS, Governmental Affairs Committee chairman, for his cooperation in getting this legislation to the floor despite a crowded calendar.

Alternative dispute resolution methods and negotiated rulemaking provide new and better ways to conduct Government business. They cost less, they're quicker, they're less adversarial, they develop sensible solutions to problems, and they free up courts for other business. They are two success stories in creating a government that works better and costs less. I urge my colleagues to join Senator GRASSLEY and myself in voting for the reauthorization of both laws.

Mr. GRASSLEY. Mr. President, the Administrative Dispute Resolution Act before us, sponsored by myself and Senator LEVIN, is an amendment to title 5 of the United States Code. This is a law which I originally sponsored back in 1989 with Senator LEVIN. That 1989 law, also titled the ''Administrative Dispute Resolution Act,'' was crafted to encourage Federal agencies to streamline dispute resolution processes by use of alternative dispute resolution techniques rather than by litigation. These techniques are often collectively referred to as ADR, and include mediation, arbitration, conciliation, fact-finding, and minitrials.

Since the enactment of that law, most Federal agencies have formulated ADR programs and consequently have saved significant amounts of time and money by avoiding litigation of claims. At the same time, agencies haven't sacrificed fairness or party satisfaction. Overall, agencies have recognized the benefits of ADR's efficiency. As an example of the success of these programs, the Environmental Protection Agency utilizes mediation and arbitration to resolve Superfund, Clean Water Act, and Resource Conservation and Recovery Act disputes. The EPA has expressed great satisfaction with the results of these techniques in their resolution of complex regulatory enforcement issues.

In addition, ADR techniques are far less costly than litigation. The Federal Deposit Insurance Corporation estimated a savings of $13 million in legal costs in the last 3 years alone because of its ADR program. The Resolution Trust Corporation estimated it saved $114 million over the last 4 years using ADR techniques. These examples are proof of ADR's efficiency.

The judiciary has also benefited from adoption of ADR techniques. The U.S. District Court for the Northern District of California estimated savings of almost $44,000 in administrative costs per case after it implemented an early neutral evaluation program. Although the bill before us doesn't include the judiciary, we are in the process of drafting a bill that would encourage the judiciary to adopt ADR programs, which have been in existence on a limited basis. Representative MOORHEAD's subcommittee has already held hearings on the House side regarding this issue, and I expect to pursue this initiative in my Judiciary Subcommittee this year.

Despite the benefits that both the executive and judiciary branches have derived from adopting ADR programs, improvements can still be made to promote ADR. Many ADR programs haven't been integrated into the daily routines of their agencies. Agencies have had legitimate concerns about confidentiality, fairness, and quality assurance. Further, the original law expired in October of last year, and by not extending this law, progress in agency adoption of ADR techniques has been stalled. The new ADR bill seeks to address these concerns by modifying and clarifying the original act to make ADR more attractive to the agencies in the resolution of their disputes.

The Governmental Affairs Committee, Subcommittee on Oversight of Government Management and the District of Columbia, held a hearing on this bill on November 16, 1995. At the hearing, the bill enjoyed strong bipartisan support. A number of changes were made to further improve the bill. I'd like to briefly summarize the bill as it presently is being proposed and how it will accomplish our goals of promoting the use of ADR techniques.

First of all, the bill removes the term ''settlement negotiations'' from the group of ADR techniques listed in the 1989 act. This won't decrease the effectiveness of the act as settlement negotiations are not and have never been covered by the act as they do not use third party neutrals in resolving conflicts. Abolition of the term merely eliminates agency confusion as to whether settlement negotiation is a statutorily supported ADR technique. It doesn't decrease the scope of the original act. The bill also clarifies ADR techniques by substituting the term ''arbitration'' with ''Use of Ombuds, and Binding or Nonbinding Arbitration.''

The bill addresses agency confidentiality concerns by exempting all dispute resolution communications from Freedom of Information Act disclosure. Although these communications have always been confidential by implication, the proposed bill makes this confidentiality express and clear.

The bill also deletes the Administrative Conference of the United States from the promulgation of agency policy addressing the use of ADR and case management. This acknowledges the unfortunate demise of the Administrative Conference and its consultation with agencies in developing and promulgating agency ADR policies, and the maintenance of rosters of neutrals and arbitrators.

The bill makes it easier for agencies to acquire neutrals by eliminating the requirement of full competitive procedures in obtaining expert services and by allowing the acquisition of neutrals from nonprofit organizations. It also amends the Code to provide that agencies will consult with the Federal Mediation and Conciliation Service on encouraging and facilitating agency use of ADR and developing procedures on obtaining services of neutrals.

The bill expands agency use of services to include services and facilities of State, local, and tribal governments. This will allow agencies to take advantage of all available support services in order to implement their ADR activities in the most effective and efficient manner possible.

The bill eliminates the requirement that the validity of all contract claims under $100,000 be certified by the contractor. This change brings the 1989 ADR Act into conformance with the certification levels in the Contracts Disputes Act, thus encouraging the use of ADR techniques in many small disputes where they may be particularly appropriate.

In addition, the bill deletes the so-called escape clause for binding arbitration. Under the 1989 law, a Federal agency had the right to override an ADR decision after it had been entered. These provisions were inserted in the original act because the Department of Justice believed there was a constitutional problem regarding agency ability to ultimately override ADR decisions. In essence, DOJ felt that it was necessary to protect agency interests from the whim of non-judicial decision-makers. The Administrative Conference argued that parties were reluctant to go through ADR because they believed that an agency could opt out of a final decision and that effectively ADR rulings were nonbinding on the Government. Recently, DOJ has dropped these constitutional concerns. Deletion of these provisions from the law will ultimately further facilitate and promote the use of ADR, by making ADR techniques more attractive to the private sector for solving agency disputes.

Finally, the bill permanently authorizes the ADR Act by striking the sunset provision presently in the law and authorizing such sums as may be necessary to carry out the act.

Mr. President, there has been much progress in the implementation and use of ADR techniques in the Federal Government since I first introduced the Administrative Dispute Resolution Act back in 1989. Passage of this amendment to the act will further this progress by eliminating statutory barriers to ADR use and clarifying statutory language. I hope my colleagues will support this initiative.

Mr. JOHNSTON. Mr. President, I would like to add my support for this bill and in particular for a provision, in the amendment providing permanent reauthorization of the Negotiated Rulemaking Act of 1990, that addresses what I and others perceive to be the redundancy between the requirements of this act and the Federal Advisory Committee Act [FACA].

The Negotiated Rulemaking Act, in section 3(a) (5 U.S.C. 564(a)) mandates a specific procedure for public notification of the establishment of each negotiated rulemaking committee. This includes publication ''in the Federal Register and, as appropriate, in trade or other specialized publications'' of a notice of intent to form the committee, along with ''a description of the subject and scope of the rule to be developed, and the issues to be considered; a list of the interests likely to be significantly affected by the rule; a list of the persons proposed to represent such interests and the person or persons proposed to represent the agency; a proposed agenda and schedule for completing the work of the committee, including a target date for publication by the agency of a proposed rule for notice and comment; a description of the administrative support for the committee to be provided by the agency, including technical assistance; a solicitation for comments on the proposal to establish the committee, and the proposed membership of the negotiated rulemaking committee; and an explanation of how a person may apply or nominate another person for membership on the committee.'' After publication of this notice, there is a public comment period of at least 30 days.

In addition to these statutory requirements, negotiated rulemaking committees are subject to regulatory review requirements of Presidential Executive orders. Section 3(e) of President Clinton's Executive Order No. 12866 defines ''regulatory action'' as ''any substantive action by an agency (normally published in the Federal Register) that promulgates or is expected to lead to the promulgation of a final rule or regulation, including notices of inquiry, advance notices of proposed rulemaking, and notices of proposed rulemaking.'' The notice of intent to establish a negotiated rulemaking committee, required by 5 U.S.C. 564(a)(1), would appear to be completely within this definition, as it is analogous to an advanced notice of proposed rulemaking, and certainly a more ''substantive action by an agency * * * expected to lead to the promulgation of a final rule'' than a mere notice of inquiry. Thus, even a plan to publish such a notice, for a ''significant regulatory action,'' must be disclosed to the Office of Management and Budget [OMB] under section 6(a)(3)(A) of the Executive Order. Given the very broad definition of ''significant regulatory actions'' in the Executive order, OMB is effectively capable of capturing for review any negotiated rulemaking committee that it wants.

Quite apart from these requirements and reviews, negotiated rulemaking committees must meet a second, parallel set of disclosure and review requirements contained in section 9 of FACA, because negotiated rulemaking committees are within the definition of an ''advisory committee'' under FACA. Thus, the FACA requirements in section 9 for ''consultation with the Administrator'' of the General Services Administration [GSA], ''timely notice in the Federal Register,'' and filing of a charter containing a list of specific topics that closely resembles the topics in section 3(a) of the Negotiated Rulemaking Act, quoted above, also apply to the negotiated rulemaking committees.

There is clearly duplication of effort here, without, in my opinion, much value added. First of all, if the President has put in place a mechanism, via Executive order, by which the Office of Information and Regulatory Affairs in OMB must be apprised of a mere plan to form a negotiated rulemaking committee, what is the added value of a mandate for a separate consultation with the GSA under FACA? Surely the President's designee for Government-

wide regulatory review and coordination, in OMB, is better situated to advise agencies on the need for such committees than the GSA. Second, a comparison of the typical advisory committee charter received in the Committee on Energy and Natural Resources with the typical Federal Register notice for a negotiated rulemaking committee over the past year shows that the latter is generally more detailed and informative than the former. Finally, is it really necessary to have two separate legal requirements for notice in the Federal Register of the same event?

In addition to these overlapping requirements and processes, it is a fair question whether other specific requirements of FACA, for example, the automatic 2-year sunset of advisory committees, make sense in the context of negotiated rulemaking. It is envisioned by the Negotiated Rulemaking Act that negotiated rulemaking committees will routinely remain in existence until the publication of a final rule, which may take several years. In this specific context, the one-size-fits-all requirement of FACA for rechartering every 2 years, while sensible for advisory committees that have nonspecific oversight-type responsibilities, would seem somewhat arbitrary.

I am not alone in questioning this apparent duplication. I will ask unanimous consent to have printed at the end of this statement a statement on the reauthorization of the Negotiated Rulemaking Act from the American Bar Association [ABA] and the formal ABA position statement on which it is based. The formal position of the ABA, jointly proposed by the ABA Standing Committee on Environmental Law, the Section of Administrative Law and Regulatory Practice, and the Section of Natural Resources, Energy, and Environmental Law, and passed by the ABA House of Delegates, states that—

> a federal agency should not be required to secure the permission of the Office of Management and Budget or the General Services Administration before it impanels a committee under the Negotiated Rulemaking Act or the Administrative Dispute Resolution Act, and that such agencies must continue to comply with the substantive requirements of the Federal Advisory Committee Act, including openness and balance on committees.

These questions of duplication are important in the real world of how Federal agencies operate because there is already a considerable transaction cost to the formation and running of advisory committees under FACA. The formal chartering process under FACA, in practice, involves numerous levels of review within agencies and is often a time-consuming bureaucratic step. It is perhaps justifiable to impose such transaction costs to prevent the formation of generic advisory committees for which there is not a clear and compelling need. Perhaps, notwithstanding the current interest in having more, rather than less, stakeholder input into Federal agency processes and decisions, it is thought appropriate to view advisory committees generally as a problem to be contained. But the whole point of the Negotiated Rulemaking Act is to promote the use of one specific type of advisory committee. The Negotiated Rulemaking Act creates no new authorities for agencies. If it were to expire on November 29, of this year, as it is currently scheduled to do under current law, agencies could still form such committees and use them in the promulgation of rules. Since, then, the whole point of the act is to underscore Congress' intent that negotiated rulemaking be more widely used, we should look carefully at the question of administrative transaction costs in Federal agencies, to see if we have unwittingly put in place duplicative steps that make forming such committees seem to be more trouble than they are worth.

There is evidence that this is now the case. In the National Marine Fisheries Service of the Department of Commerce, a proposal to form a negotiated rulemaking committee to resolve issues between commercial and sport fishing interests regarding tuna fishing in the mid-Atlantic, published in the Federal Register on February 1, has languished precisely because the Department of Commerce, like other agencies such as the Department of Energy, has a process for reviewing proposals to form advisory committees under FACA that involves sending the proposal to numerous offices dispersed through the agency structure for checkoffs on issues such as—in the case of Commerce—national security concerns. Transiting this sort of administrative gauntlet is a daunting task, even for hardened bureaucrats. Meanwhile, the underlying dispute that prompted the proposal to form this committee has escalated, perhaps to the point where getting to a consensus result has been imperiled by the delay resulting from administrative inefficiency. If the administrative duplication occasioned by the overlaps in these two laws did not exist, the negotiated rulemaking committee could have started to meet in March of this year.

How representative is this case? It is hard to say. The permanent reauthorization of Negotiated Rulemaking Act was not covered in the hearings on this bill, so this problem was not explored on the record. Given this, I appreciate the willingness of the sponsors of this bill to address my concerns that a far greater problem may exist. Subsection (e) of the amendment provides for study, in the Office of Management and Budget, of this question, so that a complete picture of the problem can be obtained, and so that recommendations can be formulated. I would hope that the OMB review, in the spirit of reinventing Government, will take a careful look at such barriers and proposed best practices to agencies to facilitate the expeditious formation of advisory committees generally.

I thank the sponsors of the bill, again, for their assistance and willingness to address this issue. I hope that if, in the course of the OMB study, the administration identifies solutions to some of these issues that require legislative action by Congress, that the sponsors will be willing to act on such suggestions.

I ask unanimous consent that the material I earlier referred to be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMERICAN BAR ASSOCIATION,
Washington, DC, April 16, 1996.

Hon. CARL LEVIN,
Governmental Affairs Committee, U.S. Senate, Washington, DC.

DEAR SENATOR LEVIN: I write on behalf of the American Bar Association to urge that the Administrative Dispute Resolution Act and the Negotiated Rulemaking Act be reauthorized on a permanent basis. We are concerned that the decision regarding reassignment of negotiated rulemaking responsibilities formerly carried out by the Administrative Conference of the United States will prevent the reauthorization of these two important laws.

These two laws form the framework for consensus building in government decision-making. The Administrative Dispute Resolution Act authorizes agencies to use a full array of alternative dispute resolution processes, if the parties agree to do so. The Negotiated Rulemaking Act provides a framework for negotiating rules among representatives of the affected interests. We have reviewed the draft amendment on encouraging negotiated rulemaking and offer the following comments.

(1) The ABA endorses the prompt, permanent reauthorization of these two laws.

(2) The Association would be pleased to work with you to determine an appropriate alternative placement of the consultative function under the Negotiated Rulemaking Act.

(3) The ABA recommends an amendment to the draft to direct that federal agencies not be required to secure the permission of the Office of Management and Budget or the General Service Administration before impanelling a committee under the Negotiated Rulemaking Act or the Administrative Dispute Resolution Act. The Association believes the requirement that agencies secure permission to establish committees has inhibited the wider use of these important, consensus based process. However, Congress should continue to require that such agencies must comply with the substantive requirements of the Federal Advisory Committee Act, including openness and balance on committees.

The Negotiated Rulemaking Act and the Administrative Dispute Resolution Act encourage federal agencies to explore the use of mediation and consensus building to reduce costs and increase responsiveness to public concerns. We look forward to working with you to ensure that these laws are reauthorized.

Sincerely,

ROBERT D. EVANS.

AMERICAN BAR ASSOCIATION, STANDING COMMITTEE ON ENVIRONMENTAL LAW; SECTION OF ADMINISTRATIVE LAW & REGULATORY PRACTICE; SECTION OF NATURAL RESOURCES, ENERGY & ENVIRONMENTAL LAW

RECOMMENDATION

Be it Resolved, That the public participation provisions of local, state and federal environmental laws and international environmental agreements and treaties should recognize and express the principle that the

public and all affected interests should be provided meaningful and effective involvement and should be expected to participate in consensus building efforts to ensure that government decision-making regarding the administration, regulation, and enforcement of environmental laws is open, fair, efficient and credible; Be it further

Resolved, That the public participation provisions of local, state and federal environmental laws should include express authority allowing government agencies to choose innovative public participation, stakeholder-involvement and shared decision-making models, including site-specific, negotiated consensus-building processes and negotiated rulemaking, which involve all affected stakeholders, such as citizens, potentially responsible parties, and affected federal, tribal, state, territorial and local governments; be it further

Resolved, That federal agencies should use more fully the Administrative Dispute Resolution Act and the Negotiated Rulemaking Act for making environmental decisions, and state agencies should follow similar procedures permitted under generally applicable provisions of administrative law; be it further

Resolved, That Congress should reauthorize the Administrative Dispute Resolution Act and the Negotiated Rulemaking Act on a permanent basis, and, in doing so, Congress should revise provisions that inhibit their wider use to resolve environmental matters by clarifying:

(1) that the Administrative Dispute Resolution Act authorizes the use of the full range of dispute resolution processes for making administrative decisions, including general consensus building and the resolution of issues between private parties that otherwise would be decided by the environmental agency;

(2) that the decision of an arbitrator, where applicable, should be final when issued, without the authority of an agency to unilaterally override such decision;

(3) that communications between a party and the neutral should be protected from disclosure except for the circumstances defined in the Administrative Dispute Resolution Act; to that extent the Administrative Dispute Resolution Act should be regarded as a Section (b)(3) exemption under the Freedom of Information Act; and

(4) that a federal agency should not be required to secure the permission of the Office of Management and Budget or the General Services Administration before it impanels a committee under the Negotiated Rulemaking Act or the Administrative Dispute Resolution Act, and that such agencies must continue to comply with the substantive requirements of the Federal Advisory Committee Act, including openness and balance on committees; be it further

Resolved, That the procedures described in the Negotiated Rulemaking Act should be used for making policy decisions under environmental statutes; be it finally

Resolved, That the framework established under the Negotiated Rulemaking Act and the Administrative Dispute Resolution Act provide the means by which the U.S. Environmental Protection Agency (''EPA''), community and business interests, state, tribal and local governments, and environmental and other non-governmental organizations can reach agreement on the appropriate issues. For example, in addition to existing alternative dispute resolution provisions in the Comprehensive Environmental Response, Compensation and Liability Act (''CERCLA''), potentially responsible parties are encouraged to use the Administrative Dispute Resolution Act to make allocation decisions, while environmental agencies are encouraged to use the Negotiated Rulemaking Act for making policy decisions. In doing so, EPA should appoint a single, relatively senior official to represent the agency and various components of its staff in such negotiations, and policy negotiations and allocation decisions should be coordinated to the extent appropriate.

AMENDMENT NO. 4045

(Purpose: To reauthorize the Negotiated Rulemaking Act of 1990, and for other purposes)

Mr. LOTT. Mr. President, I understand that there is an amendment at the desk in behalf of Senators LEVIN and GRASSLEY. I ask for its consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Mississippi [Mr. LOTT], for Mr. LEVIN, for himself and Mr. GRASSLEY, proposes an amendment numbered 4045.

At the end of the bill, add the following new section:

SEC. 11. REAUTHORIZATION OF NEGOTIATED RULEMAKING ACT OF 1990.

(a) PERMANENT REAUTHORIZATION.—Section 5 of the Negotiated Rulemaking Act of 1990 (Public Law 101–648; 5 U.S.C. 561 note) is repealed.

(b) CLOSURE OF ADMINISTRATIVE CONFERENCE.—

(1) IN GENERAL.—Section 569 of title 5, United States Code, is amended—

(A) by amending the section heading to read as follows:

''§ 569. Encouraging negotiated rulemaking'';

and

(B) by striking out subsections (a) through (g) and inserting in lieu thereof the following:

''(a) The President shall designate an agency or designate or establish an interagency committee to facilitate and encourage agency use of negotiated rulemaking. An agency that is considering, planning or conducting a negotiated rulemaking may consult with such agency or committee for information and assistance.

(b) To carry out the purposes of this subchapter, an agency planning or conducting a negotiated rulemaking may accept, hold, administer, and utilize gifts, devises, and bequests of property, both real and personal, provided that agency acceptance and use of such gifts, devises or bequests do not create a conflict of interest. Gifts and bequests of money and proceeds from sales of other property received as gifts, devises, or bequests shall be deposited in the Treasury and shall be disbursed upon the order of the head of such agency. Property accepted pursuant to this section, and the proceeds, thereof, shall be used as nearly as possible in accordance with the terms of the gifts, devises, or bequests. For purposes of Federal income, estate, or gift taxes, property accepted under this section shall be considered as a gift, devise, or bequest to the United States.''.

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 5, United States Code, is amended by striking out the item relating to section 569 and inserting in lieu thereof the following:

''569. Encouraging negotiated rulemaking.''

(c) EXPEDITED HIRING OF CONVENORS AND FACILITATORS.—

(1) DEFENSE AGENCY CONTRACTS.—Section 2304(c)(3)(C) of title 10, United States Code, is amended by inserting ''or negotiated rulemaking'' after ''alternative dispute resolution''.

(2) 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 inserting ''or negotiated rulemaking'' after ''alternative dispute resolution''.

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—Subchapter III of title 5, United States Code, is amended by adding at the end thereof the following new section:

''§ 570a. Authorization of appropriations

''There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this subchapter.''.

(2) 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 570 the following:

''Sec. 570a Authorization of appropriations.''

(e) STUDY.—No later than 180 days after the enactment of this Act, the Director of the Office of Management and Budget shall complete a study with recommendations on expediting the establishment of negotiated rulemaking committees, including eliminating any redundant administrative requirements related to filing a committee charter under section 9 of the Federal Advisory Committee Act and providing public notice of such committee under section 564 of title 5, United States Code.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4045) was agreed to.

AMENDMENT NO. 4046

(Purpose: To provide the United States Court of Federal Claims with exclusive jurisdiction over contract bid protests)

Mr. LOTT. I understand Senator COHEN has an amendment at the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Mississippi [Mr. LOTT], for Mr. COHEN, proposes an amendment numbered 4046.

At the end of the Committee amendment add the following:

SEC. 11. JURISDICTION OF THE UNITED STATES COURT OF FEDERAL CLAIMS: BID PROTESTS.

(a) BID PROTESTS.—

(1) TERMINATION OF JURISDICTION OF DISTRICT COURTS.—Section 1491 of title 28, United States Code, is amended—

(A) by redesignating subsection (b) as subsection (d);

(B) in subsection (a)—

(i) by striking out ''(a)(1)'' and inserting in lieu thereof ''(a) CLAIMS AGAINST THE UNITED STATES.—'';

(ii) in paragraph (2), by striking out ''(2) To'' and inserting in lieu thereof ''(b) REMEDY AND RELIEF.—To''; and

(iii) by striking out paragraph (3); and

(C) by inserting after subsection (b), as designated by paragraph (1)(B)(ii), the following new subsection (c):

''(c) BID PROTESTS.—(1) The United States Court of Federal Claims has jurisdiction to render judgment on an action by an interested party objecting to a solicitation by a Federal agency for bids or proposals for a proposed contract or to a proposed award or the award of a contract. The court has jurisdiction to entertain such an action without regard to whether suit is instituted before or after the contract is awarded.

''(2) To afford relief in such an action, the court may award any relief that the court considers proper, including declaratory and injunctive relief.

''(3) In exercising jurisdiction under this subsection, the court shall give due regard to the interests of national defense and national security and the need for expeditious resolution of the action.

''(4) The district courts of the United States do not have jurisdiction of any action referred to in paragraph (1).''.

(2) CLERICAL AMENDMENTS.—

(A) SECTION HEADING.—The heading of such section is amended by inserting ''**bid protests;**'' after ''**generally;**'',

(B) TABLE OF SECTIONS.—The table of sections at the beginning of chapter 91 of title 28, United States Code, is amended by striking out the item relating to section 1491 and inserting in lieu thereof the following:

''1491. Claims against United States generally; bid protests; actions involving Tennessee Valley Authority.''.

(b) NONEXCLUSIVITY OF GAO REMEDIES.—Section 3556 of title 31, United States Code, is amended by striking out ''a district court of the United States or the United States Claims Court'' in the first sentence and inserting in lieu thereof ''the United States Court of Federal Claims''.

(c) SAVINGS PROVISIONS.—

(1) ORDERS.—The amendments made by this section shall not terminate the effectiveness of orders that have been issued by a court in connection with an action within the jurisdiction of that court on the day before the effective date of this section. Such orders shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked by a court of competent jurisdiction or by operation of law.

(2) PROCEEDINGS AND APPLICATIONS.—(A) The amendments made by this section shall not affect the jurisdiction of a court of the United States to continue with any proceeding that is pending before the court on the day before the effective date of this section.

(B) Orders may be issued in any such proceeding, appeals may be taken therefrom, and payments may be made pursuant to such orders, as if this section had not been enacted. An order issued in any such proceeding shall continue in effect until modified, terminated, superseded, set aside, or revoked by a court of competent jurisdiction or by operation of law.

(C) Nothing in this paragraph prohibits the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(d) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 1996.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4046) was agreed to.

Mr. LOTT. I ask unanimous consent that the committee amendment be agreed to, the bill then be deemed read a third time, the Senate then immediately proceed to Calendar No. 427, H.R. 2977; further, that all after the enacting clause be stricken and the text of S. 1224, as amended, be inserted in lieu thereof, the bill then be read a third time, passed, the motion to reconsider be laid upon the table, the Senate then insist on its amendment and request a conference with the House, the Chair be authorized to appoint conferees on the part of the Senate, the bill S. 1224 be placed back on the calendar; and, finally, that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 2977), as amended, was deemed read for the third time, and passed as follows:

Resolved, That the bill from the House of Representatives (H.R. 2977) entitled ''An Act to reauthorize alternative means of dispute resolution in the Federal administrative process, and for other purposes.'', do pass with the following amendments:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Administrative Dispute Resolution Act of 1995''.

SEC. 2. AMENDMENT TO DEFINITIONS.

Section 571 of title 5, United States Code, is amended—

(1) in paragraph (3)—

(A) by striking out ''settlement negotiations,''; and

(B) by striking out ''and arbitration'' and inserting in lieu thereof ''use of ombuds, and binding or nonbinding arbitration,''; and

(2) in paragraph (8)—

(A) in subparagraph (B) by striking out ''decision,'' and inserting in lieu thereof ''decision.''; and

(B) by striking out the matter following subparagraph (B).

SEC. 3. AMENDMENTS TO CONFIDENTIALITY PROVISIONS.

(a) TERMINATION OF AVAILABILITY EXEMPTION TO CONFIDENTIALITY.—Section 574(b) of title 5, United States Code, is amended—

(1) in paragraph (5) by adding ''or'' at the end thereof;

(2) in paragraph (6) by striking out ''; or'' and inserting in lieu thereof a period; and

(3) by striking out paragraph (7).

(b) LIMITATION OF CONFIDENTIALITY APPLICATION TO COMMUNICATION.—Section 574 of title 5, United States Code, is amended—

(1) in subsection (a) in the matter before paragraph (1) by striking out ''any information concerning''; and

(2) in subsection (b) in the matter before paragraph (1) by striking out ''any information concerning''.

(c) 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.''.

(d) EXEMPTION FROM DISCLOSURE BY STATUTE.—Section 574 of title 5, United States Code, is amended by striking out subsection (j) and inserting in lieu thereof the following:

''(j) A dispute resolution communication which is generated by or provided to an agency or neutral, and which may not be disclosed under this section, shall also be exempt from disclosure under section 552(b)(3).''.

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 out ''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 out 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 out ''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 out the second sentence and inserting in lieu thereof: ''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 out 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 out ''agency, or'' and inserting in lieu thereof ''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 out ''agency, or'' and inserting in lieu thereof ''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 out subsection (c) and inserting in lieu thereof 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 resolution; and

''(2) develop procedures that permit agencies to obtain the services of neutrals on an expedited basis.''; and

(2) in subsection (e) by striking out ''on a roster established under subsection (c)(2) or a roster maintained by other public or private organizations, or individual''.

SEC. 8. ARBITRATION AWARDS AND JUDICIAL REVIEW.

(a) ARBITRATION AWARDS.—Section 580 of title 5, United States Code, is amended—

(1) by striking out subsections (c), (f), and (g); and

(2) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

(b) JUDICIAL AWARDS.—Section 581(d) of title 5, United States Code, is amended—

(1) by striking out ''(1)'' after ''(b)''; and

(2) by striking out paragraph (2).

SEC. 9. 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 out section 11.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Subchapter IV 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:

''Sec. 584. Authorization of appropriations.''.

SEC. 11. REAUTHORIZATION OF NEGOTIATED RULEMAKING ACT OF 1990.

(a) PERMANENT REAUTHORIZATION.—Section 5 of the Negotiated Rulemaking Act of 1990 (Public Law 101–648; 5 U.S.C. 561 note) is repealed.

(b) CLOSURE OF ADMINISTRATIVE CONFERENCE.—

(1) IN GENERAL.—Section 569 of title 5, United States Code, is amended—

(A) by amending the section heading to read as follows:

***''§ 569. Encouraging negotiated rulemaking''**; and*

(B) by striking out subsections (a) through (g) and inserting in lieu thereof the following:

''(a) The President shall designate an agency or designate or establish an interagency committee to facilitate and encourage agency use of negotiated rulemaking. An agency that is considering, planning or conducting a negotiated rulemaking may consult with such agency or committee for information and assistance.

''(b) To carry out the purposes of this subchapter, an agency planning or conducting a negotiated rulemaking may accept, hold, administer, and utilize gifts, devises, and bequests of property, both real and personal: Provided, That agency acceptance and use of such gifts, devises or bequests do not create a conflict of interest. Gifts and bequests of money and proceeds from sales of other property received as gifts, devises, or bequests shall be deposited in the Treasury and shall be disbursed upon the order of the head of such agency. Property accepted pursuant to this section, and the proceeds thereof, shall be used as nearly as possible in accordance with the terms of the gifts, devises, or bequests. For purposes of Federal income, estate, or gift taxes, property accepted under this section shall be considered as a gift, devise, or bequest to the United States.''.

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of sections for chapter 5 of title 5, United States Code, is amended by striking out the item relating to section 569 and inserting in lieu thereof the following:

''569. Encouraging negotiated rulemaking.''.

(c) EXPEDITED HIRING OF CONVENORS AND FACILITATORS.—

(1) DEFENSE AGENCY CONTRACTS.—Section 2304(c)(3)(C) of title 10, United States Code, is amended by inserting ''or negotiated rulemaking'' after ''alternative dispute resolution''.

(2) 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 inserting ''or negotiated rulemaking'' after ''alternative dispute resolution''.

(d) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—Subchapter III of title 5, United States Code, is amended by adding at the end thereof the following new section:

''§ 570a. Authorization of appropriations

''There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this subchapter.''.

(2) 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 570 the following:

''Sec. 570a. Authorization of appropriations.''.

(e) STUDY.—No later than 180 days after the enactment of this Act, the Director of the Office of Management and Budget shall complete a study with recommendations on expediting the establishment of negotiated rulemaking committees, including eliminating any redundant administrative requirements related to filing a committee charter under section 9 of the Federal Advisory Committee Act and providing public notice of such committee under section 564 of title 5, United States Code.

SEC. 12. JURISDICTION OF THE UNITED STATES COURT OF FEDERAL CLAIMS: BID PROTESTS.

(a) BID PROTESTS.—

(1) TERMINATION OF JURISDICTION OF DISTRICT COURTS.—Section 1491 of title 28, United States Code, is amended—

(A) by redesignating subsection (b) as subsection (d);

(B) in subsection (a)—

(i) by striking out ''(a)(1)'' and inserting in lieu thereof ''(a) CLAIMS AGAINST THE UNITED STATES.—'';

(ii) in paragraph (2), by striking out ''(2) To'' and inserting in lieu thereof ''(b) REMEDY AND RELIEF.—To''; and

(iii) by striking out paragraph (3); and

(C) by inserting after subsection (b), as designated by paragraph (1)(B)(ii), the following new subsection (c):

''(c) BID PROTESTS.—(1) The United States Court of Federal Claims has jurisdiction to render judgment on an action by an interested party objecting to a solicitation by a Federal agency for bids or proposals for a proposed contract or to a proposed award or the award of a contract. The court has jurisdiction to entertain such an action without regard to whether suit is instituted before or after the contract is awarded.

''(2) To afford relief in such an action, the court may award any relief that the court considers proper, including declaratory and injunctive relief.

''(3) In exercising jurisdiction under this subsection, the court shall give due regard to the interests of national defense and national security and the need for expeditious resolution of the action.

''(4) The district courts of the United States do not have jurisdiction of any action referred to in paragraph (1).''.

(2) CLERICAL AMENDMENTS.—

*(A) SECTION HEADING.—The heading of such section is amended by inserting ''**bid protests;**'' after ''**generally;**''.*

(B) TABLE OF SECTIONS.—The table of sections at the beginning of chapter 91 of title 28, United States Code, is amended by striking out the item relating to section 1491 and inserting in lieu thereof the following:

''1491. Claims against United States generally; bid protests; actions involving Tennessee Valley Authority.''.

(b) NONEXCLUSIVITY OF GAO REMEDIES.—Section 3556 of title 31, United States Code, is amended by striking out ''a district court of the United States or the United States Claims Court'' in the first sentence and inserting in lieu thereof ''the United States Court of Federal Claims''.

(c) SAVINGS PROVISIONS.—

(1) ORDERS.—The amendments made by this section shall not terminate the effectiveness of orders that have been issued by a court in connection with an action within the jurisdiction of that court on the day before the effective date of this section. Such orders shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked by a court of competent jurisdiction or by operation of law.

(2) PROCEEDINGS AND APPLICATIONS.—(A) The amendments made by this section shall not affect the jurisdiction of a court of the United States to continue with any proceeding that is pending before the court on the day before the effective date of this section.

(B) Orders may be issued in any such proceeding, appeals may be taken therefrom, and payments may be made pursuant to such orders, as if this section had not been enacted. An order issued in any such proceeding shall continue in effect until modified, terminated, superseded, set aside, or revoked by a court of competent jurisdiction or by operation of law.

(C) Nothing in this paragraph prohibits the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this section had not been enacted.

(d) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on October 1, 1996.

RELATIVE TO USE OF DISASTER RESERVE FOR DISASER ASSISTANCE

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 259; I further ask that the resolution be considered and agreed to and the motion to reconsider be laid upon the table, and that any statements relating to this resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 259) was agreed to as follows:

S. RES. 259

Resolved,

SECTION 1. USE OF DISASTER RESERVE FOR DISASTER ASSISTANCE.

It is the sense of the Senate that the Secretary of Agriculture should use the disaster reserve established under section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a) to alleviate distress to livestock producers caused by drought, flood, or other natural disasters in 1996, in the most efficient manner practicable, including cash payments from the sale of commodities currently in the disaster reserve. A livestock producer should be eligible to receive the assistance during the period beginning May 1, 1996, and ending not sooner than August 31, 1996.

SEC. 2. VOLUNTARY CONSERVATION ASSISTANCE.

It is the sense of the Senate that the Secretary of Agriculture should use the authorities provided in the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127) to provide voluntary conservation assistance to any person who is permitted to hay or graze conservation reserve land on an emergency basis.

RELATIVE TO SPECIAL CONSIDERATION FOR DISASTER ASSISTANCE

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 260; I further ask that the resolution be considered and agreed to and the motion to reconsider be laid upon the table, and that any statements relating to this resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 260) was agreed to as follows:

S. RES. 260

Resolved,

SECTION 1. SPECIAL CONSIDERATION FOR DISASTER ASSISTANCE.

It is the sense of the Senate that livestock producers who do not qualify for emergency

livestock feed assistance for the 1996 crop year, but have incurred feed losses in 1996 due to drought, flooding, or other natural disasters, should receive special consideration for assistance from commodities for the sale of commodities currently available in the disaster reserve established under section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a). A livestock producer should be eligible to receive the assistance during the period beginning May 1, 1996, and ending not sooner than August 31, 1996.

Mrs. HUTCHISON. Mr. President, what has just cleared the Senate is a very important sense of the Senate that has unanimously passed that will help the areas of our country that have been devastated by this drought. In fact, this is the Gramm-Hutchison-Domenici-Bingaman resolution.

It says we encourage the Secretary of Agriculture to allow some of the counties—because of a regulatory snafu, a technicality—that are not now able to apply for livestock feed assistance under its old program to do so. The bulk of the counties in New Mexico, Texas, Oklahoma, and Kansas that are affected by this will have that opportunity. But because of the technicality, they have not been able to clear all of the counties. So we are asking the Secretary of Agriculture to do this for us. It is very important to the farmers and ranchers of these States.

Mr. President, this drought is hurting not only the farmers and ranchers of these States, but the consumers are going to see higher prices as well. We are in a situation now where farmers are not able to make loans because the drought has caused them either to be unable to plant or to be unable to have anything if they have planted. It also causes a great hardship on people who are raising cattle. There is no feed for the cattle because we have not been able to raise the hay.

It is a terrible situation, and I just appreciate very much all of my colleagues helping us with this sense of the Senate. I hope this will encourage the Secretary of Agriculture to help us through this technicality and help these farmers and ranchers make it this year so they can continue to provide the food and be the breadbasket of America next year.

RESOLUTION RELATIVE TO EMERGENCY LIVESTOCK FEED ASSISTANCE

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 261; I further ask that the resolution be considered and agreed to and the motion to reconsider be laid upon the table, and that any statements relating to this resolution be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 261) was agreed to; as follows:

S. RES. 261

SECTION 1. ELIGIBILITY FOR EMERGENCY LIVESTOCK FEED ASSISTANCE.

It is the sense of the Senate that, as part of the orderly termination of the emergency livestock feed assistance program established under title VI of the Agricultural Act of 1949 (7 U.S.C. 1471 et seq.), livestock producers who were eligible for emergency livestock feed assistance for the 1995 crop year, but were unable to apply for the assistance for the 1996 crop year, and who have suffered a qualifying loss as determined by the Secretary, should be eligible to receive assistance under the program through at least August 31, 1996.

UNANIMOUS-CONSENT AGREEMENT—HOUSE JOINT RESOLUTION 178

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate on Thursday, June 13, begin consideration of the budget conference report 104–612 at 10 a.m., that there be 2 hours of debate equally divided between Senators DOMENICI and EXON; and, further, that at 12 noon tomorrow the Senate proceed to vote on the adoption of the budget resolution conference report with no intervening action or debate, all provided that the official papers have arrived in the Senate; and, further, that if the papers have not arrived, then the vote occur at a time and date to be determined by the majority leader after consultation with the Democratic leader.

I note for the Members that this has been discussed with the Democratic leader, and we have agreed on this.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR THURSDAY, JUNE 13, 1996

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 10 a.m. on Thursday, June 13; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day, and the Senate then begin consideration of the conference report to accompany the concurrent budget resolution as under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. LOTT. For the information of all Senators, tomorrow there will be 2 hours remaining for debate on the budget conference report with a vote occurring at 12 o'clock on the adoption of that report.

Following that vote, the Senate will be in a period of morning business to accommodate a number of requests to speak. Additional rollcall votes on possible issues that are pending could come on Thursday, and the Senate may also be asked to turn to consideration of any other items cleared for action.

We are, frankly, hoping that we can begin debate tomorrow on the Federal Reserve Board nominations. We are consulting now with the Democratic leader. We hope to come to an agreement on how that matter will be handled in the balance of the day tomorrow and perhaps even over into next week.

ORDER FOR ADJOURNMENT

Mr. LOTT. If there be no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order following the remarks of Senator KENNEDY of Massachusetts.

I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Massachusetts.

CONGRATULATING MAJORITY LEADER LOTT

Mr. KENNEDY. Mr. President, I want to take a very brief moment to congratulate my friend and colleague from Mississippi, Senator LOTT, on being selected as the majority leader of the Senate. I have had the opportunity to work with TRENT LOTT in the Armed Services Committee. I have great respect for him, and friendship, and I look forward to working with him, trying to carry forward the country's business in whatever way we possibly can. So I congratulate him and congratulate his family. It is a great honor for him to be selected and I wish him the very best in his new responsibilities.

THE MISGUIDED REPUBLICAN BUDGET

Mr. KENNEDY. Mr. President, tomorrow we are going to be asked to consider a repackaged version of last year's misguided Republican budget. It has not improved with age. This budget plan, like last year's, undermines basic protections for children and the elderly, raises taxes on the working poor, and denies educational opportunity to millions of Americans, all to pay for the lavish tax breaks for the wealthy. If this budget plan becomes law, Medicare would be cut by $167 billion over 6 years, Medicaid would be cut by $72 billion at the Federal level and some $250 billion in the States by the year 2002, with the change in the formulas which have been developed in this proposal.

Education will be cut $25 billion. Yesterday, I addressed the Senate on this issue, pointing out what a mistake this really is, when we find out that the number of children who are going to be going to the high schools in this country is going to increase by 8 percent. We are going to go up to about 53 or 54 million children in the next 2 years. The number of traditional college-age students will increase by 12 percent. As a result, even a current services budget is failing to adjust to those particular

new realities and the funding that is included in this budget fails by about $20 billion to even come close to it. This is in contrast to the President's program that continues our ongoing commitment in the field of education.

Under this Republican budget, the earned-income tax credit will be cut $18 billion. That is the tax credit which is available to working families, phased out at approximately $28,000 to $30,000, and principally available to working families with children. All of these cuts would be made in order to bestow a lavish windfall of $122 billion to $180 billion, as Mr. KASICH has pointed out in the House of Representatives, for tax breaks for the wealthiest individuals in the Nation.

Mr. President, 42 percent of the mandatory cuts in this misguided budget come from programs that help the neediest families and individuals in the Nation; 47 percent of the tax breaks will go to those making over $100,000 a year. Meanwhile, corporate special interests are not asked to ante up a single nickel. The corporate welfare part of our budget, which is expenditures which otherwise could be used for deficit reduction, will be over $4 trillion over the period of the next 7 years—$4 trillion. Yet there is not $1 of savings from tax expenditures in the Republican budget. There is not one expenditure that is out there in the Federal Tax Code that is being eliminated by the Republican budget program.

We hear so often about how we have too many programs, programs that do not work, and many of us have been trying to address that issue. We had a good program to try to deal with the proliferation of job training programs under an excellent bipartisan bill that Senator KASSEBAUM and I worked on. It passed the Senate overwhelmingly in this Congress. We still have hopes about that program. We have been consolidating health programs and consolidating education programs in the period of recent years. But we cannot find, in the Republican budget, 1 nickel to save from some inefficient tax expenditures that may be enticing American corporations to go overseas and take American jobs with them—not one.

The President's program has $40 billion in savings. It seems to me we ought to be able to go up even significantly above that proposal. But there is not one—not one—in the Republican program.

Medicare cuts are a prime example of the Republican priorities. They are no less devastating simply because they sound familiar. The Medicare cuts have not improved with age. Last year the Republican plan was a thinly veiled attack on the entire concept of Medicare. It was designed to cause Medicare to ''wither on the vine,'' in the words of Speaker GINGRICH, by forcing senior citizens to give up their family doctor and join the private insurance programs.

When Republicans took up the issues of Medicare cuts last year, they proposed to cut the program by $270 billion—three times more than the amount the Medicare trustees said was needed to protect the solvency of the trust fund.

You cannot listen to a speech on the floor of the U.S. Senate without our good Republican friends saying we have to pass this in order to deal with the potential bankruptcy of the trust fund. The fact is, they are cutting the Medicare Program three times the amount that the trustees say is necessary in order to protect the solvency of the trust funds.

This year, the Republicans are proposing to cut $167 billion from Medicare. By contrast, the President's plan cuts it $116 billion, 44 percent less. Yet it guarantees the Medicare solvency for a decade and funds Medicare at the level necessary to assure that quality care will be available for senior citizens when they need it.

Even worse, Republicans support an inflexible ceiling on Medicare spending. Consequently, if inflation is higher or medical needs are greater than anticipated, Medicare spending will not go up as it should, and many senior citizens will be out of luck and out of care.

The President's plan has the right savings and right priorities. It provides ample time for Congress and the administration to work together to find the longer run solutions we need to deal honestly with Medicare's problems and preserve the quality of health care for the elderly.

In fact, we can take many steps to reduce Medicare costs without cutting the quality of benefits, without raising premiums, but these steps are not what the Republicans are proposing.

Another false Republican argument in defense of their Medicare cuts is that the reductions are not really cuts, because the total amount of Medicare spending will continue to grow. That argument was addressed, I thought, very effectively by the ranking minority member of the Budget Committee, Senator EXON, last evening.

But every household in America knows that if the cost of your rent and the cost of your utilities and the cost of food go up and your income stays the same or goes up less rapidly, you have taken a real cut in your living standard, and that is what is at issue.

In my own State of Massachusetts, the number of frail elderly, those who are 85 years old, is going to double in the period of the next 5 years, let alone the total number of elderly that is going to grow. This is a real national phenomenon, a demographic phenomenon. We are blessed to have our parents with longer and extended lives, and to try and play shell games, in terms of the quality of care for our seniors, I think, is particularly unacceptable when we are balancing that with tax breaks for wealthy individuals.

Republicans speak of a cut in defense, when defense spending does not increase by enough to offset rising costs. Apparently, the same Republican logic does not apply to spending on Medicare that applies to spending on guns, tanks and other weapons. A cut is a cut is a cut, whether it is in Medicare, Social Security, or national defense.

Even more damaging than the loss of billions of dollars that Republicans would slash from Medicare is their attempt to turn it over to the private insurance industry. The Republican budget contains a number of changes to force senior citizens to give up their own doctors and join private insurance plans.

Once they are forced into these plans, senior citizens will be stripped of many of the protections they enjoy today—protections against overcharges by doctors and other health providers, what we call double billing. The doctors, rather than taking what is allocated to them under the Medicare Program, say, ''Pay in full.''

Under current law, the seniors are protected from paying additional kinds of costs, but there is no such requirement if they go into private health insurance. They could be billed once and then be charged again. That is a problem that is readily understood. We thought we addressed that in amendments that I and others had offered earlier on the budget resolution, but those protections were discarded in the conference.

There were protections against premium gouging and profiteering by insurance companies, protection of their right to keep their own family doctor and go to the specialist of their choice.

Republicans claim they want to offer senior citizens a choice, but this is a choice no senior citizen should be forced to make.

I offered a sense-of-the-Congress resolution that was adopted by the full Senate stating that reconciliation should not include proposals to eliminate these protections. It specifically reaffirmed that private insurance plans should be prohibited from leveling premium surcharges for basic Medicare services, and the doctors should not be allowed to strap on extra charges to seniors participating in such plans. That proposal was dropped by the Republicans in the House-Senate conference. The Republican assault on Medicare is painfully clear, and the American people will never support this anti-elderly special interest agenda.

Republicans deny that their Medicare cuts will fund tax breaks for the wealthy. This time the leopard claims that it really has changed its spots, but the Republican budget clearly anticipates $60 billion in revenue increases from tax extenders and closing of selected corporate loopholes in order to fund $60 billion in new taxes for the undeserving rich. Without those lavish tax breaks, they would not need to cut Medicare by $167 billion. The Medicare trust fund should not be a slush fund for tax breaks for the rich.

There are appropriate ways to reduce Medicare spending and improve the

quality at the same time. Mr. President, we have had extensive hearings in this body, chaired by our friend and colleague Senator HARKIN, that has reviewed in very careful detail the billions of dollars that can be saved under Medicare by dealing more effectively with fraud and abuse. We can save tens of billions of dollars from unnecessary hospitalization—20 to 30 percent of hospitalizations are unnecessary—by trying to provide preventive services to keep the seniors at home or in a setting so they can be treated with good quality care in less costly settings.

We are talking about tens of billions of dollars that can be saved from avoiding adverse drug reaction. When our seniors are taking prescription drugs which are in conflict with each other and cause new illness and sickness, there are ways of dealing with this issue that can save the seniors enormous distress and pain and sickness and illness and plus save our system billions of dollars. But we have not even attempted to consider any of these items in this program.

The harsh cuts in Medicare contained in the Republican budget are a repudiation of our historic commitment to Social Security, because the distinction between Medicare and Social Security is a false one.

Medicare is part of the same compact between the Government and the people as Social Security. The compact says, ''Contribute during your working years, and we will guarantee basic income and health security in your retirement years.''

No budget plan that purports to be part of a Contract With America should break America's contract with the elderly. It is bad enough to propose these deep cuts in Medicare at all. It is even worse to make these cuts in order to pay for an undeserved, unneeded tax break for the wealthiest Americans.

We do not have to destroy Medicare in order to save it. Congress will never allow the Medicare trust fund to become bankrupt. I know that. The American people know it. It is time for Republicans to stop raiding Medicare, and join in sensible steps to improve and strengthen it for the future.

Mr. President, I appreciate the opportunity to address the Senate. I yield the floor.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate will now stand adjourned until tomorrow at 10 o'clock.

Thereupon, the Senate, at 5:30 p.m., adjourned until Thursday, June 13, 1996, at 10 a.m.